



Gavin Newsom
Mayor

Philip A. Ginsburg
Human Resources Director

MEMORANDUM
DHR No. 18-2005

DATE: September 21, 2005

TO: Department Heads, Department Personnel Officers, and Chief Financial Officers

THROUGH: Philip A. Ginsburg, Human Resources Director

FROM: Ed Harrington, Controller
Noelle Simmons, Mayor's Budget Director
Philip A. Ginsburg, Human Resources Director

SUBJECT: Updated Personnel Requisition Approval Process and Personal Services Contract Approval

It is with great pleasure that we announce a significant update to the Personnel Requisition approval process effective October 17, 2005. As you may know, the current requisition approval process was identified as a source of delay in the hiring process. Over the past three months, the Mayor's Budget Office, Controller's Office, and the Department of Human Resources have worked jointly to develop a streamlined requisition approval process while maintaining appropriate controls.

Under this updated process, individual departments will be responsible for tracking and controlling personnel expenditures more closely. It is expected that communications between departmental personnel and finance staffs will occur and only those requisitions for which there are both funds and an intent to hire are submitted for approval. To that end, departments must track budget and expenditures and submit only those requisitions that have adequate funding and that they intend to fill within six months.

While the updated process still involves three entities – the Mayor's Budget Office, the Controller's Office, and the Department of Human Resources -- the approval role of each has been modified as follows:

The Mayor's Budget Office

- The Mayor's Budget Office will maintain high level fiscal and policy control. Requisitions will only need approval in cases of overspending, departmental restructuring, or for executive level positions. Please note that the Mayor's Budget Office retains discretion to reinsert itself into the requisition approval path to control department spending.

The Controller's Office

- The Controller's Office will ensure that departments remain within their approved budgets for the current fiscal year and position substitutions or temporary exchanges (TXs) are consistent with current policy as discussed in the attached Controller's Office policies and procedures on Temporary Diverted Requisitions/Substitutions (TXs).

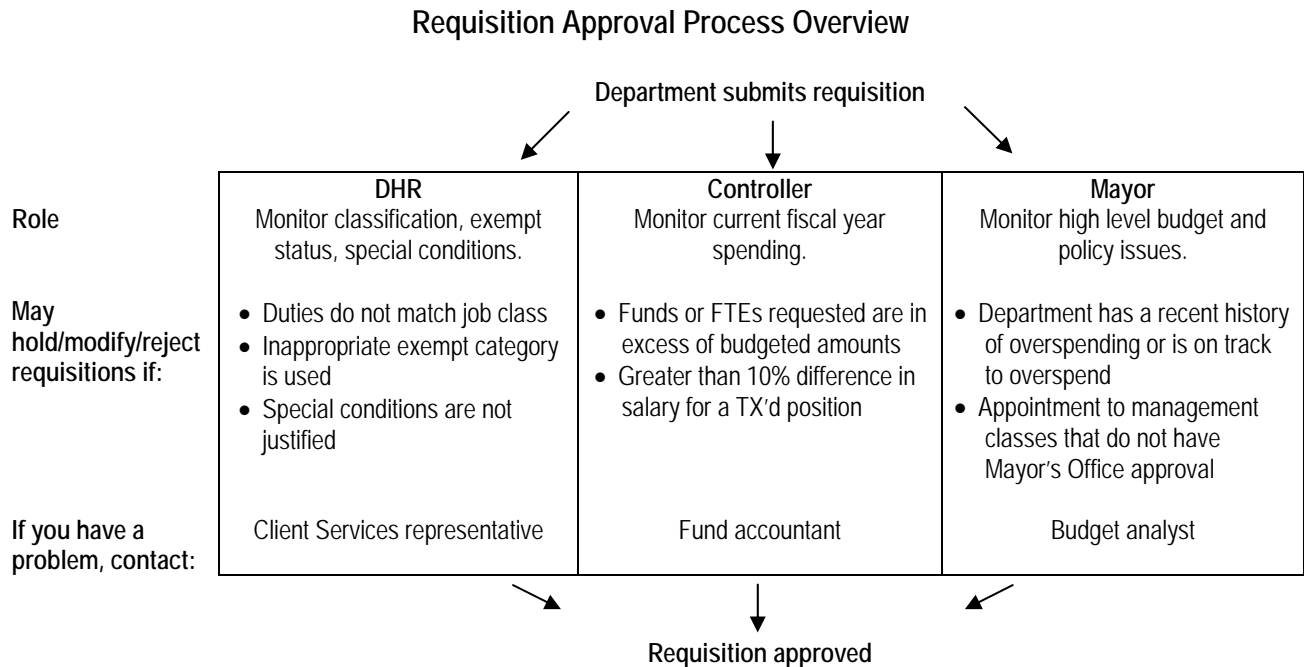
The Department of Human Resources

- DHR will ensure that classifications, exempt positions, and special conditions are being used appropriately.

