



OFFICE OF THE CONTROLLER
CITY AND COUNTY OF SAN FRANCISCO

Ben Rosenfield
Controller

Todd Rydstrom
Deputy Controller

June 13, 2019

Ms. Angela Calvillo
Clerk of the Board of Supervisors
City Hall, Room 244
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

RE: File Numbers 190536-190538, 190543, 190639-190640: Memoranda of Understanding (MOU) between the City and County of San Francisco and various Unions representing City bargaining units

Dear Ms. Calvillo,

In accordance with Ordinance 92-94, I submit a cost analysis of 6 MOUs between the City and County of San Francisco and various Unions representing employee bargaining units. The MOUs cover the period July 1, 2019 through June 30, 2022.

The MOUs affect approximately 2,700 authorized positions with an overall salary and benefits base of approximately \$650.0 million. Our analysis finds that the MOUs will result in increased costs to the City of \$27.1 million (or 4.2%) of base wage and benefit cost in FY 2019-20, \$51.7 million, (or 8.0%) of base wage and benefit cost in FY 2020-21, and \$76.5 million (or 11.8%) of base wage and benefit cost in FY 2021-22. Approximately 98% of the increased cost is supported by the General Fund.

Our cost estimates assume that premiums, overtime, and other adjustments grow consistently with wage changes. Some wage and premium increases in FY 2020-21 and FY 2021-22 could be delayed if the Joint Report projects a budget deficit greater than \$200 million. These cost estimates assume that those increases will take place as scheduled. If the increases were delayed, the estimated cost would be reduced to approximately \$38.9 million and \$63.1 in FY 2020-21 and FY 2021-22, respectively. See Attachments A and B for a detailed listing and analysis of costs for the affected MOUs.

If you have additional questions or concerns, please contact me at 554-7500 or Carol Lu of my staff at 554-7647.

Sincerely,

A handwritten signature in black ink, appearing to read "Ben Rosenfield", enclosed within a hand-drawn oval.

Ben Rosenfield
Controller

cc: Carol Isen, ERD
Harvey Rose, Budget Analyst

Attachment A

| Combined Costs for All MOUs and Amendments | | FY 2019-20 | FY 2020-21 | FY 2021-22 |
|--|----|---------------|---------------|---------------|
| Wages | \$ | 18,896,000 | \$ 39,284,000 | \$ 58,904,000 |
| Wage-Related Fringe Benefits | | 4,592,000 | 9,689,000 | 14,591,000 |
| Premiums | | 690,000 | 832,000 | 981,000 |
| Other Benefits | | 2,899,000 | 1,907,000 | 1,989,000 |
| MOU Total | | \$ 27,077,000 | \$ 51,712,000 | \$ 76,465,000 |
| <i>% of Wage and Benefits Base</i> | | 4.2% | 8.0% | 11.8% |

Union Detail

File

Number Union

| San Francisco Sheriffs' Managers and Supervisors Association | | FY 2019-20 | FY 2020-21 | FY 2021-22 |
|--|------------------------------|--------------|--------------|--------------|
| 190536 | Wages | \$ 624,000 | \$ 1,316,000 | \$ 1,981,000 |
| | Wage-Related Fringe Benefits | 193,000 | 406,000 | 612,000 |
| | CalPERS Waiver | 286,000 | 0 | 0 |
| | POST Certificate | 74,000 | 77,000 | 80,000 |
| | Job Class Equity Adjustments | 42,000 | 131,000 | 218,000 |
| | Bilingual Premium | 6,000 | 6,000 | 6,000 |
| | Tuition Reimbursement | 5,000 | 5,000 | 5,000 |
| | Canine Pay | 1,000 | 1,000 | 1,000 |
| | Training Premium | 0 | 0 | 0 |
| Union Total | | \$ 1,231,000 | \$ 1,942,000 | \$ 2,903,000 |
| <i>% of Wage and Benefits Base</i> | | 5.3% | 8.4% | 12.5% |

| Union of American Physicians and Dentists, Unit 17 & Unit 18 | | FY 2019-20 | FY 2020-21 | FY 2021-22 |
|--|------------------------------|--------------|--------------|--------------|
| 190537- | Wages | \$ 1,733,000 | \$ 3,655,000 | \$ 5,505,000 |
| 190538 | Wage-Related Fringe Benefits | 426,000 | 900,000 | 1,355,000 |
| | CME Reimbursement | 111,000 | 111,000 | 135,000 |
| | Weekend Differential | 34,000 | 35,000 | 36,000 |
| | Bilingual Pay | 11,000 | 11,000 | 11,000 |
| Union Total | | \$ 2,315,000 | \$ 4,712,000 | \$ 7,042,000 |
| <i>% of Wage and Benefits Base</i> | | 3.8% | 7.7% | 11.5% |

