

CITY AND COUNTY OF SAN FRANCISCO
BOARD OF SUPERVISORS

BUDGET AND LEGISLATIVE ANALYST
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Budget and Policy Analysis Report

To: Budget and Appropriations Committee
From: Budget and Legislative Analyst's Office *DG*
Re: Racial Equity in City Employment
Date: June 6, 2022

Summary of Requested Action

We were asked to provide an analytical report on racial equity and diversity in City employment. Specifically, we were asked to answer the following questions:

- How does the City measure progress in diversity, equity, and inclusion in public employment?
- What progress has been made over the last two years in diversity, equity, and inclusion in City employment?
- What resources have been allocated to improve diversity, equity, and inclusion in City employment?
- What other formal steps has the City taken to address racial disparities in City employment?

For further information about this report, contact Dan Goncher at the Budget and Legislative Analyst's Office.

Executive Summary

Citywide Workforce Demographics

- General Workforce Composition: From fiscal years (FY) 2018-19 to 2020-21, the total number of City employees decreased from 36,497 to 35,046, or by approximately four percent. The race/ethnicity representing the largest percentage of City workers in FY 2018-19 was White (29.1 percent), and in FY 2020-21 was Asian (28.7 percent). The percentage of total workforce represented by four groups—American Indian/Alaskan Native, Black, Filipino, and Hispanic—remained relatively constant over that time. As a whole, the percentage of City employees represented by people of color (all racial/ethnic groups other than White) increased over the two years—from 70.9 percent to 72.1 percent.

Budget and Legislative Analyst

- **New Hires:** The total number of new hires was significantly lower in FY 2020-21 (2,207 new employees) as compared to FY 2018-19 (3,932 new employees), dropping by approximately 44 percent. Further, the number of new hires decreased for every racial/ethnic group across the City. The race/ethnicity with the largest percentage of new hires in both years was White—27.0 percent and 27.9 percent, respectively. The percentage of Asian new hires decreased from 25.8 percent to 24.1 percent, as did the percentages of Black new hires (from 17.6 percent to 16.7 percent) and Hispanic new hires (from 17.4 percent to 16.8 percent). Two groups, other than White hires, that saw increases in the proportion of new hires were Multiracial (from 3.2 percent to 5.3 percent) and Filipino (from 8.2 percent to 8.6 percent). As a whole, the percentage of people of color newly hired into the City workforce declined slightly over the two years from 73 percent in FY 2018-19 to 72.1 percent in FY 2020-21.

- **Wages:** the average hourly rate for all City employees increased from \$49.05 in FY 2018-19 to \$53.97 in FY 2020-21. The race/ethnicity with the highest average hourly rate in both years was White—at \$57.03 in FY 2018-19 and \$62.66 in FY 2020-21, roughly 14 percent higher than the overall average in both years. The percentage variance from the total average hourly rate for three groups improved slightly over the two years—the variance for Asians decreased from -4.4 percent to -3.8 percent, the variance for Blacks decreased from -17.0 percent to -15.7 percent, and the variance for Hispanics decreased from -7.0% to -6.9%. The two groups with the greatest improvement in wages were American Indian/Alaskan Native (from -3.7 percent to +0.4 percent) and Multiracial (from -28.5 percent to -17.3 percent). The percentage variance slightly increased for Filipinos (from -1.3 percent to -2.2 percent). Over the two year period, the average hourly rate for all City employees of color increased from \$44.78 to \$50.36, or 12.5 percent. Over the same period, the average hourly rate for White employees increased from \$57.03 to \$62.66, or 9.9 percent.

- **Promotions:** From FY 2018-19 to FY 2020-21, the total number of annual promotions in the City declined from 2,602 to 1,430, or 45 percent. The race/ethnicity with the largest percentage of total promotions in FY 2018-19 was Asian—at 31.2 percent. In FY 2020-21 the race/ethnicity with the largest percentage of promotions was White—at 33.4 percent. While Hispanic and Black employees gained higher percentages of total promotions over the two years, Asian and Filipino employees fell over the two years in their percentage of total promotions. Two groups—American Indian/Alaskan Native and Multiracial— saw little to no change over the two years. Overall, over the two year period, employees of color achieved more promotions than White employees, but their share of total citywide promotions declined from 69.8 percent to 66.6 percent.

- **Releases:** The data on the Department of Human Resources' website for Citywide Workforce Demographics includes information on Releases for employees with exempt appointments, which is defined as a non-disciplinary release of an exempt, non-Permanent Civil Service (PCS) employee. The total number of releases decreased by nearly half from 1,390 in FY 2018-19 to 715 in FY 2020-21. In both years, Whites represented the largest share of releases, and their percentage of total releases increased from 29.6 percent to 38.5 percent. Both Black and Asian employees represented a reduced share of total releases over the two years: the share of releases held by Black employees declined from 21.7 percent to 16.1 percent, and the share of releases for Asian employees declined from 22.2 percent to 17.8 percent. American Indian/Alaskan Natives also represented a declining share of the total releases over the two years—from 0.8 percent to 0.5 percent. Filipinos represented a larger share of total releases over the two years—from 8.0 percent to 9.7 percent—while the share of total releases represented by Hispanic and Multiracial employees remained relatively flat.
- **Management Positions:** The total number of City employees classified in management positions increased from 988 to 1,024, or by 3.6 percent, between FY 2018-19 and FY 2020-21. In both years, White employees represented over 50 percent of management positions in the City. Asian, Black, and Multiracial employees comprised an increased share of all management positions in FY 2020-21 compared to FY 2018-19—with 18.7 percent (vs. 18.4 percent), 12.1 percent (vs. 10.7 percent), and 0.9 percent (vs. 0.4 percent), respectively. Filipino and Hispanic employees saw a slight decline in their share of the total with each group seeing a decrease of 0.3 percent. American Indian/Alaskan Natives saw no change in the number of employees with management positions between FY 2018-19 and FY 2020-21. While White employees represented a larger share of total management positions in the City, the percentage of people of color (POC) in management positions increased as a share of total management positions from FY 2018-19 to FY 2020-21.
- **Corrective Action and Discipline:** The race/ethnicity with the highest percentage of total corrective actions in both years was White employees, which also recognized an increase in its share of the whole from 26.5 percent to 32.8 percent, the largest of any race/ethnicity. The percentage share for Black employees also increased over time, but by a smaller margin—from 21.4 percent to 22.7 percent. Asian and Hispanic employees experienced declines in their share of all corrective actions; the percentage for Asians fell from 21.2 to 18.6, and the percentage for Hispanics fell from 20.1 to 15.6. Multiracial employees saw a smaller decline in their percentage of total corrective actions—from 2.0 percent to 1.2 percent. There was minimal change for Filipinos and American Indian/Alaskan Natives over the two year period.

