



**CIVIL SERVICE COMMISSION
CITY AND COUNTY OF SAN FRANCISCO**

**DANIEL LURIE
MAYOR**

Date: January 26, 2026

To: Civil Service Commission

Through: Sandra Eng
Executive Officer

From: Lavena Holmes *Lavena Holmes*
Deputy Director

Subject: **Fiscal Years 2026-27 and 2027-28 Mayor's Budget Instructions and Department Budget Preparation**

The Mayor's Budget Director issued detailed Budget Instructions for FYs 2026-27 and 2027-28 on December 12, 2025. City departments were advised to submit a fixed two-year budget plan for fiscal years 2026-27 and 2027-28 to the Office of the Controller and the Mayor's Budget Office by 5:00 p.m. on **February 21, 2026**. This report outlines the basis for the Civil Service Commission (CSC) budget request.

As a reminder from my presentation at the Civil Service Commission meeting held on December 15, 2025, the Mayor's Budget Office instructions to departments are as follows:

1. Eliminate discretionary programs
2. Restructure departments around current staffing levels
3. Review all contracted services and non-personnel expenditures to identify savings.
4. Reduce all city-wide workorders
5. Identify redundancy and shared administrative needs, and
6. Identify investment opportunities to reduce long-term costs

Additionally, the Mayor's priorities resonate around safe and clean streets, and economic revitalization underscored by effective common-sense government, designed to be accomplished by reorienting spending towards 2026 priority core services, continuing to reduce the City's structural deficit; and investing in long-term operational efficiencies.

The Civil Service Commission Office has performed the analysis requested by the Mayor's Budget Office to review our core program, budget, staffing, community impact and performance metrics. We are strongly aligned with the Mayor's priorities and have identified areas where investment in automation/modernization within our office can save time and reduce redundancies. We are working diligently toward accomplishing these goals.

We have also completed the Mayor's Budget Office's assessment exercise and can report; no other City department performs a similar function to ours with the exception of DHR staff approving PSCs under the established \$200K threshold. Therefore, no duplicative efforts exist.

The Civil Service Commission continues to have one of the leanest budgets among City departments.

Civil Service Commission Current Budget – as reflected in the budget system

Fiscal Years Budgets 2026 - 2028	Current Budget 25/26	Base Budget 26/27	Base Budget 27/28
Salaries	959,549	994,180	1,061,283
Fringes	352,064	377,502	414,934
Non-personnel Services	25,000	25,000	25,000
Materials/ Supplies	3,055	2,979	2,979
Services of Depts	272,534	279,761	279,761
Total Budget	1,612,202	1,679,422	1,783,957
Expenditure Recovery	430,839	430,839	430,839
General Fund Support	\$ 1,181,363	\$ 1,248,583	\$ 1,353,118

Civil Service Commission Proposed Budget

Budget Priorities and Instruction for Fiscal Years 2026-27 & 2027-28

In a recent review of the department's six-month budget spend for the current FY 25/26, we are trending on target to save approximately \$20K in the current year primarily due to salary savings and low expenditure on materials & supplies and non-personnel services. We may have modest savings in salaries due to the recent retirement of our long-term personnel technician. However, we've requested approval and plan to fill the position quickly. We are requesting to maintain our staffing levels. We not proposing any additional salary savings or position reductions as we have emphasized over the years, Commission staffing levels have not increased and any position eliminated will greatly impact Commission staff's ability to respond to appeals, conduct inspection service requests, advise departments and explain to stakeholders the applicability of the merit system provisions in the Charter and the Civil Service Commission Rules and policies, propose and implement rule changes, manage Civil Service Commission meetings, conduct salary surveys, conduct audits, lead meet and discuss sessions with labor partners, conduct training (e.g., merit system principles, appeals and staff reports, responding to inspection

service requests, policies and procedures for personal service contract requests), analyze requests for emergency personal service contract approvals, etc. all activities that are Charter mandated for our office.

A review of our minimal current base budget report does provide flexible annual costs to achieve additional savings without eliminating a position. Our costs are fixed, except for Non-personnel Services and Materials/Supplies and as you can see, our meager budget for the annual cost of materials and supplies has been reduced to an amount under \$3,000.

While over the past few years we have been able to leverage our budget through non-professional services to obtain required support for staff such as ergonomic assessments there remains no funding available for staff to improve their skills through training, acquire technology to improve accuracy and efficiencies in our office or provide furniture and equipment to support ergonomic needs or guests.

The Civil Service Commission is currently experiencing a surge in requests for ERO hearings performed by administrative law judges that are very costly and cannot be sustained by our budget. We will be working with our accounting team to understand how these costs can be shared. Additionally, the Civil Service Commission must have a brick-and-mortar office open and available to employees and the general public on weekdays, during normal business hours. Each budget cycle we continue to offer moving to a smaller less costly space that meets the Commission's requirements for appellants and complainants to visit in confidentiality. We have received information that we will likely move, however, no timeline has been presented.

We remain concerned that our expenditure recovery from SFMTA and SFPUC may be impacted due to the Mayor's Budget Director's instructions to reduce all City workorders. If we lose the \$430K expenditure recovery it will be completely devastating to our department. Our expenditure recovery is currently 27% of our budget and supports approximately 2.0 FTEs. A reduction or elimination of our expenditure recovery would be debilitating.

While we understand the challenges faced given the City's structural deficit, we are requesting to maintain our staff level and our budget as status quo. We are open to alternative ways the Commission can support this administration to achieve its goals. Our Commission members have been actively engaged in the Commission Streamlining Taskforce and the Charter Reform meetings and are committed to supporting the City's success in these efforts. Additionally, when the City is more fiscally solvent Commission staff would like to propose funding for access to the services we provide all City departments similar to the structure used by other departments that perform citywide services.

In light of the City's deficit, we are not requesting any new FTEs added to Commission staff; however, we are seeking approval to backfill our current vacancy and any that may occur over this budget cycle.

RECOMMENDATION: Direct Executive Officer to prepare Fiscal Years 2026-28 Budget Request to meet the Mayor's budget instructions; while continuing to negotiate a budget that maintains funding to support appropriate staffing levels to achieve the increasing operational needs of the Civil Service Commission as well as continues to serve the employees, applicants and labor partners of the City and County of San Francisco; incorporate changes made by the Commission prior to the Budget Request submission deadline; and approve to submit the Fiscal Years 2026-28 Budget Request to the Controller and the Office of the Mayor by February 21, 2026.