



## Budget Overview

Despite record revenues and unprecedented economic growth, the City and County of San Francisco is facing a massive deficit exceeding \$300 million. Although the City's revenues continue to grow, existing resources have been overspent by more than 30 percent. In fact, with the exceptions of a decline in property transfer taxes (\$32 million) and state funding (\$41 million), the City's excess spending was predictable and avoidable during the previous fiscal year.

Through a variety of cuts, the City has reduced its original \$338 million deficit to less than \$100 million. To make up the remainder of the shortfall, the City is proposing between 300 to 800 city wide layoffs and/or givebacks of 3 percent or more – in addition to 300 vacant positions which have already been eliminated.

For Local 21 members and other City employees, a deficit of this magnitude is worrisome and finding a short-term solution will be challenging. A long-term, sustainable solution to the excessive spending habit will be even more exigent, but absolutely critical in protecting employees' jobs and valuable City services.

## Local 21's Goals

The City's current fiscal situation is irreversible. Unfortunately, layoffs of some Local 21 members will most likely be unavoidable. Of the 300 vacant City positions already eliminated, nineteen were in Local 21 bargaining units.

Our goals in this environment are:

- Minimize layoffs through involvement in departmental budget discussions and presenting alternatives where relevant.
- Assist members who are impacted by layoffs through Local 21's Layoff Placement Committee and monitoring of civil service rules. Resources are also available on our website's [CCSF layoff Information page](#).
- Collaborate with other City employee unions by participating in discussions about the City's request that labor find ways to close the budget gap.
  - Act intelligently and strategically in our actions as we explore ways to be cooperative, but not tamper with scheduled salary increases of 2% effective June 28, 2008, and 3.5% effective December 27, 2008.
  - Escalating Bay Area living costs and long waits for these salary increases have increased pressure on all Local 21 members and their personal finances. Furthermore, with the recent passage of Proposition B, we will have to wait until Spring, 2010 to get back to the bargaining table – our 2008 raises are too important to sacrifice.



- Involve economic consultants in discussions with the City to verify the accuracy of all City financial figures and provide expert analysis to better inform our decisions.
- Be transparent and democratic so Local 21 members are fully informed and active in the decision making process.

### **Chronology of Events, FY 08-09 CCSF Budget**

- Mar 21 Joint Report from the Mayor, Controller, and Board of Supervisors announcing \$338 million deficit; Structural solutions to the deficit are not addressed.
- Mar 26 Mayor announces Reduction of Discretionary Spending (OT, standby pay, etc.)
- Apr 2 Mayor announces the elimination of 300 vacant positions (19 of which are in Local 21-represented bargaining units)
- Apr 22 Mayor announces 300 additional scheduled layoffs of currently filled positions and [asks each bargaining unit to give back the equivalent of 3 percent through wage increase deferrals, furlough days, or other mechanisms](#); The City states that a 3 percent giveback will avoid an additional 500 layoffs citywide.
- May 12, 15 Local 21 hold membership meetings on the City's [layoff procedure](#) and the rights of impacted employees.
- March 27, May 5, 12, 22 City employee union coalition meets with representatives from the City to seek solutions to the budget deficit; Local 21 officers and staff are present. City asks for concessions but has no suggestions of its own for long-term budget solutions.
- May 14 [Local 21 Economic Consultants Steven Raphael and Michael Stoll meet with the Controller](#) and his staff to review all relevant financial documents, and [confirm deficit figures are accurate](#).
- May 14 Local 21 Bargaining Team/SF Council meet, review issues, and develop guidelines for SF officers and Staff participating in discussions with the City.
- May 21 [SF Chronicle article](#) announces [MEA agreement with the City](#) to reduce labor costs associated with top managers over the next two fiscal years through unpaid furloughs days.