As a whole, the percentage of total corrective actions for employees of color declined from 73.5 percent to 67.2 percent from FY 2018-19 to FY 2020-21.

Office of Racial Equity's Efforts to Address DEI in the Workforce

- As part of its mandate, the Office of Racial Equity (ORE) has developed and distributed tools and training to department liaisons to assist them in promoting equity. As of April 2022, these include: Citywide Racial Equity Framework, Phase 1, including Departmental Racial Equity Action Plan Template; Template for Annual Progress Reports; Racial Equity Budget Assessment Tool: Program/Initiative; Racial Equity Budget Assessment Tool: Department Inventory; Monthly Meetings with Racial Equity Leaders; and Collection and Evaluation of Racial Equity Action Plans.
- In addition to creating the tools above and providing training to departments, ORE has published the following reports: the Racial Equity Index/Report Card, and the ORE Progress Report.
- Although the Ordinance established that the ORE include no fewer than five full time employees, including a Director, as of April 2022, ORE had only two full-time staff: one 9774 Senior Community Development Specialist and one 1823 Senior Administrative Analyst. The Director position has been vacant since July 2021, and according to the Director of the Human Rights Commission, the position will likely be reclassified to align with other citywide racial equity positions. As of April 2022, no active list of newly created racial equity officer positions in the City existed.
- The development of the Citywide Racial Equity Framework, a key mandate for the Office of Racial Equity, has been divided into two phases. Phase 1 focuses on internal programs and policies, workforce as well as boards/commissions. Phase 2, which has not been completed, will focus on City procurement, contracting, grant-making, and delivery of services and programs to residents. According to ORE staff, they will be developing Phase 2 of the Framework collaboratively with Racial Equity Leaders in Q3 and Q4 of 2022. The timeline for completion is targeted for the end of calendar year 2022.

Department of Human Resources' Efforts to Address DEI in the Workforce

- Recent steps taken by the Department of Human Resources (DHR) to expand the diversity of the City's workforce and to support existing employees include:
 - Implementing de-identification to remove implicit biases in the application process by redacting the names, schools, and addresses of applicants seeking employment.

- Expanding the scope and number of trainings offered in City departments in order to reduce discrimination and improve workplace culture.
 - Collaborating with the Government Alliance on Race and Equity, the Mayor’s Task Force on Diversity and Inclusion, labor committees on diversity and equity, and the Office of Racial Equity to answer questions and discuss solutions.
 - Creating an interactive database on the DHR website which tracks workplace demographics by department, classification, race, gender, and appointment status.
- Programs and services provided by DHR to departments to expand hiring and promotional opportunities for people of color include: the DHR Diversity Recruitment Team; the San Francisco Fellows Program; the ApprenticeshipSF program; the Service Employees International Union (SEIU) Work Training Program; DreamKeepers Initiative; the DHR 1249 Work Study Program, and the Career Development Initiative.

City Resources Invested in Diversity, Equity, and Inclusion

- Neither DHR nor the Office of Racial Equity currently monitor department initiatives to increase diversity in hiring and promotions. However, the Diversity Recruitment Team at DHR leads monthly workgroups with department recruiters and human resource representatives to discuss diversity recruitment strategies. ORE has also convened a Workforce Policies and Practices Working Group with DHR and the Civil Service Commission to identify where alignment is needed across department initiatives to increase diversity in hiring and promotions. Additionally, Departments may individually report on these efforts in their Racial Equity Action Plans and Annual Progress Reports, but that information is not currently collected and reported out comprehensively. In addition, neither office maintains records of full-time employees hired to focus on Diversity, Equity and Inclusion.
- Since FY 2019-20, resources budgeted for DEI activities and services within DHR have increased from \$11.5 million to \$15.6 million, or 35.8 percent. According to DHR staff, the Equal Employment Opportunity budget increase in FY 2021-22 includes an annualized 7.0 new FTEs to form an additional team. The team includes a 0923 Manager II, four 1231 EEO Programs Senior Specialists, a 1404 Clerk, and a 1840 Junior Management Assistant. In addition, DHR received funds for a new citywide case management system, which was recommended by the Gould Report (commissioned by Mayor Breed in November 2020, and discussed in more detail below).

- Since the Office of Racial Equity was created in FY 2020-21, its budget has been unchanged, with annual non-personnel costs of \$775,000 and annual personnel costs of \$330,000, for a total of \$1.1 million in budgeted expenditures. Four FTEs have been authorized for the office; two of which have been vacant since at least July 2021.
- In November 2020, Mayor Breed commissioned an independent review “into the equal employment opportunity (EEO) practices, policies, and procedures” of the City. This review, commonly referred to as “the Gould Report” and published in June 2021, reported 19 finding areas and offered 58 recommendations in three main categories: EEO complaint process; recruitment, hiring and advancement; and discipline and corrective action.

Policy Options

The Board of Supervisors could:

1. Request that the Director of the Human Rights Commission urgently hire a Director for the Office of Racial Equity, as well as fill the vacant 1823 Senior Administrative Analyst position in the Office of Racial Equity, no later than September 2022.
2. Request that the Director of Human Resources evaluate and report annually on hiring and promotions by race and ethnicity by City department starting in January 2023.
3. Request that the Director of Human Resources complete and publish the Annual Workforce Report (including Phase 1 and Phase 2 results) for 2021 by July 1, 2022.
4. Request that the Office of Racial Equity complete and publish Phase 2 of the Racial Equity Framework no later than December 31, 2022.

<i>Project Staff: Dan Goncher and Amanda Guma</i>

Background

Racial equity refers to a process of eliminating racial disparities and improving outcomes for all by changing policies, systems and structures to prioritize change in the lives of people of color. According to the Government Alliance on Race and Equity, a national network of organizations dedicated to this effort, racial equity exists when race can no longer be used to predict life outcomes, and the outcomes for all groups of people have been improved.

As documented in a 2019 report from our office, there has been a widespread effort across the U.S. for local governments to establish dedicated offices focused on addressing longstanding social, economic, and racial disparities.

