

File No. 230728

Committee Item No. 3

Board Item No. \_\_\_\_\_

## COMMITTEE/BOARD OF SUPERVISORS

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Date: November 2, 2023

Board of Supervisors Meeting:

Date: \_\_\_\_\_

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- \_\_\_\_\_

Prepared by: Stephanie Cabrera

Date: October 26, 2023

Prepared by: \_\_\_\_\_

Date: \_\_\_\_\_

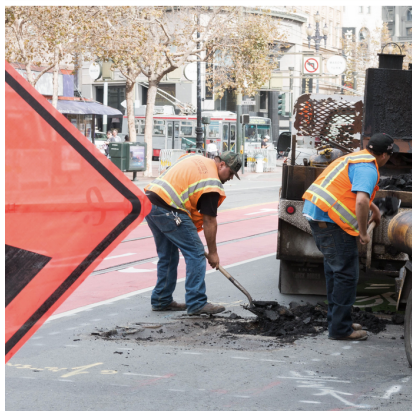
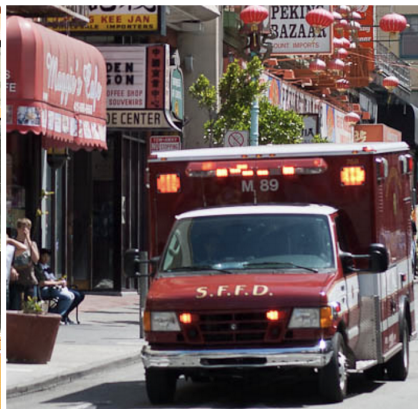
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# Time to Get to Work

## San Francisco's Hiring Crisis

June 21, 2023



**CITY AND COUNTY OF SAN FRANCISCO**

**2022–2023 CIVIL GRAND JURY**

## About the San Francisco Civil Grand Jury

The Civil Grand Jury is a government oversight panel of volunteers who serve for one year. It makes findings and recommendations based on its investigations. Reports of the Civil Grand Jury do not identify individuals by name, and disclosure of information about individuals interviewed by the Jury is prohibited.

—California Penal Code §929

### 2022–2023 Civil Grand Jurors\*

Karen Kennard Foreperson

Pierre Andrada

Richard E. Bogan

Robert J. Chansler

Jonathan E. Cowperthwait

Stan Feinsod

Lorna Hill

Laurance Lem Lee

Peter J. Logan

Marvin D. Norman

Byron Norris

Rick Ohlrich

Mijung Park

Matthew Rhoa

Barbara Savitz

Pauline Soffa

Marc Uscilka

Elwyn Wong

Marina Yu

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\* This report is issued by the Grand Jury with the exception of one juror who was recused because of a current or recent connection with the Department of Public Health and Zuckerberg SF General Hospital. This grand juror was excluded from all parts of the investigation, discussion, and deliberations related to this report, and from the writing and approval of the report.

# Summary

The City and County of San Francisco is in the midst of an unprecedented hiring crisis. The number of vacant permanent positions has more than doubled since the start of the 2020 pandemic.

The effects of understaffed critical City services are everywhere:

- MUNI is running fewer buses, increasing passenger wait times.
- 911 call center answering time has increased and police response time has slowed, jeopardizing San Franciscans' safety.
- Hospital capacity consistently exceeds staffing limits, resulting in diverted ambulances and reduced levels of care.

The San Francisco Civil Grand Jury sought to understand how this happened. With the global pandemic in 2020, City hiring shut down completely. But as San Francisco recovers from the pandemic, many factors have prevented the City's hiring from recovering at the same rate.

We asked, "What is stopping San Francisco from getting back to work?" In our investigation, we learned that the increase in the number of vacant jobs is largely due to the City's long hiring timeline coupled with challenges in recruiting and retaining a shrinking workforce. The COVID-19 pandemic and rapid changes in city staffing needs brought these methods into the public eye.

The Jury found that current hiring initiatives aren't doing enough to fill critical vacant jobs, and further action must be taken to address the hiring crisis' myriad root causes. The City's attempts to speed up hiring and improve retention have been limited by a lack of data about the hiring process, including key measurements like "time-to-hire." These baseline measurements are crucial to improving the City's

hiring process and reversing worrisome trends, especially in the Department of Public Health.

To dramatically shorten the hiring timeline and recruit and retain critical service jobs, the Jury recommends that the City immediately establish hiring plans for these vacant positions and invest in significant, long-term improvements to the hiring process. The City must supplement these with efforts to improve employee retention.

Finally, by collecting data that measures hiring timelines and outcomes, the City can improve transparency into its hiring process to enable human resources professionals and hiring managers to work together with applicants, labor partners, and the public to get San Francisco back to work.

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# Introduction

We see front page headlines documenting the effects of understaffed critical City services:

- MUNI is running fewer buses, increasing passenger wait times;<sup>1</sup>
- 911 call center answering time has increased and police response time has slowed, jeopardizing San Franciscans' safety;<sup>2</sup>
- Hospital capacity consistently exceeds staffing limits, resulting in diverted ambulances and reduced levels of care.<sup>3</sup>

The City and County of San Francisco is in the midst of an unprecedented hiring crisis. Poor hiring has led to a record number of vacant City jobs: the number of vacant permanent positions has doubled since the start of the 2020 pandemic.

Stirred by media reports of high vacancy rates and 255-day<sup>4</sup> hiring timelines, the San Francisco Civil Grand Jury sought to understand how the City arrived at this crisis. It's easy—and incomplete—to note that at the pandemic's onset, the City briefly shut down hiring altogether. But as San Francisco recovers from the pandemic, persistent factors have prevented the City's hiring from recovering, too.

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<sup>1</sup> Flores, Jessica, "[Delays Hit More Than 20 S.F. Muni Lines. Here's What Was Going On](#)," *San Francisco Chronicle*, February 1, 2022.

<sup>2</sup> Moench, Mallory, and Jenny Kwon, "[S.F.'s 911 Dispatch Struggling Amid Staff Shortage: 'We are Bleeding.'](#)" *San Francisco Chronicle*, December 9, 2022. Moench, Mallory, "[Some S.F. Policing Activity Lower Per Officer Despite Fewer 911 Calls.](#)" *San Francisco Chronicle*, March 22, 2023.

<sup>3</sup> Moench, Mallory, "[SF's Only Trauma Center in General Hospital Severely Understaffed.](#)" *San Francisco Chronicle*, December 16, 2022.

<sup>4</sup> Jarrett, Will, "['Can't take it no more': city employees march against low staffing.](#)" *Mission Local*, March 23, 2022. Moench, Mallory, "[S.F. takes 255 days to hire a city worker. Here's How Officials Plan to Fix the Bureaucracy in the Way.](#)" *San Francisco Chronicle*, October 18, 2022.



We asked, “What is stopping San Francisco from getting back to work?” What deeper problems does the City’s high number of vacant jobs reveal? We spoke to City leaders, human resources professionals, and workers to focus on the causes and consequences of so many vacant jobs.

In our investigation, we learned that the increase in the number of vacant jobs is largely due to the City’s long hiring timeline, coupled with challenges in recruiting and retaining a shrinking workforce.

We learned that understaffing results in failing city services and expensive overtime. Vacancies in positions that support hiring activities, like HR analysts and fingerprint technicians, worsen hiring.

Furthermore, lengthy time-to-hire, low compensation in hard-to-fill occupations, and the City’s remote work policies prevent the City from competing with the private sector for recruitment and retention.

The Jury found City leaders working to address the hiring crisis. It’s unclear, however, whether the initiatives currently underway will create the effective changes the City desperately needs.

Our report proposes a set of recommendations that will help critical City services recover from the hiring crisis while delivering better staffing outcomes as San Francisco moves forward.

We aim to shed light on an essential component of City government that must be improved if any future City improvements are to take hold.

# Background

## Vacant Jobs Have Doubled Since the Pandemic

The Jury found that since the pandemic, the number of vacant City jobs has been unacceptably high. *Figure 1* shows the total number of permanent vacant jobs doubling over the past 5 years.

Figure 1: Citywide Vacant Jobs by Year<sup>5</sup>

Fiscal Year	Budgeted Jobs	Vacant Jobs	Vacancy Rate
2019	32,855	2,230	6.8%
2020	33,468	2,328	7.0%
2021	33,307	2,990	9.0%
2022	33,808	3,808	11.3%
2023	35,088	4,793	13.7%

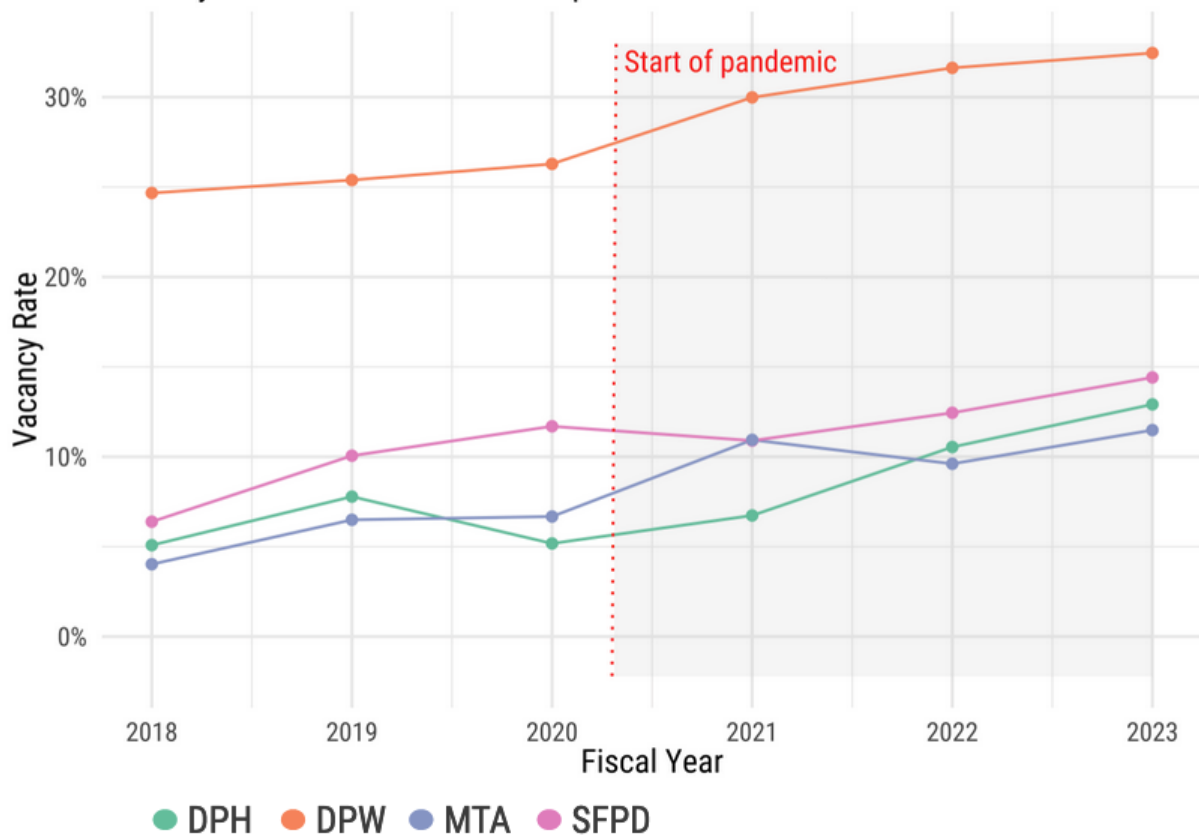
*Budgeted Jobs* in the table above are permanent positions approved in a department’s yearly budget, excluding temporary positions. *Vacant Jobs* are the total number of permanent, budgeted jobs that have not been filled in that fiscal year. *Vacancy Rate* is the percentage of budgeted permanent jobs that are vacant in that fiscal year.

