

**CITY AND COUNTY OF SAN FRANCISCO**  
**BOARD OF SUPERVISORS**  
**BUDGET AND LEGISLATIVE ANALYST**

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December 2, 2011

**TO:** Government Audit and Oversight Committee  
**FROM:** Budget and Legislative Analyst  
**SUBJECT:** December 8, 2011 Government Audit and Oversight Committee Meeting

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<b>Item 4</b> <b>File 11-1058</b>	<b>Department:</b> Department of Human Resources Various City Departments
<b>EXECUTIVE SUMMARY</b>	
<p><b>Legislative Objectives</b></p> <p>Hearing on the Budget and Legislative Analyst’s performance audit of San Francisco's Lead Worker, Standby, Acting Assignment, and Supervisory Differential Pay Practices.</p> <p><b>Key Points</b></p> <p>In response to a motion adopted by the Board of Supervisors in November 2010 (Motion No. 10-0161), the Budget and Legislative Analyst conducted a performance audit of the City’s lead worker, standby, acting assignment, and supervisory differential pay practices.</p> <p>The City has 33 different MOUs with employee unions and one compensation ordinance covering unrepresented employees. Each of these MOUs and the one compensation ordinance has provisions for premium payments when employees assume special duties or responsibilities. Because of the large number of MOUs, encompassing employees working in 52 City departments, no consistent definition or practice exists for assigning and paying lead worker pay, standby pay, acting assignment pay, or supervisory differential pay.</p> <p><b>Fiscal Impact</b></p> <p>Lead worker pay compensates employees who assume additional responsibilities to support a supervisor or manager. Standby pay compensates employees who standby during their non-working hours to respond to emergency or other immediate assignments. City departments spend approximately \$13.5 million per year for lead worker and standby pay.</p> <p>Acting assignment pay compensates employees who backfill vacant positions in a higher classification or when the incumbent is on long-term leave. Supervisory differential pay is paid to an employee who supervises subordinate employees but whose salary range does not exceed the subordinate employees’ salary range by at least 5 percent. The City does not track expenditures for acting assignment or supervisory differential pay separate from total salaries paid to employees.</p> <p>The City could fairly compensate employees for assuming additional responsibilities and achieve salary savings by clarifying and standardizing the requirements for lead worker, standby, acting assignment, and supervisory differential pay.</p>	

Implementation of the performance audit's 17 recommendations would result in estimated annual savings of approximately \$1,386,080. During the FY 2011-12 budget review, City departments agreed to, and the Budget and Finance Committee approved, (a) \$303,524 in lead worker pay reductions in the FY 2012-13 Airport, Port, and Public Utilities Commission budgets, which is the second year of the two-year budgets, and (b) \$10,000 in standby pay for media specialists in the General Services Agency's FY 2011-12 budget. Achieving the balance of \$1,072,556 (\$1,386,080, less \$303,524, less \$10,000) in additional savings will require operational changes in City departments or renegotiation of provisions in the Memoranda of Understanding between the City and respective employee unions, as discussed in detail in the performance audit report.



Harvey M. Rose

cc: Supervisor Campos  
Supervisor Farrell  
President Chiu  
Supervisor Avalos  
Supervisor Chu  
Supervisor Cohen  
Supervisor Elsbernd  
Supervisor Kim  
Supervisor Mar  
Supervisor Mirkarimi  
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