In July 2019, the San Francisco Board of Supervisors passed an ordinance (No. 188-19), which amended Chapter 12A of the Administrative Code to create the Office of Racial Equity (ORE) within the San Francisco Human Rights Commission. The ordinance specifically acknowledged the need for comprehensive data about racial disparities both within the City's workforce and within the delivery of services to San Francisco residents. An update on the status of the implementation of the legislative mandates associated with this ordinance can be found in Appendix I.

Citywide Workforce Demographics

The San Francisco Department of Human Resources (DHR) reports on citywide workforce demographics using data that is updated every six months, according to Department staff. Data is used to identify gaps, disparities, and needs in workforce outcomes. According to Department staff, DHR leadership makes decisions and collaborates with a specific department or a number of departments depending on the issue identified through the data collection and analysis.

With regard to race/ethnicity, this data¹ compares:

- Appointment Type
- Average Hourly Rate
- Classification
- Department
- Gender

¹ Available online at <https://sfdhr.org/citywide-workforce-demographics>

- Management Positions
- New Hires
- Promotions
- Releases
- Residency
- Union (Average Hourly Rate)
- Union (Representation)

We provide a comparison of select citywide measures for FY 2018-19 and FY 2020-21 in Exhibit 1 below to demonstrate progress made in achieving racial equity in the workforce over the past two years.

General Workforce Composition

From FY 2018-19 to FY 2020-21, the total number of City employees decreased from 36,497 to 35,046. The race/ethnicity representing the largest percentage of City workers in FY 2018-19 was White (29.1 percent), and in FY 2020-21 was Asian (28.7 percent), as shown below in Exhibit 1.

Exhibit 1: City Workforce by Race, FY 2018-19 and FY 2020-21

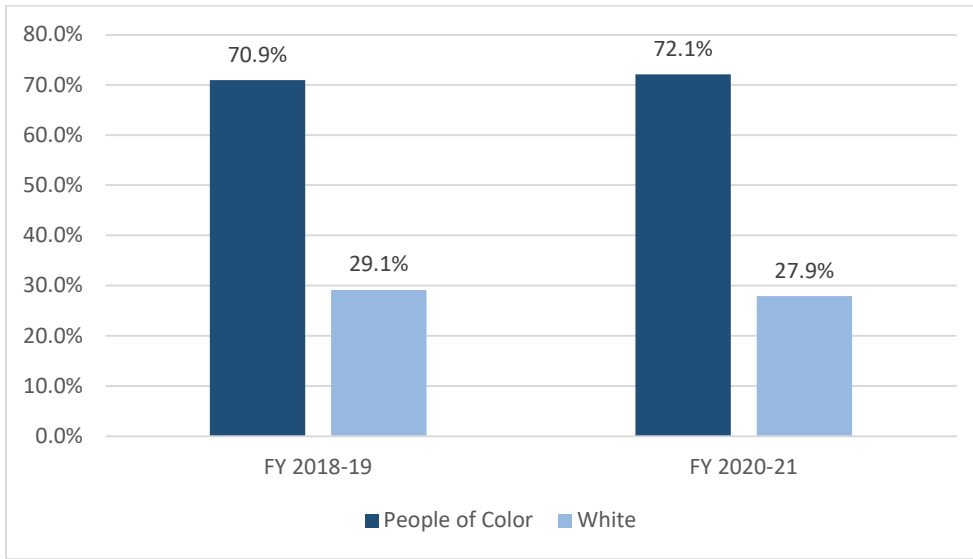
Race/Ethnicity	FY 2018-19		FY 2020-21	
	# of Employees	% of Total	# of Employees	% of Total
American Indian/Alaskan Native	175	0.5%	159	0.5%
Asian	10,185	27.9%	10,064	28.7%
Black	5,539	15.2%	5,285	15.1%
Filipino	4,126	11.3%	4,003	11.4%
Hispanic	5,517	15.1%	5,334	15.2%
Multiracial	342	0.9%	416	1.2%
White	10,613	29.1%	9,785	27.9%
Grand Total	36,497		35,046	

Source: SFDHR Citywide Workforce Demographics Data

The percentage of total workforce represented by four groups—American Indian/Alaskan Native, Black, Filipino, and Hispanic—remained relatively constant over that time.

As a whole, as shown in Exhibit 2 below, the percentage of City employees represented by people of color (all racial/ethnic groups other than White) increased over the two years—from 70.9 percent to 72.1 percent.

Exhibit 2: City Workforce Snapshot, FY 2018-19 and FY 2020-21



Source: SFDHR Citywide Workforce Demographics Data

New Hires

According to DHR staff, the City collects data on race as reported by the applicant or employees. As shown in Exhibit 3 below, the total number of new hires was significantly lower in FY 2020-21 (2,207 new employees) as compared to FY 2018-19 (3,932 new employees), a drop of nearly 44 percent. Further, the number of new hires decreased for every racial/ethnic group across the City.

Exhibit 3: New Hires by Race, FY 2018-19 and FY 2020-21

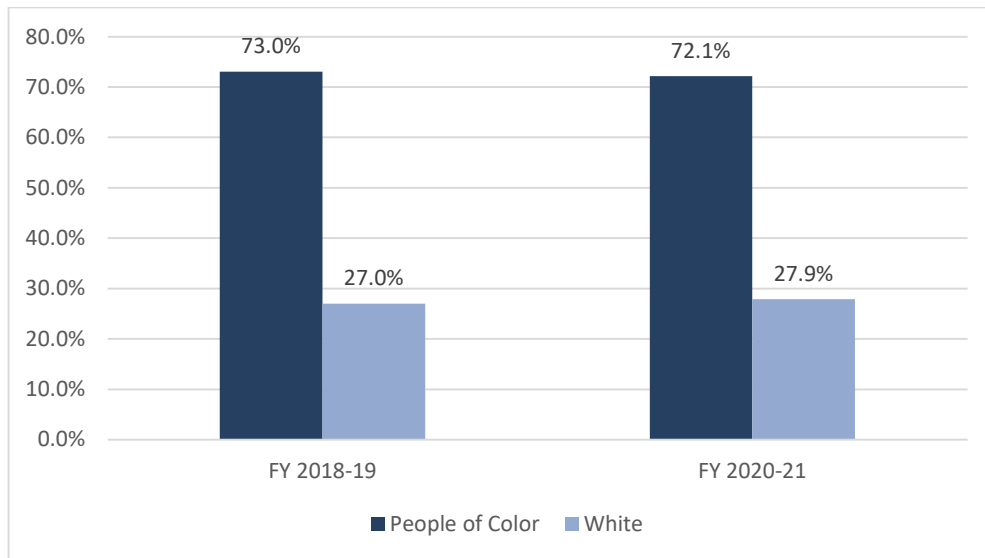
Race/Ethnicity	FY 2018-19		FY 2020-21	
	# of New Hires	% of Total	# of New Hires	% of Total
American Indian/Alaskan Native	29	0.7%	12	0.5%
Asian	1,016	25.8%	532	24.1%
Black	691	17.6%	369	16.7%
Filipino	324	8.2%	190	8.6%
Hispanic	685	17.4%	371	16.8%
Multiracial	126	3.2%	118	5.3%
White	1,061	27.0%	615	27.9%
Total New Hires	3,932		2,207	