<sup>5</sup> SF Department of Human Resources, *Vacant FTE by Department*, generated from PeopleSoft, December 2, 2022. San Francisco’s citywide vacancy rate is 13.7% for permanent jobs in 2023. If the vacancy calculation included jobs held by temporary employees—as is often the case in media reports—the vacancy rate would be 9.4%.

## Vacancies Have Increased in Critical Service Areas

Vacancy rates are especially high in departments that provide critical City services, such as the Department of Public Health (DPH), Department of Public Works (DPW), SF Police Department (SFPD), and Municipal Transit Authority (MTA). *Figure 2* shows that vacancy rates have risen for these critical service departments from the start of the COVID-19 pandemic in March 2020 to April 2023.

Figure 2: Vacancy Rates for Critical Service Departments<sup>6</sup>



<sup>6</sup> Office of the Controller, *Vacant FTE by Department*, generated from PeopleSoft, April 18, 2023.

## Critical Service Outcomes Have Gotten Worse

The Jury found that, since the pandemic, crucial City services have been deteriorating. According to the City Controller's monthly reporting,<sup>7</sup> since the beginning of the pandemic:

- Police response times have increased an average of 30%–88%;
- The reliability of MUNI buses has decreased by 29%;
- Zuckerberg San Francisco General Hospital (ZSFG)'s ambulance diversion rate has increased from 34% to 58%;<sup>8</sup> and
- 20% fewer 911 calls are answered within 15 seconds.

## The City Hasn't Fully Recovered from Our Pandemic Hiring Freeze

The 2020 COVID-19 pandemic was devastating to hiring, both globally and locally. The economic downturn triggered by the nationwide lockdown affected hiring for employers in both the private sector and the public sector—no industry was spared.

In the first year of the pandemic, the City instituted a hard hiring freeze that lasted more than seven months.<sup>9</sup> Various Human Resources operations, including recruiting and candidate testing, ground to a halt and the City's hiring pipelines ran dry. The City resorted to hiring more temporary workers as a workaround. As one might expect, the freeze increased the number of vacant City jobs. Employees continued to leave City service, but fewer new hires replaced them.

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<sup>7</sup> Controller's Office, *City Performance Scorecards*. The City categorizes police response times with 3 priority levels: Highest Priority A response time has increased by 30%, Priority B by 88% and lowest Priority C by 53%. Municipal Transit Authority, *MUNI mean distance between failure*.

<sup>8</sup> ZSFG Joint Conference Committee of the SF Health Commission, *Hospital Operations & Patient Care Report*, March 22, 2022.

<sup>9</sup> Office of the Mayor, *Forty-Eighth Supplement to Mayoral Proclamation Declaring the Existence of a Local Emergency Dated February 25, 2020*, May, 19, 2022.

Two years later, City departments still reckon with vacancies traced to this hiring freeze. Difficulties and delays in restarting key recruiting and retention operations have lengthened the time it is taking the City to recover.

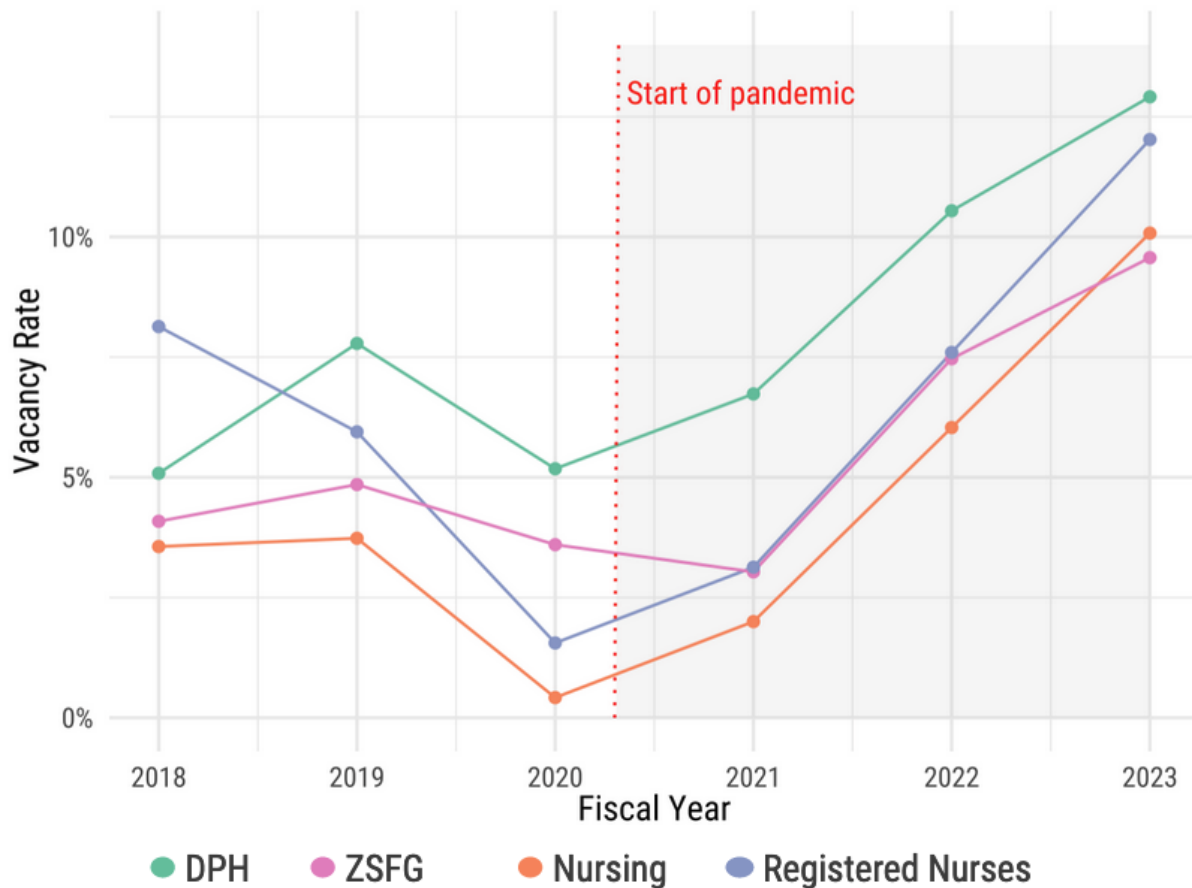
## **DPH Has the Highest Number of Vacant Jobs**

As a case study, the Jury looked at the largest City department, which also has the highest number of vacant jobs: the Department of Public Health. As of December 2022, DPH, which includes ZSFG, accounts for 1,000 vacant jobs out of the City's roughly 4,700 permanent vacancies. More than 25% of those open positions were in nursing.

### **Vacant Nursing Jobs at ZSFG are Increasing**

Vacancy rates at ZSFG and for nursing positions in general were relatively low before the start of the pandemic, as shown in *Figure 3*.

Figure 3: Vacancy Rates at the Department of Public Health<sup>10</sup>



However, since 2020, while DPH’s vacancy rate has more than doubled, ZSFG’s vacancy rate has tripled, and the vacancy rate for registered nurses has increased nearly *eight-fold*, from 1.5% in 2020 to 12% in 2023.

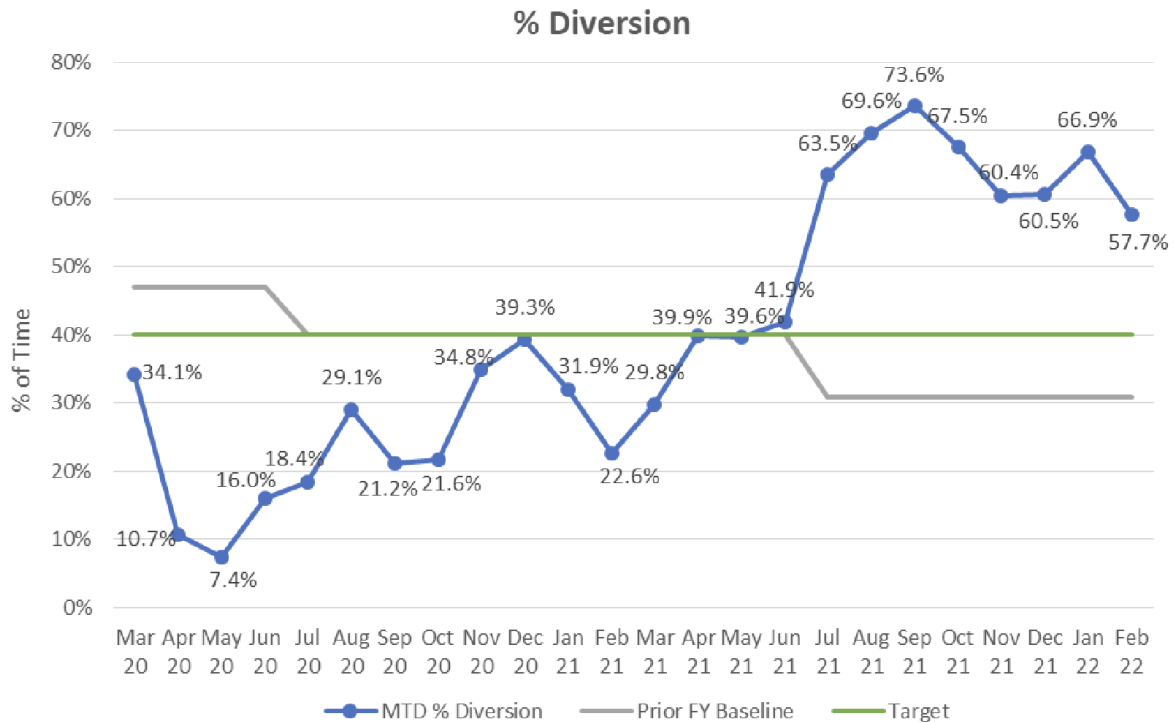
### Service Levels at ZSFG are Worsening

The Jury next looked at service outcomes at ZSFG. When the Hospital is understaffed, patients experience longer wait times and ambulances are rerouted to other hospitals because ZSFG cannot accommodate new patients because of staffing shortages. In *Figure 4*, we used ambulance diversion rates to represent service levels at ZSFG. Since

<sup>10</sup> City Controller, *Vacant FTE by Department*.