| San Francisco Deputy Sheriffs' Association | | FY 2019-20 | FY 2020-21 | FY 2021-22 |
|--|------------------------------|--------------|---------------|---------------|
| 190543 | Wages | \$ 3,778,000 | \$ 7,970,000 | \$ 12,004,000 |
| | Wage-Related Fringe Benefits | 1,001,000 | 2,112,000 | 3,181,000 |
| | CalPERS Waiver | 1,109,000 | 0 | 0 |
| | POST Certificate | 251,000 | 260,000 | 269,000 |
| | Uniform Allowance | 109,000 | 109,000 | 109,000 |
| | Bilingual Pay | 52,000 | 52,000 | 52,000 |
| | Officer Training Premium | 54,000 | 54,000 | 54,000 |
| | Canine Pay | 3,000 | 3,000 | 3,000 |
| Union Total | | \$ 6,357,000 | \$ 10,560,000 | \$ 15,672,000 |
| <i>% of Wage and Benefits Base</i> | | 4.7% | 7.8% | 11.5% |

Service Employees International Union, Local 1021: Staff & Per Diem Nurses

| | | FY 2019-20 | FY 2020-21 | FY 2021-22 |
|--------|---|-------------------|----------------------|----------------------|
| 190639 | Wages | \$ 11,159,000 | \$ 23,542,000 | \$ 35,456,000 |
| | Wage-Related Fringe Benefits | 2,727,000 | 5,754,000 | 8,665,000 |
| | Advanced Practice Council | 8,000 | 8,000 | 9,000 |
| | Diversity Committee | 3,000 | 3,000 | 3,000 |
| | Overtime Committee | 16,000 | 0 | 0 |
| | Violence Prevention Task Force | 3,000 | 3,000 | 3,000 |
| | Step Advancement | 577,000 | 597,000 | 618,000 |
| | Emergency Department Staffing | 336,000 | 464,000 | 480,000 |
| | Convert 17 Per Diem Nurses to Permanent Civil Service | 714,000 | 985,000 | 1,026,000 |
| | Medical License Reimbursement | 178,000 | 178,000 | 178,000 |
| | New Graduates at Laguna Honda Hospital | 6,000 | 6,000 | 6,000 |
| | Premium at Jail Health | 119,000 | 246,000 | 381,000 |
| | Parking Pass Pilot Program | 5,000 | 0 | 0 |
| | Tuition Reimbursement | 0 | 25,000 | 25,000 |
| | Bilingual Pay Premium | 48,000 | 48,000 | 48,000 |
| | Union Total \$ | 15,899,000 | \$ 31,859,000 | \$ 46,898,000 |
| | <i>% of Wage and Benefits Base</i> | <i>4.0%</i> | <i>8.1%</i> | <i>11.9%</i> |

| | | FY 2019-20 | FY 2020-21 | FY 2021-22 |
|--------|--|------------------|---------------------|---------------------|
| 190640 | Teamsters, Local 856: Supervising Registered Nurses | | | |
| | Wages | \$ 983,000 | \$ 2,073,000 | \$ 3,122,000 |
| | Wage-Related Fringe Benefits | 245,000 | 517,000 | 778,000 |
| | Assignment Premium | 34,000 | 36,000 | 37,000 |
| | Bilingual Pay Premium | 7,000 | 7,000 | 7,000 |
| | Workload Committee | 6,000 | 6,000 | 6,000 |
| | Union Total \$ | 1,275,000 | \$ 2,639,000 | \$ 3,950,000 |
| | <i>% of Wage and Benefits Base</i> | <i>3.7%</i> | <i>7.6%</i> | <i>11.3%</i> |

Attachment B

In accordance with Ordinance 92-94, the Office of the Controller conducted a cost analysis of 6 MOUs between the City and County of San Francisco and various Unions representing employee bargaining units. The attached analysis reviews the MOUs and one MOU amendment listed below:

- 190536 – San Francisco Sheriffs’ Managers and Supervisors Association
- 190537 – Union of American Physicians and Dentists, Unit 17
- 190538 – Union of American Physicians and Dentists, Unit 18
- 190543 – San Francisco Deputy Sheriffs’ Association
- 190639 – Service Employees International Union, Local 1021: Staff and Per Diem Nurses
- 190640 – Teamsters, Local 856: Supervising Registered Nurses

The MOUs affect approximately 2,700 authorized positions with an overall salary and benefits base of approximately \$650.0 million. Our analysis finds that the MOUs will result in increased costs to the City of \$27.1 million (or 4.2%) of base wage and benefit cost in FY 2019-20, \$51.7 million, (or 8.0%) of base wage and benefit cost in FY 2020-21, and \$76.5 million (or 11.8%) of base wage and benefit cost in FY 2021-22. Approximately 98% of the increased cost is supported by the General Fund.