Source: SFDHR Citywide Workforce Demographics Data

The race/ethnicity with the largest percentage of new hires in both years was White—27.0 percent and 27.9 percent, respectively. The percentage of Asian new hires decreased from 25.8 percent to 24.1 percent, as did the percentages of Black new hires (from 17.6 percent to 16.7 percent) and Hispanic new hires (from 17.4 percent to 16.8 percent). Two groups, other than White hires, that saw increases in the proportion of new hires were Multiracial (from 3.2 percent to 5.3 percent) and Filipino (from 8.2 percent to 8.6 percent).

As a whole, the percentage of people of color newly hired into the City workforce declined slightly over the two years from 73 percent in FY 2018-19 to 72.1 percent in FY 2020-21 as shown in Exhibit 4 below.

Exhibit 4: New Hires by Race, FY 2018-19 and FY 2020-21



Source: SFDHR Citywide Workforce Demographics Data

Wages

The City reports on wages in the Annual Workforce Report and on the DHR Citywide Workforce Demographics webpage. As shown in Exhibit 5 below, the average hourly rate for all City employees increased from \$49.05 in FY 2018-19 to \$53.97 in FY 2020-21.

Exhibit 5: Average Hourly Wage Rates by Race, FY 2018-19 and FY 2020-21

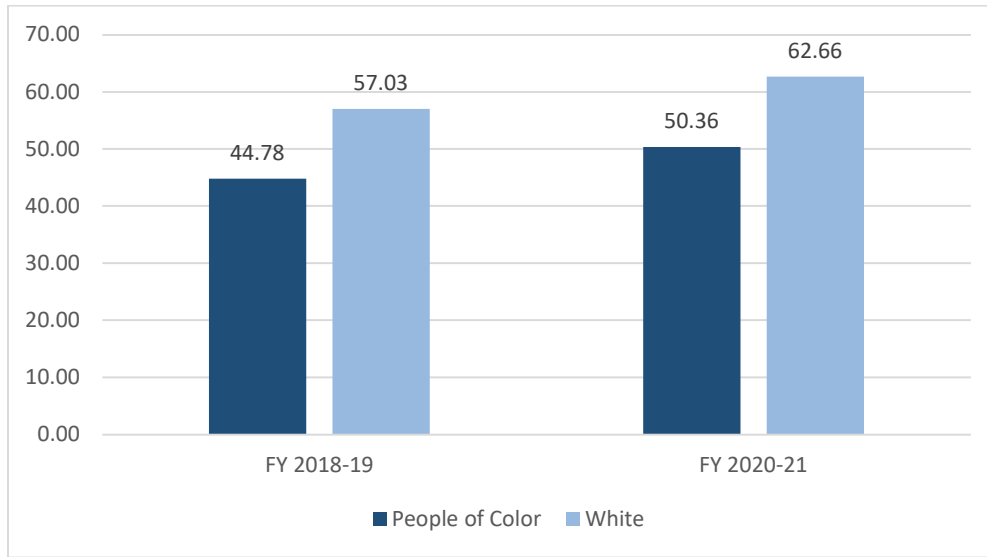
Race/Ethnicity	FY 2018-19		FY 2020-21	
	Avg Hourly Rate	Variance from Average	Avg Hourly Rate	Variance from Average
American Indian/Alaskan Native	\$47.32	-3.7%	\$54.21	+0.4%
Asian	47.00	-4.4%	51.99	-3.8%
Black	41.92	-17.0%	46.66	-15.7%
Filipino	48.42	-1.3%	52.82	-2.2%
Hispanic	45.85	-7.0%	50.50	-6.9%
Multiracial	38.18	-28.5%	46.00	-17.3%
White	57.03	+14.0%	62.66	+13.9%
Overall Average	\$49.05		\$53.97	

Source: SFDHR Citywide Workforce Demographics Data

The race/ethnicity with the highest average hourly rate in both years was White—at \$57.03 in FY 2018-19 and \$62.66 in FY 2020-21, roughly 14 percent higher than the overall average in both years. The percentage variance from the total average hourly rate for three groups improved slightly over the two years—the variance for Asians increased from -4.4 percent to -3.8 percent, the variance for Blacks increased from -17.0 percent to -15.7 percent, and the variance for Hispanics increased from -7.0% to -6.9%. The two groups with the greatest improvement in wages were American Indian/Alaskan Native (from -3.7 percent to +0.4 percent) and Multiracial (from -28.5 percent to -17.3 percent). The percentage variance slightly declined for Filipinos (from -1.3 percent to -2.2 percent).

As shown in Exhibit 6 below, over the two year period, the average hourly rate for all City employees of color increased from \$44.78 to \$50.36, or 12.5 percent. Over the same period, the average hourly rate for White employees increased from \$57.03 to \$62.66, or 9.9 percent.

Exhibit 6: Average Hourly Wage Rates, FY 2018-19 and FY 2020-21



Source: SFDHR Citywide Workforce Demographics Data

Promotions

The City measures and reports on promotions in the Annual Workforce Report, and on the DHR Citywide Workforce Demographics webpage. As shown in Exhibit 7 below, from FY 2018-19 to FY 2020-21, the total number of annual promotions in the City declined from 2,602 to 1,430.