March 2020, ZSFG’s diversion rate has increased by nearly three quarters over two years—and more than doubled between March 2020 and September 2021.

Figure 4: ZSFG Diversion Rates<sup>11</sup>



In our investigation, the Jury was able to confirm that as City vacancy rates increased, critical service outcomes decreased, the substance of which is described in this report.

<sup>11</sup> ZSFG JCC, *Hospital Operations & Patient Care Report*.

# Causes of High Vacancies

The Jury found the following reasons that the number of vacant jobs is increasing:

1. The City takes too long to hire;
2. City recruiting and retention is difficult; and
3. Demand for critical City services outpaces City hiring.

This report examines each reason in detail.

## The City Takes Too Long To Hire

The median time it takes the City to fill a job is 255 days, more than three times the reported time-to-hire<sup>12</sup> of neighboring San Mateo County.<sup>13</sup> Applicants cannot wait months to be hired—they often accept other positions before they can receive an offer from the City.

To learn why the hiring timeline is so long, the Jury looked into the City’s complex hiring process.

## The City’s Hiring Process Is Complex

The City’s hiring process is governed by a complicated set of rules, regulations, ordinances, and policies; these include four volumes of civil service rules, Department of Human Resources (DHR) workflows, and some 32 negotiated memoranda of understanding (MOUs) with public employee labor unions.

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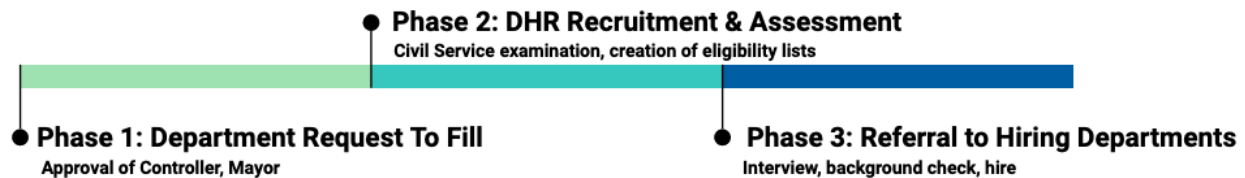
<sup>12</sup> Time-to-hire is the number of days from the initial department request to fill a position to the final hiring of the applicant.

<sup>13</sup> Moench, “SF's Only Trauma Center in General Hospital Severely Understaffed.”



The Jury learned that hiring City workers can require more than 50 steps. A simplified chart of the three phases of the hiring process can be seen in *Figure 5*.

Figure 5: Phases of the City Hiring Process



The City’s hiring process for permanent civil service employees consists of three major phases: (1) request, (2) recruitment and (3) referral.

In the first phase, a City department files a request to fill a vacant, budgeted position. This request requires approval from DHR and the Mayor, which is usually automatic.

In the second phase, DHR conducts recruiting for this position with a job posting and assesses applicants after administering a civil service examination. The results of this exam are used to create a list of eligible candidates, called an “eligible list,” which must be certified before advancing to the next phase.

Finally, during the third phase, the hiring department interviews, selects, and hires an eligible candidate from the eligible list—subject to passing background checks and any required medical examinations.

This is an oversimplification of a lengthy and complex process that can differ widely across departments and job classifications.

### The City’s Hiring Process Is Opaque

The City’s hiring process is notoriously opaque. From budgeting to hiring to job separation rates, the metrics that could shed light on important aspects of the staffing process are not readily available. For both HR analysts and hiring departments, it’s

difficult to understand the hiring process—to figure out where it’s slow, why it’s slow and how to fix it.

## Bottlenecks Can Add Time To The Hiring Process

Often, multiple bottlenecks add days or weeks to the hiring timeline.

First, in some cases, requests to fill certain budgeted positions require approval from the Mayor’s office before recruiting can begin. These cases have taken an average of 22 days.<sup>14</sup>

Second, civil service rules—a set of personnel regulations for city jobs—require minimum posting times and a minimum number of eligible candidates to fill eligible lists. Most hiring decisions can be appealed to the Civil Service Commission, which potentially lengthens the hiring process.

Third, City requirements for fingerprinting, background checks, and even medical exams (as required for some positions) all add their own delays to the final phase of the hiring timeline.

Fourth, as subject matter experts, department hiring managers are a vital component of the hiring process: they are needed to develop civil service examinations—especially for newly created positions—and interview and select new employees. This requires carving out time from their day-to-day responsibilities for tasks such as filling out long hiring forms, which may further slow the hiring process.

Finally, while the City is implementing some processes to work in parallel, many positions aren’t even recruited until they become vacant—even when there are workers with impending retirements. This poor planning means that the hiring timeline typically doesn’t even start until the need for a position is immediate.

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<sup>14</sup> One example of a time-consuming step is when a position requires modifying a job specification to include a dual language speaker.

## Vacancies in Human Resources Slow Down Hiring

The Jury discovered that the Department of Human Resources itself and HR divisions in City departments have been acutely understaffed. When key City hiring functions incur high vacancy rates, deficiencies in effective service delivery become all too evident.

With a departmental vacancy rate of over 20% in the number of permanent full-time employees, DHR is hampered in fulfilling its duty to provide crucial and timely support to other city departments during the hiring process. This delays the review of applications, and key onboarding steps, such as fingerprinting and background checks.

Without enough staffers to perform these duties, departments across the City are known to poach HR employees from one another. These lateral moves further increase time-to-hire because each time they change jobs, these staffers must receive training on their new department's classifications and minimum qualifications.

## Classifications and Minimum Qualifications

The City has reduced its number of job classifications in the past, but San Francisco still boasts over 1,000 unique job classifications for 35,000 employees. Each classification has its own set of minimum qualifications (MQs) for applicants. The process of validating each applicant's precise MQs produces time-consuming work for risk-averse HR analysts who verify applicant MQs with care, lest they trigger a civil service appeal during the selection process. This administrative burden increases time-to-hire.

## City Recruiting and Retention Are Difficult

The harder it is for the City to recruit for vacant jobs, the longer jobs stay vacant. The City's recruiting and staff retention efforts cannot keep up with workforce separations. Recruiting and retention are challenging for the City because:

- Private sector businesses are competing for the same workers in hard-to-fill occupations;
- The City's hiring process is not transparent to candidates;
- The larger labor pool market is relatively tight/regional unemployment rates are low;<sup>15</sup> and
- The Bay Area is an expensive place in which to live.<sup>16</sup>

### Private Sector Businesses Are Competing for the Same Workers

It's challenging for the City to compete with private sector employers, particularly in hard-to-fill positions such as information technology, because the City does not offer as competitive a salary for those jobs in a tight labor market.<sup>17</sup>

The City's main competitors for nursing talent are private hospitals, which can offer faster hiring and bigger hiring bonuses to new nurses. When applicants do not receive an immediate response from the City, they're inclined to accept lucrative offers elsewhere.

Additionally, at the onset of the COVID-19 pandemic, many private employers that did not require front-line face-to-face interaction with customers allowed their

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<sup>15</sup> U.S Bureau of Labor Statistics, *Economy at a Glance: San Francisco-Oakland-Fremont, CA*.

<sup>16</sup> Economist Intelligence Unit, *Worldwide Cost of Living 2022*.

<sup>17</sup> The City Charter also may affect pay for some workers. For example, the City Charter specifically prohibits nurses from being paid more than the highest prevailing salaries offered by regional hospitals. San Francisco City Charter, *Appendix A § A8.403 Compensation for Registered Nurse Classifications*.

employees to work fully remotely. The City has a partial remote-work policy for some administrative positions, but it does not allow fully remote work.

Finally, private sector employers are allowed to hire more quickly because they are subject to fewer hiring regulations that prevent nepotism and favoritism. However, these worker protections are key features of the civil service system. This puts the City at a disadvantage for which there is no easy remedy. City regulations that promote meritocracy and a diverse and inclusive workforce are admittedly desirable and necessary.

### The Hiring Process Is Not Transparent to Candidates

When candidates apply to the City, they are often not immediately contacted and have no way of confirming their applicant status. Without knowing where they are in the hiring process, some applicants drop out of the process.

### Regional Unemployment Rates Are Low

The Bay Area has had a historically low unemployment rate<sup>18</sup> since 2022, while the nationwide “Great Resignation” has led to workforce shortages in both the public and private sectors.

### The Bay Area Is an Expensive Place to Live

The Bay Area’s high housing and living costs have long complicated efforts to hire and retain workers in San Francisco, especially in lower paid City positions. Workers seeking City employment require higher salaries to offset higher costs and longer commutes when housing within San Francisco is prohibitive.

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<sup>18</sup> BLS, *Economy at a Glance: San Francisco-Oakland-Fremont, CA*. Before COVID-19, the Bay Area’s unemployment rate hovered around 3%. After a pandemic spike to 13%, by early 2022, the rate returned to around 3%, where it has stayed.

## Workers are Leaving City Employment

As the workforce leaves, vacant positions are created.

### Workers Are Retiring

Although this phenomenon was acknowledged by the City as early as 2005, this demographic crisis is exacerbating San Francisco's struggles to hire and retain workers. A record amount of San Francisco's workforce is approaching retirement age: 40% of the City's workforce is above 50 years old.<sup>19</sup> In the face of this impending record rate of departures, San Francisco's retiring workforce simply is not being refreshed by enough new hires to keep pace.