Our cost estimates assume that premiums, overtime, and other adjustments grow consistently with wage changes. Some wage and premium increases in FY 2020-21 and FY 2021-22 could be delayed if the Joint Report projects a budget deficit greater than \$200 million. These cost estimates assume that those increases will take place as scheduled. If the increases were delayed, the estimated cost would be reduced to approximately \$38.9 million and \$63.1 in FY 2020-21 and FY 2021-22, respectively. See Attachments A and B for a detailed listing and analysis of costs for the affected MOUs.

The MOUs share the same citywide wage increases. They increase base wages by 3.0% on July 1, 2019; 1.0% on December 28, 2019; 3.0% on July 1, 2020; 0.5% on December 26, 2020; 3.0% on July 1, 2021; 0.5% on January 8, 2022. As noted above, these mid-year wage increases could be delayed by six months in FY 2020-21 and FY 2021-22 if the Joint Report projects a budget deficit of greater than \$200 million.

Overall, more than 90% of the total cost increase is attributable to citywide wage increases. In addition, most of the MOUs contain provisions to add or change premium pay for certain skills and certifications. Several of the MOUs also adjust compensatory time, floating holidays, and jury duty pay; in most cases, we did not find an additional cost for these provisions.

The MOUs are discussed in more detail below.

File Number 190536 – San Francisco Sheriffs’ Managers and Supervisors Association

The MOU for San Francisco Sheriffs’ Managers and Supervisors Association affects 96 authorized positions with a base salary of \$13.8 million and an overall pay and benefits base of approximately \$23.2 million. We project the MOU will increase costs to the City by \$1.2 million in FY 2019-20, \$1.9 million in FY 2020-21, and \$2.9 million in FY 2021-22. More than 80% of the total cost increase is attributable to the citywide wage increases in each year of the agreement. Increases for CalPERS waiver, premiums, job class equity adjustments, and employee training and development account for the remainder of the cost.

File Number 190537 and 190538 – Union of American Physicians and Dentists, Units 17 and 18

The MOU for Unions of American Physicians and Dentists, Units 17 and 18 affects 182 authorized positions with a base salary of \$47.5 million and an overall pay and benefits base of approximately \$61.4 million. We project the MOU will increase costs to the City by \$2.3 million in FY 2019-20, \$4.7 million in FY 2020-21, and \$7.0 million in FY 2021-22. More than 95% of the total cost increase is attributable to the citywide wage increases in each year of the agreement.

File Number 190543 – San Francisco Deputy Sheriffs’ Association

The MOU for the San Francisco Deputy Sheriffs’ Association affects 721 authorized positions with a base salary of \$81.3 million and an overall pay and benefits base of approximately \$135.8 million. We project the MOU will increase costs to the City by \$6.4 million in FY 2019-20, \$10.6 million in FY 2020-21, and \$15.7 million in FY 2021-22. More than 90% of the total cost increase is attributable to the citywide wage increases in each year of the agreement. Increases for CalPERS waiver, premiums, equipment, and employee training and development account for the remainder of the cost.

File Number 190639 – Service Employees International Union, Local 1021: Staff and Per Diem Nurses

The MOU for SEIU, Local 790 Staff and Per Diem Nurses affects 1,599 authorized positions with a base salary of \$287.3 million and an overall pay and benefits base of approximately \$394.6 million. We project the MOU will increase costs to the City by \$15.9 million in FY 2019-20, \$31.9 million in FY 2020-21, and \$46.9 million in FY 2021-22. More than 90% of the total cost increase is due to the citywide wage increases in each year of the agreement. Increases for step advancement, emergency department staffing, conversion of Per Diem Nurses to Permanent Civil Service classes, premiums, and employee training and development account of the remainder of the cost.

File Number 190640 – Teamsters, Local 856: Supervising Registered Nurses

The MOU for the Teamsters, Local 856, Supervising Nurses affects 114 authorized positions with a base salary of \$25.5 million and an overall pay and benefits base of approximately \$34.9 million. We project the MOU will increase costs to the City by \$1.3 million in FY 2019-20, \$2.6 million in FY 2020-

21, and \$4.0 million in FY 2021-22. About 98% of the total cost increase is attributable to the citywide wage increases in each year of the agreement.