Exhibit 7: Promotions by Race/Ethnicity, FY 2018-19 and FY 2020-21

Race/Ethnicity	FY 2018-19		FY 2020-21	
	# of Promotions	% of Total	# of Promotions	% of Total
American Indian/Alaskan Native	9	0.3%	4	0.3%
Asian	813	31.2%	383	26.8%
Black	337	13.0%	199	13.9%
Filipino	239	9.2%	109	7.6%
Hispanic	394	15.1%	238	16.6%
Multiracial	25	1.0%	19	1.3%
White	785	30.2%	478	33.4%
Total	2,602		1,430	

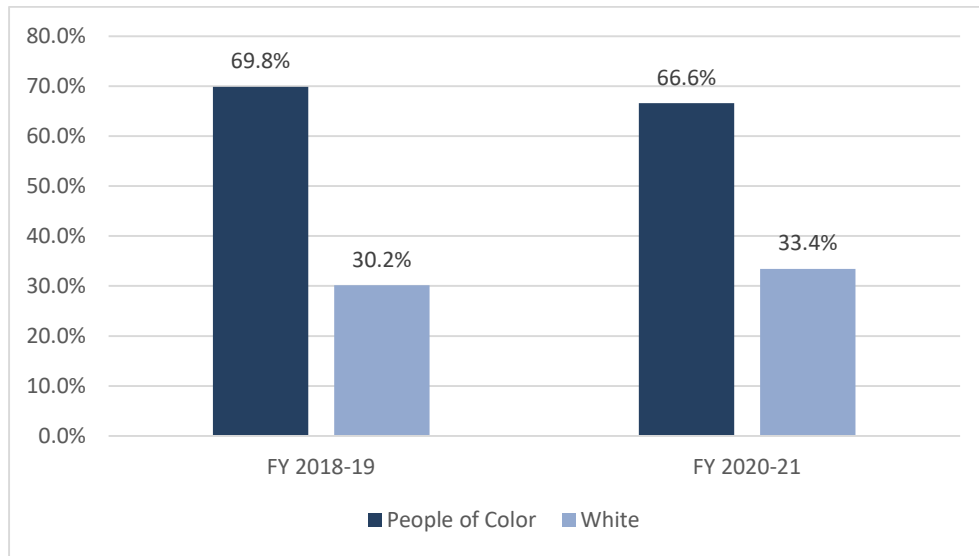
Source: SFDHR Citywide Workforce Demographics Data

The race/ethnicity with the largest percentage of total promotions in FY 2018-19 was Asian—at 31.2 percent. The race/ethnicity with the largest percentage of total promotions in FY 2020-21 was White – at 33.4 percent. While Hispanic and Black employees gained higher percentages of

total promotions over the two years, Asian and Filipino employees fell over the two years in their percentage of total promotions. Two group—American Indian/Alaskan Native and Multiracial—saw little to no change over the two years.

Overall, over the two year period, employees of color achieved more promotions than White employees, but their share of total citywide promotions declined from 69.8 percent to 66.6 percent, as shown below in Exhibit 8.

**Exhibit 8: Promotions for POC and White City Employees,
FY 2018-19 and FY 2020-21**



Source: SFDHR Citywide Workforce Demographics Data

Releases

The data on the DHR’s website for Citywide Workforce Demographics includes information on Releases for employees with exempt appointments, which is defined as a non-disciplinary release of an exempt, non-Permanent Civil Service (PCS) employee. As shown in Exhibit 9 below, the total number of releases decreased by nearly half from 1,390 in FY 2019 to 715 in FY 2021.

Exhibit 9: Releases by Race/Ethnicity, FY 2018-19 and FY 2020-21

Race/Ethnicity	FY 2018-19		FY 2020-21	
	# of releases	% of total	# of releases	% of total
American Indian/Alaskan Native	11	0.8%	2	0.3%
Asian	308	22.2%	127	17.8%
Black	302	21.7%	115	16.1%
Filipino	111	8.0%	69	9.7%
Hispanic	213	15.3%	108	15.1%
Multiracial	34	2.4%	19	2.7%
White	411	29.6%	275	38.5%
Total	1,390		715	

Source: SFDHR Citywide Workforce Demographics Data

In both years, Whites represented the largest share of releases, and their percentage of total releases increased from 29.6 percent to 38.5 percent. Both Black and Asian employees represented a reduced share of total releases over the two years: the share of releases held by Black employees declined from 21.7 percent to 16.1 percent, and the share of releases for Asian employees declined from 22.2 percent to 17.8 percent. American Indian/Alaskan Natives also represented a declining share of the total releases over the two years—from 0.8 percent to 0.5 percent. Filipinos represented a larger share of total releases over the two years—from 8.0 percent to 9.7 percent—while the share of total releases represented by Hispanic and Multiracial employees remained relatively flat.

Management Positions

The City also tracks and reports on employees in management positions by race/ethnicity. There are 10 classifications of employees which are considered management positions by DHR: Manager I, Manager II, Manager III, Manager IV, Manager V, Manager VI, Manager VII, Manager VIII, Deputy Director, and Department Head. The total number of City employees classified in management positions increased from 988 to 1,024, or by 3.6 percent, between FY 2018-19 and FY 2020-21. Exhibit 10 below shows the breakdown of employees who held management positions by race/ethnicity in those years.

Exhibit 10: Management Positions by Race/Ethnicity, FY 2018-19 and FY 2020-21

Race/Ethnicity	FY 2018-19		FY 2020-21	
	# of Managers	% of Total	# of Managers	% of Total
American Indian/Alaskan Native	3	0.3%	3	0.3%
Asian	182	18.4%	191	18.7%
Black	106	10.7%	124	12.1%
Filipino	65	6.6%	65	6.3%
Hispanic	90	9.1%	90	8.8%
Multiracial	4	0.4%	9	0.9%
White	538	54.5%	542	52.9%
Total Management Positions	988		1,024	

Source: SFDHR Citywide Workforce Demographics Data

In both years, White employees represented over 50 percent of management positions in the City. Asian, Black and Multiracial employees comprised an increased share of all management positions in 2021 compared to 2019—with 18.7 percent (vs. 18.4 percent), 12.1 percent (vs. 10.7 percent), and 0.9 percent (vs. 0.4%), respectively. Filipino and Hispanic employees saw a slight decline in their share of the total with each group seeing a decrease of 0.3 percent. American Indian/Alaskan Natives saw no change in the number of employees with management positions between FY 2018-19 and FY 2020-21.

While white employees represented a larger share of total management positions in the City, the percentage of people of color (POC) in management positions increased as a share of total management positions from FY 2018-19 to FY 2020-21, as shown in Exhibit 11 below.