### Non-Retirement Separations Have Increased

In addition to retirements, non-retirement separations have increased since the pandemic.<sup>20</sup> This is especially notable as the total workforce has dropped in absolute numbers since Fiscal Year 2019–2020.

These trends indicate a workforce that is leaving City employment—for reasons that could include cheaper housing, a shorter commute, higher salary in the private sector, or a career change. It's difficult to improve retention without an adequate understanding of these reasons, which would require conducting surveys for the City's non-retirement separations. Nevertheless, it is clear from DHR reports that the City's pace of hiring is unable to keep up with increasing separation rates.

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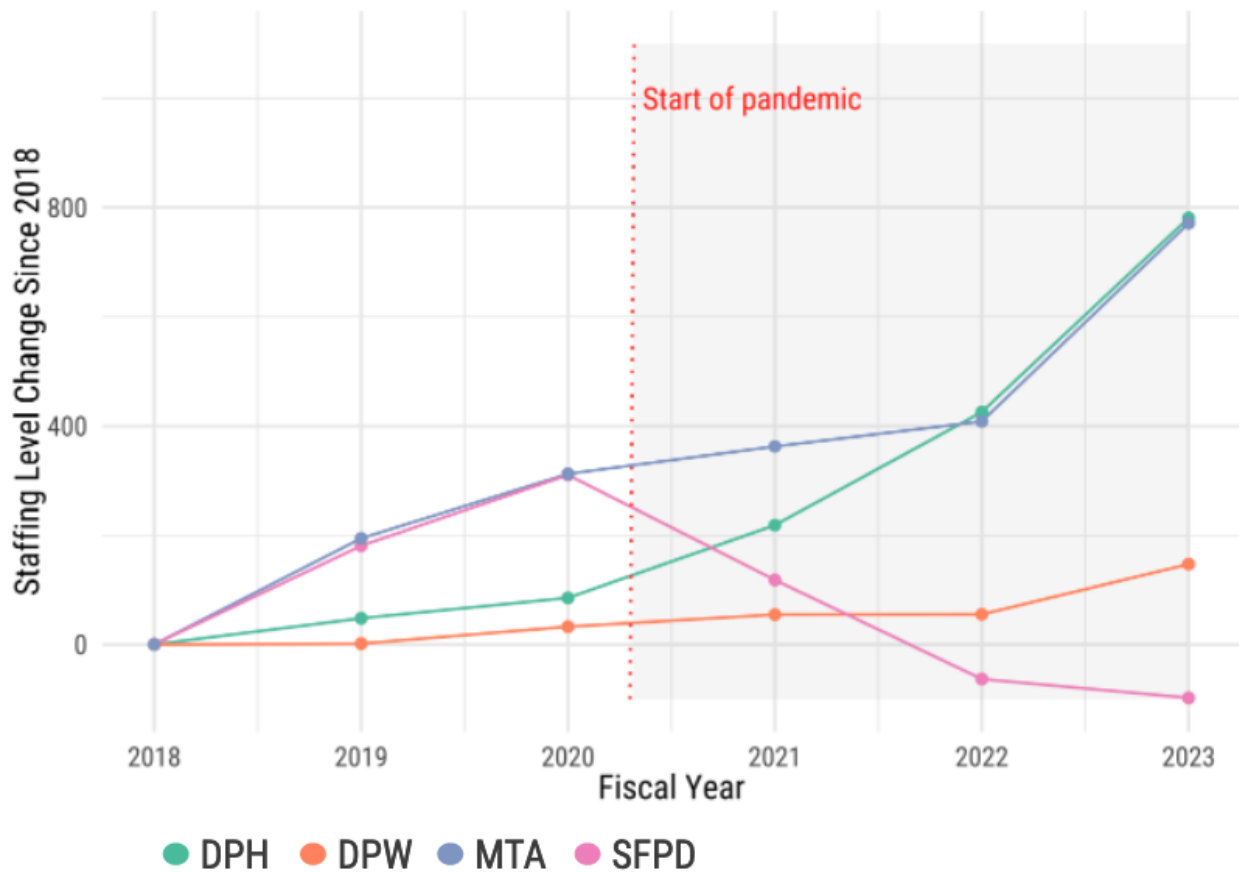
<sup>19</sup> DHR, *Citywide Workforce Demographics: Age And Gender*.

<sup>20</sup> DHR, *Non-Retirement Separations*, generated from PeopleSoft, April 12, 2023. Total filled positions declined from 33,696 in 2020 to 32,506 in 2022

## Demand for Critical City Services is Increasing

One can fairly correlate increased hiring in a particular department to increased service delivery needs. Since 2020, the City’s critical service departments have addressed increased demand for vital services by increasing staffing budgets. Creating these newly budgeted positions instantly creates new vacancies to fill. *Figure 6* shows permanent positions added to critical service departments’ annual budget since 2018.

Figure 6: Staffing Level Changes for Critical Service Departments<sup>21</sup>



Since the start of the COVID-19 pandemic, DPH has added nearly 800 new permanent positions. But as noted earlier, DPH has more than 1,000 vacancies to fill.

<sup>21</sup> City Controller, *Vacant FTE by Department*. Note the net decrease in SFPD staffing levels.

Additionally, DPH has new initiatives in mental health and substance abuse services whose implementation has stalled because of vacant positions. The vacancy crisis does not just affect the City's existing services, but also the expanded services the City would like to provide.



# The City's Response to High Vacancies

The Jury investigated the City's response to high vacancy rates: what decisions have been made to try and address them? We explored the following:

- Increased use of overtime;
- Use of temporary workers;
- Past hiring reforms, including changes to the Civil Service Commission's role in shaping the hiring process;
- Current hiring initiatives within the Department of Human Resources; and
- The role of public employee unions.

## Increased Use of Overtime

When the City's vacancy rate increases, overtime tends to increase, particularly in critical services.

If a department is not able to hire workers to fill budgeted positions, but has required service targets, they look for a workaround to provide the same services. Departments may use money from vacant positions' budgeted salaries to pay for additional staff overtime.

During Covid, when ZSFG was short-staffed, workers sometimes were required to take mandatory overtime for up to seven and a half hours past an eight-hour shift. Some City employees may welcome overtime and its increased wages, but in the nursing profession it is widely acknowledged that this leads to employee burnout and retention challenges.<sup>22</sup>

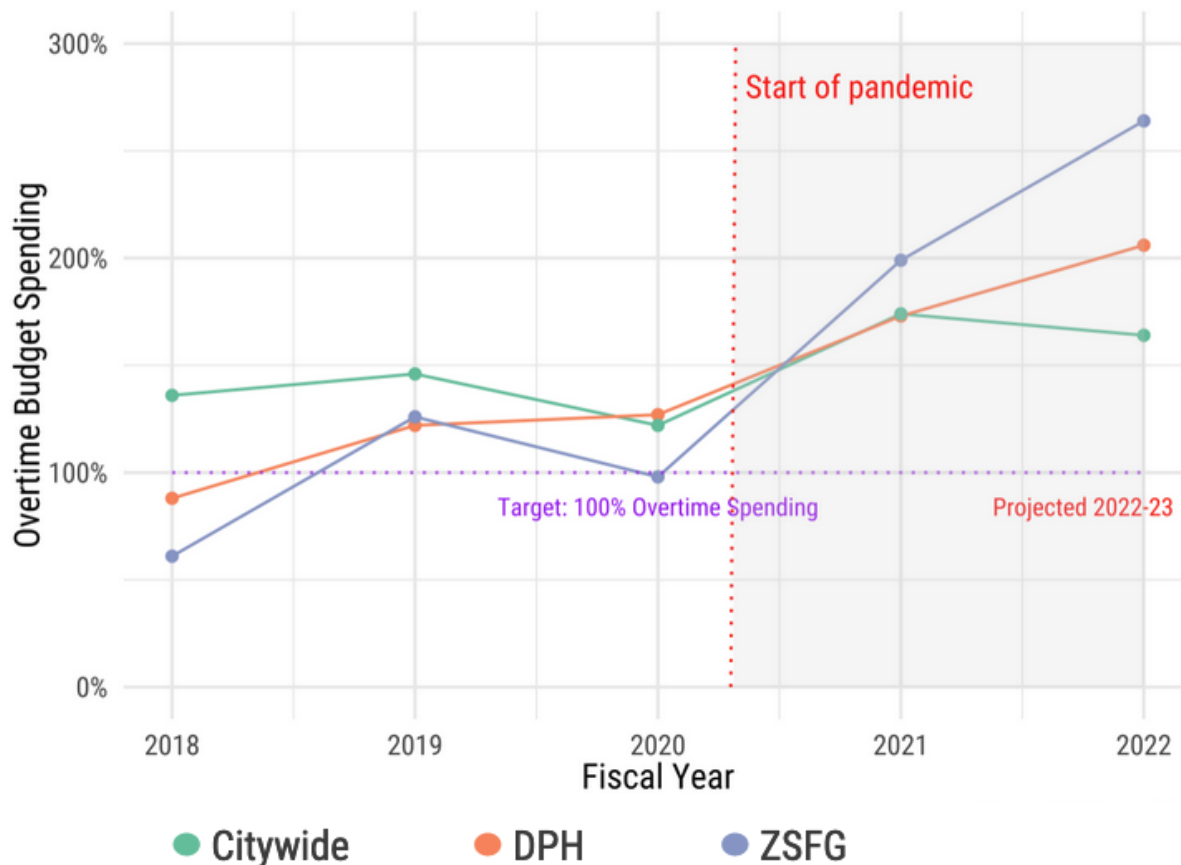
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<sup>22</sup> Moench, "SF's Only Trauma Center in General Hospital Severely Understaffed."

Like all hospitals, ZSFG draws from a pool of on-call and back-up contract nurses to cover shortages. However, staffing needs, particularly during COVID-19, have often required overtime from nurses already at work that day. ZSFG management has regularly faced the need to close emergency beds and divert ambulances to other hospitals to avoid incurring mandatory overtime.

*Figure 7* shows the increase in DPH's and ZSFG's reliance upon overtime, even as the Citywide total of overtime spending is slightly trending down.