- May 30 [Examiner story](#) announces City agreements with the Laborers Union to return training money and the Municipal Attorneys Association to accept unpaid furlough days.
- May 19 City Labor Relations Director, Martin Gran notifies Local 21 that the City believes it can unilaterally “suspend” Exemplary Pay and Extended Range differential plans since both are discretionary payments dependent on departmental “savings.”
- May 19 Local 21 disagrees with the City’s position on Exemplary Pay and Extended Ranges, but expresses a willingness to meet and talk about both programs in the context of larger budget questions.
- May 22 Local 21 members join SEIU at a Budget Rally outside City Hall.
- May 23 Local 21 officers and staff meet with the Controller’s staff and investigate departmental budgets in greater detail.
- June 2 Local 21 Executive Committee Officers and staff meet with representatives of the Mayor’s office; No progress is made on any accommodation between Local 21 and the City.
- June 2 Mayor releases a list of proposed filled positions to be laid off. Copies are sent to individuals and unions. Unless otherwise modified, layoffs will be effective no sooner than August 22, 2008. Local 21 continues to work with impacted members to halt layoffs or find areas for re-placement.
- June 3 Mayor presents his [proposed 2008-2009 budget](#) to Board of Supervisors.
- June 3 Local 21 indicates willingness to talk about possible contract modifications as a mechanism for saving jobs. Local 21 suggests the City consider furlough days with delayed payment in a severance fund, to be paid to city employees when they leave city employment. This would allow the City to ‘book” a savings for 4 unpaid days this year and next, and pay back City employees in future years when they depart City service. The City is unwilling to make a commitment to reduce layoffs and rejects the severance pay concept; Door is left open for future negotiations, but nothing specific is on the horizon.
- June 10 Human Resources distribute a formal list of layoffs and reassignments. Approximately 36 Local 21 members are slated for layoff, and 14 for reassignment. (If you have received a notice, please contact your Local 21 representative.)
- June 16 BOS Government and Audit Subcommittee meet to discuss DTIS Transfer of Functions.



- June 16 Initial BOS budget hearings for Mayor, Board of Supervisors, Controller, Elections, Health Service System, Civil Service Commission, County Education Office, Human Rights Commission, Library, Treasurer/Tax Collector, Recreation and Park, Assessor/Recorder, General City Responsibility, Human Resources, City Attorney, and Economic and Workforce Development. (City Hall, 11am)
- June 17 SF Health Commission holds hearing on budget cuts in the Department of Public Health. (101 Grove Street, 4pm)
- June 18 Initial BOS budget hearings for Sheriff, Emergency Management, Building Commission, Planning, Ethics Commission, Police, Fire, Juvenile Probation, Adult Probation, Public Defender, District Attorney, and Trial Courts. (City Hall, 11am)
- June 19 Initial BOS budget hearings for Human Services Agency, War Memorial, Asian Arts Museum, Fine Arts Museum, Arts Commission, Academy of Sciences, Telecommunications, Administrative Services/General Services, Public Works Public Health, Status of Women, Redevelopment Agency, Treasure Island, Children/Youth/Families, Child support Services, and Children and Families Commission. (City Hall, 11am)
- June 23 Final BOS budget hearings for Mayor, Board of Supervisors, Controller, Elections, Health Service System, Civil Service Commission, County Education Office, Human Rights Commission, Library, Treasurer/Tax Collector, Recreation and Park, Assessor/Recorder, General City Responsibility, Human Resources, City Attorney, and Economic and Workforce Development. (City Hall, 11am)
- June 23 First meeting of the City/Union Internal Placement Committee to place laid off employees in city jobs. (In the past, this committee has been successful in finding jobs for many employees.)
- June 25 Final BOS budget hearings for Sheriff, Emergency Management, Building Commission, Planning, Ethics Commission, Police, Fire, Juvenile Probation, Adult Probation, Public Defender, District Attorney, and Trial Courts. (City Hall, 11am)
- June 26 Final BOS budget hearings for Human Services Agency, War Memorial, Asian Arts Museum, Fine Arts Museum, Arts Commission, Academy of Sciences, Telecommunications, Administrative Services/General Services, Public Works Public Health, Status of Women, Redevelopment Agency, Treasure Island, Children/Youth/Families, Child support Services, and Children and Families Commission. (City Hall, 11am)



- June 26 SEIU-sponsored rally to stop budget cuts, save services. (City Hall, 4-6pm)
- June 30 BOS required to have balanced budget.

For up to date information, visit Local 21's website at: [www.ifpte21.org](http://www.ifpte21.org)