Exhibit 11: Management Positions by Classification, FY 2018-19 and FY 2020-21

Position Classification	FY 2018-19		FY 2020-21	
	POC	White	POC	White
0922 - Manager I	77	91	87	88
0923 - Manager II	90	86	104	88
0931 - Manager III	79	96	75	100
0932 - Manager IV	47	60	47	61
0933 - Manager V	35	55	39	56
0941 - Manager VI	36	32	38	28
0942 - Manager VII	10	10	11	13
0943 - Manager VIII	6	14	9	12
095X - Dep Dir	53	75	56	75
096X - Dept Head	17	19	16	21
Total Mgmt Positions	450	538	482	542
Percentage of Total	45.5%	54.5%	47.1%	52.9%

Source: SFDHR Citywide Workforce Demographics Data

Corrective Action and Discipline

In 2020, DHR began publicly reporting information about discipline and corrective actions by race in the Annual Workforce Report and in an annual discipline report published on the DHR website. The data includes active permanent civil service employees, excluding Peace Officers and MTA employees. The types of corrective action and discipline reflected in the report include: probation extension, probationary release, performance improvement plan, written warning, suspension, and dismissal.

A breakdown of corrective actions and disciplinary actions by race/ethnicity is shown in Exhibit 12 below. Note that this comparison shows change over a one year period, rather than the two-year period shown in other tables in this report. The first full year of corrective actions data reported was FY 2019-20.

Exhibit 12: Corrective Actions and Discipline, FY 2019-20 and FY 2020-21

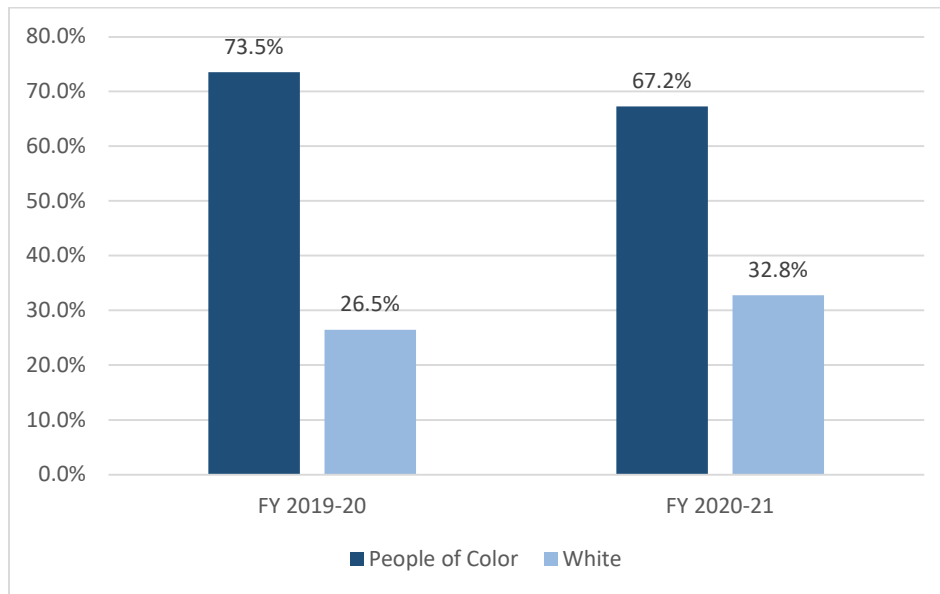
Race/Ethnicity	FY 2019-20		FY 2020-21	
	# of CAs	% of total	# of CAs	% of total
American Indian/Alaskan Native	5	1.1%	5	1.2%
Asian	97	21.2%	76	18.6%
Black	98	21.4%	93	22.7%
Filipino	35	7.7%	32	7.8%
Hispanic	92	20.1%	64	15.6%
Multiracial	9	2.0%	5	1.2%
White	121	26.5%	134	32.8%
Total Corrective Action & Discipline	457		409	

Source: SFDHR Corrective Action and Discipline reports

The race/ethnicity with the highest percentage of total corrective actions in both years was White employees, which also recognized an increase in its share of the whole from 26.5 percent to 32.8 percent, the largest of any race/ethnicity. The percentage share for Black employees also increased over time, but by a smaller margin—from 21.4 percent to 22.7 percent. Asian and Hispanic employees experienced declines in their share of all corrective actions; the percentage for Asians fell from 21.2 to 18.6, and the percentage for Hispanics fell from 20.1 to 15.6. Multiracial employees saw a smaller decline in their percentage of total corrective actions—from 2.0 percent to 1.2 percent. There was minimal change for Filipinos and American Indian/Alaskan Natives over the two year period.

As a whole, the percentage of total corrective actions for employees of color declined from 73.5 percent to 67.2 percent from FY 2019-20 to FY 2020-21, as shown in Exhibit 13 below.

Exhibit 13: Corrective Actions and Discipline, FY 2019-20 and FY 2020-21



Source: SFDHR Corrective Action and Discipline reports

Departmental Progress in Increasing Diversity in the Workforce

Neither DHR nor the ORE regularly analyze or monitor hiring and promotional metrics at the department level. However, the Diversity Recruitment Team at DHR leads monthly workgroups with department recruiters and human resource representatives to discuss diversity recruitment strategies and employee counts are available on the DHR website for each department by race/ethnicity. Our analysis of the 10 City departments with the largest number of employees shows that the percentage of White employees declined from FY 2018-19 to FY 2020-21 in eight of the 10 departments, including the Airport, Department of Public Health, Fire, Human Services Agency, SFMTA, Police, Public Works, and Recreation and Park. The percentage of White employees increased over the two years in two departments: Public Utilities Commission (from 44.7 percent to 45.0 percent) and Sheriff (from 26.3 percent to 26.4 percent). A summary of the data can be found in Appendix II.

Final hiring and promotional decisions occur within departments. Therefore, it is critical that this information be tracked and monitored regularly by a separate department, such as DHR or ORE, so that progress on racial equity by individual City departments and the City as a whole can be measured and inform future actions by City leaders.

Office of Racial Equity's Efforts to Address Diversity, Equity, and Inclusion in the Workforce

In July 2019, the San Francisco Board of Supervisors passed an ordinance (No. 188-19), which amended Chapter 12A of the Administrative Code to create the Office of Racial Equity (ORE) within the San Francisco Human Rights Commission. According to the ordinance,

the purpose of the Office is to advance racial equity in the City and repair harm done by government policy decisions that have created, upheld, or exacerbated racial disparities in the City. The Office will achieve this goal through policy analysis and development, data collection and analysis, and support and accountability for City departments. ... The Office will provide leadership and coordination to facilitate training, accountability, planning and evaluation tools, policy direction, and solutions to achieve racial equity within City government and across the City. The Office will work with City departments to eliminate racial disparity in City policies, processes, decisions, and resource allocations ...