Figure 7: Overtime Budget Spending at DPH and ZSFG<sup>23</sup>



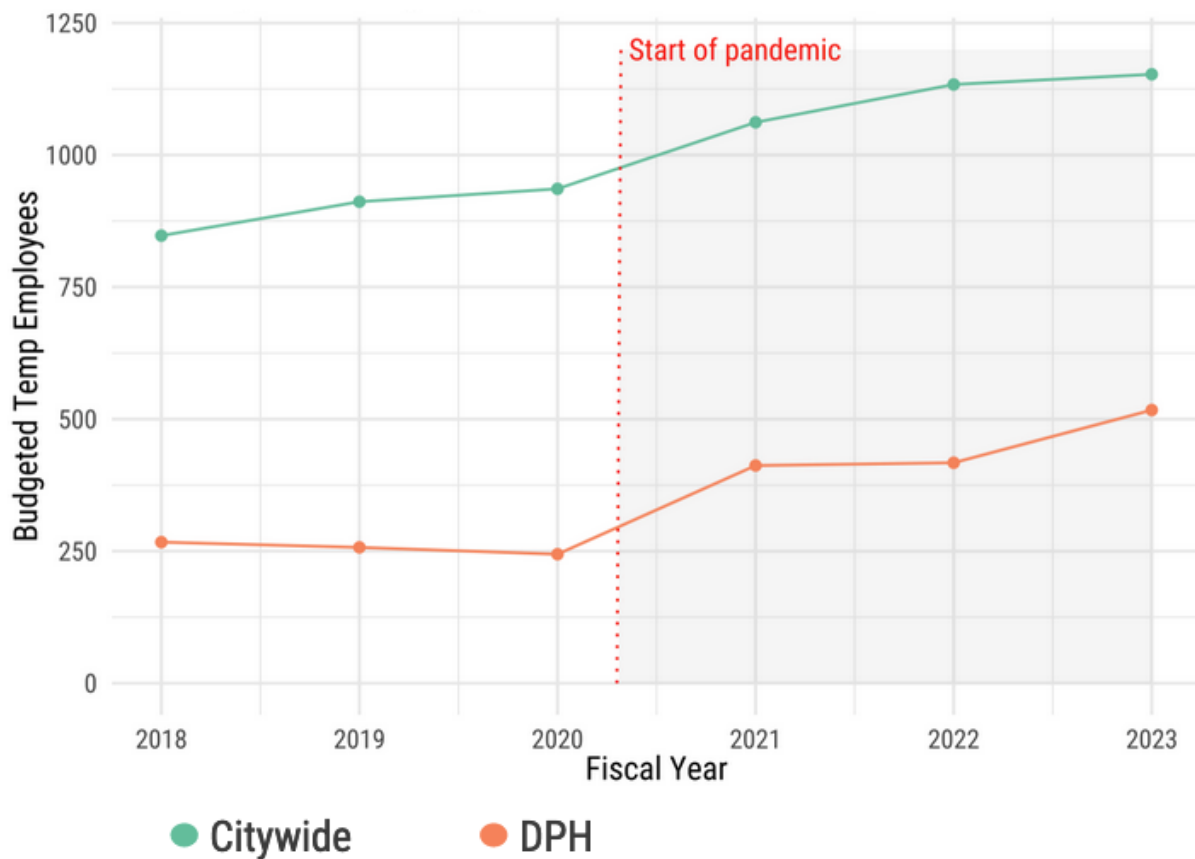
### Increased Use of Temporary Workers

As vacancies increase and hiring permanent employees remains slow, the City has resorted to hiring more temporary workers. This was particularly evident during the City’s COVID-19 shutdown of testing centers for new permanent workers. For example, ZSFG relied heavily on a cadre of temporary and traveling nurses.

Figure 8 shows that Citywide budgeting for temporary employees has increased since the pandemic, doubling the number of temporary workers at DPH.

<sup>23</sup> DHR, *Overtime Budget Spending by Department*, generated from PeopleSoft, April 12, 2023.

Figure 8: Temporary Employee Budgeting for DPH<sup>24</sup>



One way that departments pay for these temporary roles is by budgeting for permanent positions that will not be filled. Known as “use it or lose it budgeting,” departments keep vacant positions in their budgets—and spend allocated funds on temporary workers instead.

Early in the COVID-19 pandemic, in an attempt to rapidly provide critical services, some City departments hired temporary workers who could work for up to three years without the job protections afforded to Permanent Civil Service (PCS) workers.

These at-will employees, also known as *temporary exempt* workers,<sup>25</sup> can be fired at any time without much recourse—a precarious situation. In addition, these workers’

<sup>24</sup> City Controller, *Vacant FTE by Department*.

<sup>25</sup> DHR, *Position Types*.

short tenures mean they do not perpetuate the important institutional knowledge often necessary for departments' functioning.

In response to these issues, public employee labor unions have called for limiting the number of temporary exempt employees that the City can hire and convert to permanent.

## Past Hiring Reforms

The City's attempts to improve hiring go back decades. Over the years, incremental changes to the City's hiring system often have focused on streamlining the hiring process, while reforms focused on other aspects of hiring, such as merit or diversity, have sometimes had the opposite effect.

### Trying to Improve Time-to-Hire

A 1996–97 Civil Grand Jury report on hiring included a quote from a City official that still resonates. The City's hiring process was described as “incredibly cumbersome,” such that the timeframe to process an applicant “was so long that most qualified applicants were likely to have found and taken other positions long before San Francisco concluded its process.”<sup>26</sup>

The following year's Jury found “chronic understaffing in many departments and agencies,” “hiring rates that [did] not equal expected attrition rates,” “unrealistic budget practices and policies including conscious ‘underfunding,’” and labor agreements that “stifle modernization and cost efficiency.”

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<sup>26</sup> San Francisco Civil Grand Jury 1996–1997, *The Hiring Process in the City and County of San Francisco*. This quote was from Allan Jacob, former Director of City Planning, writing in 1979.

That Jury’s recommendations for change included developing more “realistic” hiring plans, streamlining civil service processes, and funding technological solutions for tracking the hiring process.<sup>27</sup>

We note with dismay that in the quarter century following those Jury reports, the City’s hiring challenges have not only persisted, but worsened.

## Changes to Civil Service Rules

The Civil Service Commission (CSC), an oversight body made up of five Mayoral appointees appointed to six-year terms, oversees the City’s merit system of hiring. Their purview includes public job postings, examinations, certifying and notifying a list of eligible applicants for each job, and appeal hearings.

Initially a set of anti-corruption measures intended to confront nepotism and cronyism, civil service rules have grown to protect public sector employees with a system that aims to ensure that workers are recruited, employed, promoted, and retained on the basis of merit. Over time, these rules have expanded to ensure that the City meets its diversity and inclusion goals.

In 1991, San Francisco voters passed Proposition C, a charter amendment to modernize the civil service system. Prop C shifted civil service rules out of the Charter so that rules governing City employment could be more easily modified. The City’s hiring process could now be amended by the Civil Service Commission’s adoption of “rule changes” without needing to pass a charter amendment at the ballot box.

In the wake of Prop C, the Civil Service Commission provided key transparency processes, most notably public meetings and a “meet and confer”<sup>28</sup> process with public employee unions to negotiate rule changes.

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<sup>27</sup> San Francisco Civil Grand Jury 1997–1998, *Overtime*.

<sup>28</sup> “Meet and confer” is the process of making and exchanging proposals in an attempt to reach agreement between labor and management.

## Creation of Department of Human Resources

Prior to 1993, no single City department handled all personnel matters. This changed when voters passed Proposition L, which created DHR. Overseen by the CSC, DHR is the City department responsible for administration of personnel matters. The Charter amendment centralized certain processes, most notably, labor negotiations and the city's merit system of hiring, within one Charter department.<sup>29</sup>

## Other Reports on Hiring

The topic of the City's hiring challenges is far from new. In the past quarter century, numerous reports have featured recommendations to improve City hiring. In addition to Civil Grand Jury reports from 1997, 1998, and 2011,<sup>30</sup> we reviewed reports in 2005 from both DHR and SPUR,<sup>31</sup> and a 2015 City Controller's analysis.<sup>32</sup>

The 2005 DHR report revealed that it could take longer than 12 months to fill a vacant permanent role. Concurrently, SPUR suggested that shortening the City's hiring process was so important that DHR ought to shift from a centralized agency to one that focused on providing support, resources, and information to HR divisions in City departments.

In the wake of these reports, 2011's Civil Grand Jury praised DHR changes that targeted a goal of 60 days from when a job exam was announced to when departments received a list of eligible candidates.<sup>33</sup> This 60-day duration did not include the period

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<sup>29</sup> Subsequently, 2004's Proposition C moved City health benefit services back out of DHR.

<sup>30</sup> SF Civil Grand Jury 1996–1997, *Hiring Process*. San Francisco Civil Grand Jury 2010–2011, *The Hiring Process in the City and County of San Francisco*.

<sup>31</sup> Ginsburg, Philip and DHR Staff, *Civil Service Reform: Preserving the Promise of Government* (Archived), May 2005. SPUR, *Reforming the Department of Human Resources*, May 16, 2005.

<sup>32</sup> City Services Auditor in the Office of the Controller, *How Long Does it Take to Hire in the City and County of San Francisco?*, April 15, 2015.

<sup>33</sup> DHR, *Report on the Position-Based Testing Program*, April 17, 2009. The report to the CSC said, "For the Fiscal Years 2009–2010, the figure for [position-based testing] was 63 days."

after candidates were referred to hiring departments, also known as the post-referral phase, itself a protracted process.

The 2015 City Controller's report found the Citywide median hire time was 137 days from when a department initiated a request to fill a position to a new hire's start date. This time frame included hiring times for both permanent and temporary workers, the latter of which are hired more quickly. The report recommended modernization of DHR's hiring systems and focusing hiring reforms on departments with the highest vacancies, specifically DPH and DPW.

## A Cautionary Tale

When DHR adopts well-meaning rules that lead to process changes, it can make the hiring timeline longer.

In a 2018 bid to increase the diversity of the City workforce, CSC rules changes added a de-identification process—removing candidates' names, addresses, and schools attended from their job applications. Five years later, it seems that DHR has found that this de-identification did not improve diversity, and, in some cases, lengthened the hiring timeline.<sup>34</sup> DHR now is considering removing this step.

We encourage the City to follow this example and periodically evaluate new policies based on key hiring metrics.

## Current Hiring Reforms

Our investigation reviewed multiple current efforts aimed at addressing the City's vacancy crisis.

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<sup>34</sup> For example, after interviewing prospective candidates, some hiring managers required a new eligibility list. This necessitated manually re-vetting applications to identify more relevant experience.