For your reference, the Controller’s Office policies and procedures on Temporary Diverted Requisitions/Substitutions (TXs) is attached. Also, please note on page 3 of this memo changes to the Mayor’s Office involvement in personal services contracts (PSCs).

Requisition Approval Process

The chart below shows the requisition approval process at a high level.



Description of Changes

We are changing business processes so that new requisitions will need to be submitted after a negative separation, as well as after a non-Permanent Civil Service employee vacates a position. We believe there will not be an increase in time needed to fill positions in these instances because the overall process changes described below will speed requisition approval significantly.

The *Mayor's Office* will remove itself from requisition approval for all positions with an annual salary of less than \$100,000 (except for deputy director and department head level positions), as well as professional positions that exceed this threshold, including attorneys, physicians, IS series positions, architects, and engineers. Mayor's Budget Office staff will step back into the requisition approval path for a department:

- With a supplemental appropriation for overspending in the prior or current fiscal year
- Identified by the Mayor or Controller to be overspending in the current year
- In unique cases, such as where departments are changing their organizational structure

In addition, the Mayor's Budget Office:

- Will monitor monthly salary reports and review manual spending plans. Departments that have been asked to submit spending plans will be included in the requisition process changes as soon as the spending plans have been received.
- Will work with departments during the budget process to substitute TX'd positions in their budget submissions.

The *Controller's Office* will ensure that overall department spending remains within the current year budget and on track with spending plans, for those departments that have them. The Controller's Office will determine which departments' requisitions can be automatically approved, and which, due to budget concerns or pending salary plans, will require manual approval. Controller's staff will make monthly assessments of departments in each group based on funding availability and the types of requisitions. All diverted TX funded requisitions require Controller's approval. For departments not included in the automatic approval process, the Controller will be on the approval path for all requisitions.

Your department's fund accountant will be using the following tools to process requisitions submitted by departments identified for non-automated approvals:

- Biweekly reports of budgeted versus actual payroll dollars and FTEs
- Weekly reports of requisitions that have been approved for departments with automated approvals.
- Weekly reports of approved but unfilled requisitions, available using either the PeopleSoft query titled REQ_BY_STATUS.

Controller's staff will maintain the current practice for reviewing requisitions where positions are being TX'd. Also note that the Controller's monthly high level financial reports are available in the Forms section of the City's Intranet. Follow the links to Controller's forms and select Monthly Reports.

DHR will step out of the approval path for a number of position types and classes as described below. Staff from DHR's Client Services Division will regularly review pending and open requisitions and reject those that are no longer needed.

- PeopleSoft business rules have been modified so that all positions exempt under sections 13, 14, 15, 16, and 17 of Charter section 10.104, and all flex staffing classes, will no longer require approval.
- We will now require departments to indicate if a requisition is for a newly-funded or supplemental-funded position.
- On August 19, 2005, DHR's Client Services team sent a memo to departments asking them to review pending requisitions submitted prior to January 1, 2005 and highlight any that should not be deleted. DHR will soon repeat this process for requisitions submitted prior to July 1, 2005.
- DHR and the Controller's Office will monitor open approved requisitions that are not filled and work with departments to delete unfilled requisitions on a periodic basis. You can use the PeopleSoft query REQ_BY_STATUS to check these requisitions.
- Effective July 1, 2005, filled Category 16 TE requisitions no longer expire at the end of the fiscal year. We are creating a new monthly 1,040 hours report to allow easier tracking of employees that are reaching the 1,040 hours limit.

Personal Services Contracts Changes

Finally, the Mayor's Budget Office will no longer be in the approval path for personal services contracts (PSCs). Subsequent to the date on this memorandum, all PSCs shall be deemed automatically approved by the Mayor's Office. This change in process relates only to the need for acquiring signature approval from the Mayor's Office; all other procedures for the approval of PSCs, including union notification, continue to be in effect.