The Ordinance gave the Office of Racial Equity the authority to:

- Create a citywide Racial Equity Framework
- Assist City departments with the development of Racial Equity Action Plans
- Analyze and report on the impact of ordinances on racial equity
- Require City departments to create Racial Equity Actions Plans and to provide annual updates on the plans
- Require City departments to designate employees as racial equity leaders
- Require the Department of Human Resources to produce an annual report concerning racial equity in the City workforce

Tools and Trainings Provided to Departments

As part of its mandate, the Office of Racial Equity has developed and distributed tools and training to department liaisons to assist them in promoting equity. As of April 2022, these include:

- Citywide Racial Equity Framework, Phase 1, including Departmental Racial Equity Action Plan Template
- Template for Annual Progress Reports
- Racial Equity Budget Assessment Tool: Program/Initiative
 - A tool for departments to describe how an individual program/initiative will achieve racial equity goals
- Racial Equity Budget Assessment Tool: Department Inventory

- A tool to capture all of the activities, functions, and services in each department's operating budget to report on the status of racial equity in their provision of services.
- Monthly Meetings with Racial Equity Leaders
 - Lead Working Groups to Focus on Specific Topics (i.e. workforce, disciplinary actions)
- Collection and Evaluation of Racial Equity Action Plans
 - All 52 City departments and agencies submitted Racial Equity Action Plans, which the Office reviewed in order to identify common themes and issues, which included data collection and analysis, and setting goals and establishing accountability.

Reporting Completed

In addition to creating the tools above and providing training to departments, ORE has published the following reports:

- **Racial Equity Index/Report Card:** The initial index of racial equity indicators was published on December 31, 2021, in accordance with the legislative mandate. ORE intends to engage community stakeholders throughout 2022 to refine these indicators before finalizing the metrics for analysis.
- **Progress Report:** Published June 30, 2020, this report highlighted achievements by ORE in its first year of operation.

Ongoing Vacancies and Lack of Leadership

Although the Ordinance established that the Office of Racial Equity include no fewer than five full time employees, including a Director, as of April 2022, ORE had only two full-time staff: one 9774 Senior Community Development Specialist and one 1823 Senior Administrative Analyst.

The Director position has been vacant since July 2021, and according to the Director of the Human Rights Commission, the position will likely be reclassified to align with other citywide racial equity positions. As of April 2022, no active list of newly created racial equity officer positions in the City existed. According to the Director of the Human Rights Commission, the Mayor's Budget Office intends to gather this information by May 2022. Given this timeline, it is likely that the Office of Racial Equity will continue to lack senior leadership until September 2022, given standard City hiring procedures and timelines.

Citywide Racial Equity Framework Has Not Been Completed

The development of the Citywide Racial Equity Framework, a key mandate for the Office of Racial Equity, has been divided into two phases. Phase 1 focuses on internal programs and policies, workforce as well as boards/commissions. Phase 1 centers on internal, overarching strategies

regarding the City's workforce. Phase 2, which has not been completed, will focus on City procurement, contracting, grant-making, and delivery of services and programs to residents. Phase 2 will center on external equity indicators.

According to ORE staff, they will be developing Phase 2 of the Framework collaboratively with Racial Equity Leaders in Q3 and Q4 of 2022. The timeline for completion is targeted for end of 2022.

DHR's Efforts to Address Diversity, Equity and Inclusion in the Workforce

The mission of the San Francisco Department of Human Resources (DHR) is to "use fair and equitable practices to hire, develop, support, and retain a highly qualified workforce," with the vision of hiring "empowered and diverse employees delivering excellent services to our communities through innovation, collaboration, and human-centered values."

Recent steps taken by DHR to expand the diversity of the City's workforce and to support existing employees include:

- Implementing de-identification to remove implicit biases by redacting the names, schools, and addresses of applicants seeking employment.
- Expanding the scope and number of trainings offered in City departments in order to reduce discrimination and improve workplace culture.
- Collaborating with the Government Alliance on Race and Equity, the Mayor's Task Force on Diversity and Inclusion, labor committees on diversity and equity, and the Office of Racial Equity to answer questions and discuss solutions.
- Creating an interactive database on the DHR website which tracks workplace demographics by department, classification, race, gender, and appointment status.

Through the Department of Human Resources, departments receive guidance and support to expand hiring and promotional opportunities for people of color. Some of these programs include:

- **DHR Diversity Recruitment Team (DRT):** DRT promotes workforce diversity by recruiting candidates and building partnerships with City departments and community stakeholders. The team does intentional outreach to diverse and non-traditional candidates through a range of partnerships and relationships. DRT has also published a recruitment toolkit which offers guidance to City departments in creating a diversity recruitment strategy. The team partners with departments to develop recruitment plans.

- **San Francisco Fellows Program:** This program places candidates across City departments for direct experience in City government. According to DHR, on average over 60 percent of participants matriculate into City positions after completing the Fellows Program.
- **ApprenticeshipSF program:** This program enables participants to gain on-the-job training and experience in the skilled trades supporting them in transitioning into City positions at the completion of their training.
- **Service Employees International Union (SEIU) Work Training Program:** This program provides support to SEIU members in pursuing education for the purpose of career advancement. The program provides up to eight hours per week of release time for members to attend classes that (a) are only offered during the employee’s regular work hours, and (b) are classes that are related to a degree.
- **DHR 1249 Work Study Program:** This program offers candidates a background in human resources and provides training in the City’s policies and procedures, through training and on-the-job learning. Completion of the curriculum counts toward their minimum qualifications for HR positions.
- **Career Development Initiative:** This initiative focuses on employee retention and building positive employment experiences for all employees, supporting diverse City staff with career path mapping and with opportunities for advancement. This initiative was created in direct response to recommendations from the Report of the San Francisco Independent Reviewer (known as “the Gould Report,” this report is discussed in more detail below).

City Resources Invested in DEI Efforts

Departmental Resources and Initiatives

Neither DHR nor the Office of Racial Equity currently monitor department initiatives to increase diversity in hiring and promotions. However, the Diversity Recruitment Team at DHR leads monthly workgroups with department recruiters and human resource representatives to discuss diversity recruitment strategies. ORE has also convened a Workforce Policies and Practices Working Group with DHR and the Civil Service Commission to identify where alignment is needed across department initiatives to increase diversity in hiring and promotions. Additionally, Departments may individually report on these efforts in their Racial Equity Action Plans and Annual Progress Reports, but that information is not currently collected and reported out comprehensively. In addition, neither office maintains records of full-time employees hired to focus on Diversity, Equity and Inclusion. While ORE does maintain the list of Racial Equity Liaisons in City departments, this record does not differentiate those employees who have been hired to dedicate all of their time to DEI issues.