## DHR Modernization

In 2017, DHR launched a modernization initiative that includes the following ambitious goals:

- Continuous candidate testing;
- Transitioning temporary exempt workers to permanent roles;
- Training HR staff in hiring changes and setting benchmarks to evaluate the changes;
- Data-driven decision-making;
- Improving the candidate pipeline; and
- Improving the exam process and fast-tracking certain qualified candidates.

To better use technology to track the progress and impacts of these changes, DHR announced that it intends to create regular metrics and dashboards for internal review. These include hiring time, application volume, applicant pool demographics, and the sources of inbound applications.

## Improving Vacancy Rates and Time-to-Hire

In January 2022, the City adopted a focus on improving vacancy rates and time-to-hire.

The City Administrator, City Controller, and DHR jointly formed a Government Operations Recovery Team to improve City hiring and contracting, with a primary goal of developing a faster hiring process. The team intended to streamline certain approvals and develop pilot programs in critical service departments, as well as track vacancies across departments and classifications on an internal dashboard.

In addition, for the 2022 budget season, the Board of Supervisors requested departmental budget presentations that included vacancy rates and plans to address them.

## Expedited DPH Hiring

In 2023, the Department of Public Health’s human resources division introduced several initiatives to reduce that department’s median time-to-hire of 233 days. Reflecting DPH’s ability to expedite hiring during Covid for certificated, high-demand positions, the median time-to-hire for nurses is currently 132 days. In April 2023, DPH announced an aggressive goal of completing this entire hiring process in 60 days.<sup>35</sup>

## Shortening Civil Service Timelines

In October 2022, the Civil Service Commission directed the Department of Human Resources to propose changes to civil service rules to speed up hiring, starting with “low hanging fruit” such as shortening job posting times.

DHR asked the CSC to modernize its rules to permit greater agility in administering the hiring process with the following objectives:

1. Remove barriers to hiring;
2. Expedite examination and hiring processes;
3. Provide added flexibility for specific recruitment needs;
4. Align rules with advancements in technology;
5. Align procedures for classification-based testing (CBT) and position-based testing (PBT).<sup>36</sup>
6. Provide clarity and consistency of language across all four volumes of civil service rules.<sup>37</sup>

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<sup>35</sup> SF Department of Public Health, *Nursing Hiring Update*, April 3, 2023.

<sup>36</sup> Classification-based testing (CBT) refers to examinations for common job classifications used citywide across multiple departments. Position-based testing (PBT) refers to examinations targeted for a specific position in a City department.

<sup>37</sup> Volume 1 of these rules covers “Miscellaneous Workers,” i.e., City workers who are not in Police, Fire, or Municipal Transportation Agency. The next three volumes each covers one of those three departments.

DHR additionally recommended that the City make three requests of the City’s labor unions in “meet and confer” negotiations:

- Allow adjustable periods for certain segments of the hiring process that impose timing constraints—while respecting a minimum of 3 business days in all job postings, exam rating periods, and applicant notification periods;
- Exhaust eligible lists in consultation with the hiring departments; and
- Retain the 60-day duration of the post-referral phase.<sup>38</sup>

These modernization proposals do not represent the first time the City has attempted to solve HR and hiring problems by modifying civil service rules. Such changes date back many years,<sup>39</sup> and their outcomes have not always been easily measured.

At the time of this writing, these proposals have not yet been implemented, so we cannot gauge their impacts. Nevertheless, we already have questions: how will these innovations be tracked, and are they ambitious enough to meet the City’s hiring needs?

## The Role of Public Employee Unions

San Francisco has some 32 agreements with labor unions as noted earlier, with each negotiated by DHR and ratified by the Board of Supervisors.

Representing approximately 33,000 of the City’s 35,000 workers, the unions’ contracts, or MOUs, cover a range of employment topics including salaries, benefits, working conditions, and layoff procedures.

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<sup>38</sup> In its recommendation, DHR expressed that shortening this phase of the hiring process would lead to too many departmental requests for waivers because of complications associated with requirements like medical and criminal checks and fingerprinting. Departments will be “encouraged” to complete this phase in a timely manner, while DHR will focus on streamlining various required onboarding steps.

<sup>39</sup> See *Appendix: Civil Service Reform Timeline*.

The agreements' principal purpose is defending and creating opportunities for both existing workers (in areas such as promotions and seniority rights), and new union members (in matters such as entry-level pay).

These MOUs also afford a measure of protection to some non-permanent workers. They discourage the City from hiring workers with limited tenure, such as temporary and provisional employees, and encourage the City to provide opportunities to these workers to pursue eligibility for permanent jobs.

The unions' influence ensures that any solution to the City's hiring crisis must involve labor partners to succeed. So far, the unions generally have been supportive of DHR's proposed civil service rule changes.

# What More Can Be Done?

## Develop Hiring Plans for Critical City Positions

Certain critical service staffing shortages, especially in nursing,<sup>40</sup> mirror national trends. How can the City address a phenomenon that crosses geographic borders?

As a start, we recommend setting minimum staffing levels, as the State’s Title 22 mandates nurse-to-patient ratios.<sup>41</sup> Establishing a target permanent vacancy rate of 0% in any department is optimistic. However, the Jury believes it is possible to target an acceptable departmental vacancy rate of 5% for permanent hires—as multiple City managers have recommended.

We recommend that the Department of Human Resources develop hiring plans that staff critical service Departments at a target vacancy rate of no more than 5% for Fiscal Year 2023–24. (R1)

## Target Shorter Hiring Timelines

The City must substantially improve times to hire, especially for critical City services. DHR should continue to publicly state its time-to-hire targets for key departments and classifications, and routinely share updates on its efforts to meet these goals with the public.

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<sup>40</sup> Gurley, Lauren K., and Jacob Bogage. 2023. “[Why nurses say they are striking and quitting in droves.](#)” *The Washington Post*, January 14, 2023.

<sup>41</sup> California Code of Regulations, [Title 22, Division 5](#).

The Jury recommends DHR collaborate with the Civil Service Commission to modify civil service rules and City policies to establish a hiring timeline goal of 60 days from when a job posting closes to when the hiring department makes a conditional job offer. **(R2.1)**

One bottleneck in the hiring process is the time spent reviewing some requests for positions that already have received budget approval. This review can add an average of 22 days to the hiring timeline.

We recommend that the Mayor establish a timeframe of 5 business days to take action on all requests for budgeted positions that require manual Mayoral approval. We acknowledge that the City Controller and DHR would still retain the ability to review these requests. **(R2.2)**

## **Address Hiring Delays with Hiring Managers**

HR staff should develop guidelines for determining whether a delay to the hiring process is legitimate, and suggest ways to move forward.

The Jury recommends that the Department of Human Resources create a system for tracking and evaluating delays of more than 20 days during the post-referral selection process. **(R2.3)**

Furthermore, it should be City policy to begin preliminary recruitment for roles when vacancies are anticipated, rather than wait until the positions are vacant. The Jury recommends that the Department of Human Resources develop a process to enable hiring managers to better anticipate impending employee separations and begin recruiting their replacements. **(R2.4)**

Hiring managers are part of the solution to hiring delays. The Jury recommends the Department of Human Resources explore and develop incentives for hiring managers

to complete the post-referral selection process in a timely manner, including prioritizing reviewing applicants and entering data into the applicant tracking system in real time. (R2.5)

## **Reduce Excessive Job Classifications**

The City's excessive number of job classifications is counterproductive to a seamless hiring process. Each classification requires its own separate and discrete sequence of hiring events. Reducing job classifications by eliminating or merging job classifications from several related classifications would result in economies of scale all along the hiring sequence.

The Jury recommends that the Department of Human Resources and the Civil Service Commission jointly develop and present a plan for evaluating and reducing the number of job classifications. (R2.6)

## **Communicate Hiring Status to Applicants**

Often, applicants are left in the dark about their application status. Coupled with the City's long hiring process, this discourages quality candidates from remaining in the hiring process for City jobs.

To supplement any current transparency initiatives, the Jury recommends that the Department of Human Resources make available an option that allows job seekers to monitor the status of their applications. To the extent this requires the development or modification of existing website(s) or technology, the Mayor and Board of Supervisors should include funds in the FY 2024–2025 budget for this purpose. (R3)

## Fully Staff Human Resources

We recognize that it is difficult for the City to achieve its staffing goals with so many vacancies in Human Resources. If DHR were fully staffed and departmental HR divisions had full staffing and training, the City would be more likely to achieve its recruitment, retention, and time-to-hire goals.

The Jury recommends that the Department of Human Resources develop hiring plans to staff citywide HR positions at a target vacancy rate of no more than 5% for Fiscal Year 2024–25. **(R4)**

## Improve City Recruitment and Retention

DHR was mandated with recruiting and retaining City workers at its 1993 inception, but today's hiring crisis demands improved approaches to rebuild the City's workforce. The Jury researched examples of new recruiting and hiring approaches aimed at the complex challenges of a post-pandemic labor market.

The City should take cues from private sector employers who in many cases are seeking to employ the same workforce. For example, City departments may wish to explore more flexible remote work options for their employees.

The Jury recommends that the Department of Human Resources prepare a report evaluating the feasibility of expanding remote-work policies to compete with private sector employers. **(R5.1)**

Additionally, the City should develop recruiting programs tailored to the dynamics of the Bay Area labor market, including creating ladders to City jobs for high school and college students, showcasing more employees on social media, and conducting more recruiting in virtual channels.



The City should develop apprenticeship programs that furnish on-the-job experience that counts towards applicants' minimum qualifications, especially in critical service areas. For example, if the City marketed ZSFG as a training hospital for nurses leaving nursing school, this could fill critical positions with entry-level nurses as soon as they become certified and licensed.

The Jury recommends that the Department of Human Resources collaborate with public employee unions to develop recruiting and apprenticeship plans for the City's critical service departments for Fiscal Year 2024-25. **(R5.2)**

The City also should produce succession plans for replacing impending separations. The City may even want to consider offering incentives to encourage employees to stay longer.

The Jury recommends that the Department of Human Resources collaborate with public employee unions to develop plans for retention and succession of City workers in critical service departments for Fiscal Year 2024-25. **(R5.3)**

## **Improve Hiring Transparency with Public Dashboards**

As the City introduces reforms to its complex hiring processes, officials and the public must have visibility into hiring strategies and their outcomes. Currently, they do not. Without tracking and measuring key performance indicators, the City lacks insight into how reforms do and don't work.

As an example, we know that the City's current median time-to-hire is 255 days, but there is no way to compare this number to previous years—because that data was not reliably collected until 2022.

The City must improve the transparency of its hiring process. Key performance indicators such as the monthly volume of applications and monthly new hires could better reveal which departments and positions need extra help.

The Jury recommends that the Department of Human Resources work with the City Controller and City Administrator to produce a public dashboard, updated monthly, that reports time-to-hire and vacancy rates for critical service positions and departments. **(R6.1)**

## **Learn How the City Hires**

In order to meaningfully address the City's vacancy crisis, the public and elected officials first must better understand how the City hires.

To address the complexity of the City's hiring process, City HR staff should develop internal training for hiring managers and public-facing educational materials that describe its intricacies.

We recommend that the Department of Human Resources and the Civil Service Commission jointly develop and present improved explanatory materials and training resources for educating City workers, hiring managers and applicants on the City's hiring process. **(R6.2)**

The Jury recommends that the Department of Human Resources develop a plan to train hiring managers on hiring process changes in a timely manner while tracking feedback on how process changes are working. **(R6.3)**

## Remove Vacancies from Budgets

The City should straightforwardly account for vacant positions. Without this transparency, it is difficult to evaluate whether the City is efficiently staffed. We learned that some departments leave vacant roles in their budgets even with knowledge that the positions will not be filled in that year, which complicates attempts to accurately take stock of staffing challenges.

The Jury recommends that the Mayor develop incentives for City departments to remove vacant positions from their annual budgets that are unlikely to be filled in that Fiscal Year, to determine more precise vacancy rates starting with Fiscal Year 2024–25. (R7)

## Reduce Temporary Exempt Positions

Under City rules, some temporary exempt workers may work for up to three years under what is known as Category 18 exempt status<sup>42</sup>. At present, the City is in the process of converting some of these temporary exempt workers who were hired at the onset of the COVID-19 pandemic to permanent civil service workers.

The Jury commends the City for authorizing an additional year for those Category 18 workers who were hired during the pandemic and worked three years as the City works to convert their status. However, more needs to be done.

We recommend that the Department of Human Resources develop a plan to formally audit the use of temporary exempt positions each year to minimize their overuse. (R8)

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<sup>42</sup> San Francisco City Charter, *§ 10.104 Exclusions from Civil Service Appointment*. The Charter defines 19 categories of workers excluded from competitive civil service selection. Category 18 covers appointments for “special projects and professional services with limited term funding.”

# Conclusion

## The City's Hiring Vacancies Must Be Addressed

San Francisco is at a crossroads. Delivering critical City services requires a robust City workforce and a hiring process that can move at a modern speed.

The Jury believes that by following our recommendations, the City will be able to improve critical City service delivery, shorten the hiring process, and bring City recruiting and retention into the 21st Century. Ensuring these changes are effective requires coordination, creativity, and unprecedented transparency, but we believe that City leadership is up to the challenge.

The City must address this hiring crisis if we are to weather the next few years of looming budget cuts. It's time for the City to get to work.

# Methodology

The Jury conducted interviews with senior staff at the Department of Human Resources, the Department of Public Health, and the Office of the City Controller, as well as a commissioner and staff at the Civil Service Commission. The Jury also interviewed public employee union leaders and city employees at Zuckerberg SF General Hospital.

The Jury analyzed current City hiring and budget data and reviewed civil service reform reports from the Department of Human Resources, the Office of the City Controller, and previous Civil Grand Juries.

The Jury also reviewed various regulations and statutes covering city hiring, including the City Charter, civil service rules, memoranda of understanding with public employee unions, and California Code of Regulations Title 22.

# Findings and Recommendations

## Finding 1

**San Francisco's increasing vacancy rates negatively impact the City's critical service outcomes.**

### Recommendation 1

By July 1st, 2024, the Department of Human Resources should develop hiring plans that staff critical service departments at a target vacancy rate of no more than 5% for Fiscal Year 2024–25.

## Finding 2

**The City hiring process takes too long.**

### Recommendation 2.1

By July 1st, 2024, the Department of Human Resources and the Civil Service Commission should collaborate to modify civil service rules and City policies to establish a hiring timeline goal of 60 days from when a job posting closes to when the hiring department makes a conditional job offer.

## Recommendation 2.2

By November 1st, 2023, the Mayor should establish a timeframe of 5 business days to take action on all requests for budgeted positions that require Mayoral approval.

## Recommendation 2.3

By July 1st, 2024, the Department of Human Resources should create a system for tracking and evaluating delays of more than 20 days during the post-referral selection process.

## Recommendation 2.4

By January 1st, 2024, the Department of Human Resources should develop a process to enable hiring managers to better anticipate impending employee separations and begin recruiting their replacements.

## Recommendation 2.5

By July 1st, 2024, the Department of Human Resources should explore and develop incentives for hiring managers to complete the post-referral selection process in a timely manner, including prioritizing reviewing applicants and entering data into the applicant tracking system in real time.

## Recommendation 2.6

By January 1st, 2024, the Department of Human Resources and the Civil Service Commission should jointly develop and present a plan for evaluating and reducing the number of job classifications.

## **Finding 3**

**It's difficult for City job seekers to know the current status of their job application, which causes job applicants to drop out of the hiring process.**

### Recommendation 3

By December 31st, 2024, the Department of Human Resources should make available an option that allows job seekers to monitor the status of their applications. To the extent this requires the development or modification of existing website(s) or technology, the Mayor and Board of Supervisors should include funds in the FY 2024–2025 budget for this purpose.

## **Finding 4**

**Vacancies in Human Resources departments slow down City hiring.**

### Recommendation 4

By July 1st, 2024, the Department of Human Resources should develop hiring plans to staff citywide HR positions at a target vacancy rate of no more than 5% for Fiscal Year 2024–25.



## Finding 5

**The City's recruiting and retention efforts cannot keep pace with workforce separations.**

### Recommendation 5.1

By July 1st, 2024, the Department of Human Resources should prepare a report evaluating the feasibility of expanding remote-work policies to compete with private sector employees.

### Recommendation 5.2

By July 1st, 2024, the Department of Human Resources should collaborate with public employee unions to develop recruiting and apprenticeship plans for the City's critical service departments for Fiscal Year 2024–25.

### Recommendation 5.3

By July 1st, 2024, the Department of Human Resources should collaborate with public employee unions to develop plans for retention and succession of City workers in critical service departments for Fiscal Year 2024–25.

## Finding 6

**It is difficult to evaluate the success of the City's hiring strategy due to lack of transparency in the hiring process.**

### Recommendation 6.1

By July 1st, 2024, the Department of Human Resources should work with the City Controller and City Administrator to produce a public dashboard, updated monthly, that reports time-to-hire and vacancy rates for critical service positions and departments.

### Recommendation 6.2

By July 1st, 2024, the Department of Human Resources and the Civil Service Commission should jointly develop and present improved explanatory materials and training resources for educating City workers, hiring managers and applicants on the City's hiring process.

### Recommendation 6.3

By July 1st, 2024, the Department of Human Resources should develop a plan to train hiring managers on hiring process changes in a timely manner while tracking feedback on how process changes are working.

## **Finding 7**

**Current City department budgeting practices make it difficult to reliably measure citywide vacancies.**

### Recommendation 7

By January 1st, 2024, the Mayor should develop incentives for City departments to remove vacant positions from their annual budgets that are unlikely to be filled in that Fiscal Year, to determine more precise vacancy rates starting with Fiscal Year 2024–25.

## **Finding 8**

**The City continues to over-utilize temporary exempt positions.**

### Recommendation 8

By July 1st, 2024, the Department of Human Resources should develop a plan to formally audit the use of temporary exempt positions each year to minimize their overuse.

# Required and Invited Responses

## Required Responses

Pursuant to California Penal Code §933, the Jury requests responses to the following Findings and Recommendations from these City institutions within 60 calendar days:

Respondent	Findings	Recommendations
Mayor	F1, F2, F3, F4, F5, F6, F7, F8	R1, R2.1, R2.2, R2.3, R2.4, R2.5, R2.6, R3, R4, R5.1, R5.2, R5.3, R6.1, R6.2, R6.3, R7, R8

## Invited Responses

The Jury requests responses to the following Findings and Recommendations from these City departments within 60 calendar days:

Respondent	Findings	Recommendations
Department of Human Resources	F1, F2, F3, F4, F5, F6, F8	R1, R2.1, R2.3, R2.4, R2.5, R2.6, R3, R4, R5.1, R5.2, R5.3, R6.1, R6.2, R6.3, R8
Civil Service Commission	F2, F6, F8	R2.1, R2.6, R6.2,
Office of the City Administrator	F6	R6.1
Office of the Controller	F6	R6.1

# Glossary

<b>appeal</b>	Anyone who disagrees with decisions made regarding the City's merit system may file an appeal with the Civil Service Commission
<b>at-will</b>	Employees who serve at the pleasure of the appointing authority (Permanent and Temporary Exempt employees)
<b>City</b>	City and County of San Francisco: the official name of San Francisco
<b>DHR</b>	Department of Human Resources: the personnel department for the City
<b>DPH</b>	Department of Public Health: the health services department for the City
<b>CBT</b>	Classification-Based Testing: examinations for common job classifications used citywide across multiple departments
<b>civil service rules</b>	A set of City personnel regulations, administered by the Civil Service Commission
<b>CSC</b>	Civil Service Commission: Five members of the public appointed by the Mayor to oversee the City's merit system
<b>de-identification</b>	The process used to remove a job applicant's personal information from their record in order to reduce bias in the hiring process

<b>eligible list</b>	A list of all job applicants who passed a civil service examination for a specific position or classification, ranked in the order of their score
<b>FTE</b>	Full-time Equivalent, a number that reflects the productive capacity of an employee
<b>meet and confer</b>	A state requirement that public employers meet and confer in good faith with unions on certain matters relating to employment conditions
<b>merit system</b>	A system for hiring and promoting public employees based solely on their qualifications and ability
<b>MQs</b>	Minimum Qualifications, a list of requirements necessary to be eligible to apply for a given job classification
<b>onboarding</b>	Post-selection processes such as fingerprinting and background checking that new employees must complete before being hired
<b>PCS</b>	Permanent Civil Service: positions that require applicants to complete a merit-based examination process; these roles provide benefits such as health care, union rights and retirement pensions
<b>PBT</b>	Position-Based Testing: examinations for a specific position in a City department
<b>post-referral</b>	Phase of the hiring process that occurs after an eligible list has been referred to the hiring department for candidate selection
<b>provisional</b>	Provisional appointment: permanent civil service positions that are filled pending the creation of a permanent civil service examination and eligible list

- temporary exempt** Positions that are exempt from the permanent civil service process and serve at the pleasure (at-will) of the appointing authority
- vacancy rate** The percentage of budgeted permanent civil service positions that are vacant during a given financial year

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# Appendix: Civil Service Reform Timeline

1900	Civil Service Commission written into Charter	Regulate city hiring, base it on competence instead of nepotism.
1968	CA Legislature passes Meyers-Milias-Brown Act	Local government employees can unionize, employers obligated to meet and confer with unions over wages, hours and working conditions.
1991	Civil service rules moved out of Charter by voters passing Prop C Charter Amendment.	No longer need voter approval to change civil service rules, just public hearing at Civil Service Commission with union meet and confer.
1993	Department of Human Resources (DHR) created by voters passing Prop L Charter Amendment.	Centralize labor negotiations, health benefits, worker's comp, administration of civil service personnel system in one department.
1997	Civil Grand Jury releases report <u><i>The Hiring Process in CCSF</i></u>	Recommend delegating more HR to major departments, develop citywide personnel system, streamline hiring process.
2004	Department of Health Services (DHS) created by voters passing Prop C Charter Amendment.	Decentralizing Health Services System moved out of the Dept of Human Resources into its own department.
2005	DHR releases report: <u><i>Civil Service Reform: Preserving the Promise of Government</i></u>	Centralize more functions in HR from CSC, Position-based testing
2009	DHR releases report: <u><i>Civil Service Reform Initiatives Overview</i></u>	Update on meeting goals of 2005 report, centralizing going as planned.
2011	Civil Grand Jury releases report: <u><i>Hiring Practices of the CCSF</i></u>	Evaluates pros/cons of position-based testing, & impact of decentralization of hiring to City agencies/depts.
2015	Controller releases report: <u><i>How Long Does It Take to Hire in CCSF?</i></u>	Suggests modernization of City hiring

2018 DHR de-identification of civil service eligible lists

Remove candidates' names, addresses and schools attended from their applications in a bid to overcome implicit biases in the hiring process.

2022-23 CIVIL GRAND JURY FINDINGS, RECOMMENDATIONS, AND RESPONSES TO FINDINGS AND RECOMMENDATIONS

Report Title [Publication Date]	F#	Finding	Respondent Assigned by CGJ [Response Due Date]	Finding Response (Agree/ Disagree)	Finding Response Text
Time to Get to Work: San Francisco's Hiring Crisis [June 21, 2023]	F1	San Francisco's increasing vacancy rates negatively impact the City's critical service outcomes.	Mayor [August 20, 2023]		
Time to Get to Work: San Francisco's Hiring Crisis [June 21, 2023]	F2	The City hiring process takes too long.	Mayor [August 20, 2023]		
Time to Get to Work: San Francisco's Hiring Crisis [June 21, 2023]	F3	It's difficult for City job seekers to know the current status of their job application, which causes job applicants to drop out of the hiring process.	Mayor [August 20, 2023]		
Time to Get to Work: San Francisco's Hiring Crisis [June 21, 2023]	F4	Vacancies in Human Resources departments slow down City hiring.	Mayor [August 20, 2023]		
Time to Get to Work: San Francisco's Hiring Crisis [June 21, 2023]	F5	The City's recruiting and retention efforts cannot keep pace with workforce separations.	Mayor [August 20, 2023]		
Time to Get to Work: San Francisco's Hiring Crisis [June 21, 2023]	F6	It is difficult to evaluate the success of the City's hiring strategy due to lack of transparency in the hiring process.	Mayor [August 20, 2023]		
Time to Get to Work: San Francisco's Hiring Crisis [June 21, 2023]	F7	Current City department budgeting practices make it difficult to reliably measure citywide vacancies.	Mayor [August 20, 2023]		
Time to Get to Work: San Francisco's Hiring Crisis [June 21, 2023]	F8	The City continues to over-utilize temporary exempt positions.	Mayor [August 20, 2023]		



**OFFICE OF THE CONTROLLER**  
CITY AND COUNTY OF SAN FRANCISCO

Ben Rosenfield  
Controller  
Todd Rydstrom  
Deputy Controller

August 18, 2023

The Honorable Anne-Christine Massullo  
Presiding Judge, Superior Court of California, County of San Francisco  
400 McAllister Street, Room 008  
San Francisco, CA 94102

Dear Judge Massullo:

The following is in response to the 2022-2023 Civil Grand Jury report, *Time to Get to Work: San Francisco's Hiring Crisis (June 21, 2023)*. In accordance with California Penal Code §933, our response is being submitted to the Presiding Judge.

Thank you for the opportunity to comment on this Civil Grand Jury report. If you have any questions, please contact me at [Todd.Rydstrom@sfgov.org](mailto:Todd.Rydstrom@sfgov.org).

Respectfully submitted,

Todd Rydstrom /s/  
Deputy Controller

cc: Ben Rosenfield, Controller  
Mark de la Rosa, Director of Audits  
Claire Stone, Manager of Special Projects and Key Initiatives  
Anatolia Lubos, Civil Grand Jury Analyst  
Stephanie Cabrera, Board of Supervisors Clerk

**Office of the Controller - Findings and Recommendations - FY2023 CGJ Report – Time to Get to Work**

#	Finding	Respondent Assigned by CGJ	Response	Response Text
			Agree with the finding	No explanation needed
			Disagree, partially	Specify portion disputed and reason
			Disagree, wholly	Specify disputation and reason
F6	It is difficult to evaluate the success of the City’s hiring strategy due to lack of transparency in the hiring process.	MYR, DHR, Civil Services Commission, CON	Disagree, partially	While information regarding time to hire has historically been difficult to track and report on, recent improvements have enabled more meaningful internal reporting for management purposes and permitted much improved internal tracking and reporting on challenges in the hiring process. However, we concur with the CGJ that improvements are needed to report on these metrics to the public and other key stakeholders, and the Controller’s Office is available to assist DHR and others with those efforts.

#	Recommendation	Respondent Assigned by CGJ	Response	Response Text
			Has been implemented	Summary regarding implemented action
			Will be implemented	Timeframe for implementation
			Require further analysis	Explain scope and parameter of analysis, timeframe (should not exceed 6-months)
			Will not be implemented	Explain thereof
R6.1 [for F6]	By July 1st, 2024, the Department of Human Resources should work with the City Controller and City Administrator to produce a public dashboard, updated monthly, that reports time-to-hire and vacancy rates for critical service positions and departments.	MYR, DHR, CON, ADM	Will be implemented	As discussed in our response to the related finding, the Controller’s Office is available to support DHR and others to develop public dashboards and other regular public reporting, at their direction.

BOARD of SUPERVISORS



City Hall  
1 Dr. Carlton B. Goodlett Place, Room 244  
San Francisco, CA 94102-4689  
Tel. No. (415) 554-5184  
Fax No. (415) 554-5163  
TDD/TTY No. (415) 554-5227

## MEMORANDUM

TO: Tom Paulino, Liaison to the Board of Supervisors, Office of the Mayor  
Carol Ise, Director, Department of Human Resources  
Sandra Eng, Executive Officer, Civil Service Commission  
Carmen Chu, City Administrator, Office of the City Administrator  
Ben Rosenfield, City Controller, Office of the Controller

FROM: Stephanie Cabrera, Assistant Clerk, Government Audit and Oversight Committee, Board of Supervisors

DATE: June 30, 2023

SUBJECT: Civil Grand Jury Report Received

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The Board of Supervisors' Government Audit and Oversight Committee is in receipt of the San Francisco Civil Grand Jury (CGJ) report released June 21, 2023, entitled: "Time to Get to Work: San Francisco's Hiring Crisis":

Pursuant to California Penal Code Sections 933 and 933.05, the departments must:

Respond to the report within 60 days of receipt, or no later than August 20, 2023.

For each finding the department response shall:

- 1) agree with the finding; or
- 2) disagree with it, wholly or partially, and explain why.

As to each recommendation the department shall report that:

- 1) the recommendation has been implemented, with a summary explanation; or
- 2) the recommendation has not been implemented but will be within a set timeframe as provided; or
- 3) the recommendation requires further analysis. The officer or agency head must define what additional study is needed. The Grand Jury expects a progress report within six months; or
- 4) the recommendation will not be implemented because it is not warranted or reasonable, with an explanation.

The Civil Grand Jury Report identified the following city department to submit responses:

- Office of the Mayor



Invited responses:

- Department of Human Resources
- Civil Service Commission
- Office of the City Administrator
- Office of the Controller

When submitting responses to the Civil Grand Jury, please forward a copy to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102 or email at: [Stephanie.Cabrera@sfgov.org](mailto:Stephanie.Cabrera@sfgov.org).

cc: Melissa Hernandez, Office of Chair Preston  
Andres Power, Office of the Mayor  
Mawuli Tugbenyoh, Department of Human Resources  
Elizabeth Aldana, Civil Service Commission  
Sophie Hayward, Office of the City Administrator  
Vivian Po, Office of the City Administrator  
Angela Yip, Office of the City Administrator  
Todd Rydstrom, Office of the Controller

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TDD/TTY No. (415) 554-5227

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## CONFIDENTIAL MEMORANDUM

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Date: June 16, 2023  
To: Honorable Members, Board of Supervisors  
From: ACC Angela Calvillo, Clerk of the Board  
Subject: 2023-2024 CIVIL GRAND JURY REPORT – [Time to Get to Work: San Francisco's Hiring Crisis]

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The Office of the Clerk of the Board of Supervisors is in receipt of the following advanced confidential copy of the attached 2023-2024 San Francisco Civil Grand Jury Report:

### **Time to Get to Work: San Francisco's Hiring Crisis**

The Civil Grand Jury requests the report remain embargoed until the public release date scheduled on Wednesday, June 21, 2023.

This report does not require the Board of Supervisors' response, as the Board is not a requested respondent for the findings and recommendations of the Civil Grand Jury. However, the Government Audit and Oversight Committee must still hold a hearing to discuss the information contained in the report.

Pursuant to San Francisco Administrative Code, Section 2.10, in coordination with the Committee Chair, the Clerk will schedule a public hearing before the Government Audit and Oversight Committee to allow the Board the necessary time to review the report.

(Attachment)