DHR Resources for DEI Activities

Since FY 2019-20, resources budgeted for DEI activities and services within DHR have increased from \$11.5 million to \$15.6 million, or 35.8 percent, as shown in Exhibit 14 below.

Exhibit 14: DHR Budget for DEI Activities, FY 2019-20 to FY 2021-22

Stakeholder Engagement	FY 2019-20	FY 2020-21	FY 2021-22
Diversity Recruitment Team	579,000	588,905	665,323
Citywide Diversity, Equity, and Inclusion (DEI) Coordination	153,000	358,311	786,521
Human Resources Policy Unit	192,000	192,000	401,392
ApprenticeshipSF	429,000	429,000	452,172
Workforce Development Trainings	728,000	735,000	791,949
Skelly Hearings	37,000	37,000	37,000
Fair Pay and Barriers to Employment	311,690	311,690	332,327
Hiring Policies & Practices	3,713,452	3,899,074	4,149,506
Equal Employment Opportunity (EEO)	5,355,835	5,501,919	7,997,185
Total	\$ 11,498,976	\$ 12,052,898	\$15,613,374

Source: DHR data

According to DHR staff, the Equal Employment Opportunity budget increase in FY 2021-22 includes 5.39 new FTE to form an additional team. The team includes a 0923 Manager II, four 1231 EEO Programs Senior Specialists, a 1404 Clerk, and a 1840 Junior Management Assistant position as well as a new citywide case management system, as recommended by the Gould Report (commissioned by Mayor Breed in November 2020, and discussed in more detail below).

Office of Racial Equity Resources

Since the Office of Racial Equity was created in FY 2020-21, its budget has been unchanged, with annual non-personnel costs of \$775,000 and annual personnel costs of \$330,000, for a total of \$1.1 million in budgeted expenditures, as shown in Exhibit 15 below.

**Exhibit 15: Office of Racial Equity Budget,
FY 2020-21 to FY 2021-22**

	FY 2020-21	FY 2021-22
Non-Personnel	775,000	775,000
Personnel	330,000	330,000
Total	\$1,105,000	\$1,105,000

Source: ORE Data

As discussed earlier in this report, four FTEs have been authorized for the office; two of which have been vacant since at least July 2021.

The Gould Report

In November 2020, Mayor Breed commissioned an independent review “into the equal employment opportunity (EEO) practices, policies, and procedures” of the City. This review, commonly referred to as “the Gould Report” and published in June 2021, reported 19 finding areas and offered 58 recommendations in three main categories:

1. EEO complaint process (10 findings)
2. Recruitment, hiring and advancement (6 findings)
3. Discipline and corrective action (3 findings)

It found that the EEO complaint process was understaffed, over-complicated, and inefficient; the City does not offer adequate advancement opportunities for Black employees; and the City disproportionately disciplines Black employees. As noted above, the Board of Supervisors approved increases in the Department of Human Resources budget in FY 2021-22 to implement certain recommendations from this report.

Policy Options

The Board of Supervisors could:

1. Request that the Director of the Human Rights Commission urgently hire a Director for the Office of Racial Equity, as well as fill the vacant 1823 Senior Administrative Analyst position in the Office of Racial Equity, no later than September 2022.
2. Request that the Director of Human Resources evaluate and report annually on hiring and promotions by race and ethnicity by City department starting in January 2023.
3. Request that the Director of Human Resources complete and publish the Annual Workforce Report (including Phase 1 and Phase 2 results) for 2021 by July 1, 2022.
4. Request that the Office of Racial Equity complete and publish Phase 2 of the Racial Equity Framework no later than December 31, 2022.

Appendix I: Implementation Status of Ordinance 188-19 Mandates

Responsible Department	Task	Due Date	Status
Office of Racial Equity	Develop Racial Equity Framework	6/30/2020	Phase 1 only
Office of Racial Equity	Oversee Development of Departmental Racial Equity Action Plans	12/31/2020	✓
Office of Racial Equity	Publish Biennial Racial Equity Report Card	12/31/2021	in development
Office of Racial Equity	Analyze Pending Ordinances	1/1/2021	
Office of Racial Equity	Develop Budget Equity Assessment Tool	12/31/2021	in pilot phase
City Departments	Develop Departmental Progress Report on Racial Equity	3/1/2022	delayed to 5/2/22
City Departments	Designate Racial Equity Leaders	not specified	✓
Office of Racial Equity	Train Racial Equity Leaders to Ensure Outcomes	not specified	✓
Department of Human Resources	Release Annual Workforce Report	3/1/2020	Phase 1 only
Controller/City Administrator	Develop Contracts Report	6/30/2020	

Sources: Ordinance 188-19, ORE Progress Report, DHR Annual Workforce Report 2020, interviews with City staff

**Appendix II: Race/Ethnicity in 10 Largest City Departments, FY 2018-19 to
FY 2020-21**

Appendix II: Race/Ethnicity in 10 Largest City Departments, 2019 to 2021

Race/Ethnicity	2019		2021	
	# of employees	% of total	# of employees	% of total

Airport

American Indian/Alaskan Native	10	0.6%	8	0.5%
Asian	676	37.7%	622	39.7%
Black	127	7.1%	106	6.8%
Filipino	231	12.9%	216	13.8%
Hispanic	254	14.2%	211	13.5%
Multiracial	37	2.1%	19	1.2%
White	460	25.6%	383	24.5%
Total	1,795		1,565	

DPH

American Indian/Alaskan Native	26	0.3%	28	0.4%
Asian	2,118	27.8%	2,201	28.2%
Black	920	12.1%	1,038	13.3%
Filipino	1,621	21.3%	1,591	20.4%
Hispanic	1,091	14.3%	1,151	14.7%
Multiracial	38	0.5%	76	1.0%
White	1,811	23.8%	1,722	22.1%
Total	7,625		7,807	

Fire

American Indian/Alaskan Native	15	0.8%	17	1.0%
Asian	315	17.4%	294	17.5%
Black	167	9.2%	148	8.8%
Filipino	102	5.6%	94	5.6%
Hispanic	305	16.8%	289	17.2%
Multiracial	2	0.1%	11	0.7%
White	905	50.0%	830	49.3%
Total	1,811		1,683	

Human Services

American Indian/Alaskan Native	11	0.4%	6	0.3%
Asian	777	31.0%	787	33.4%
Black	447	17.8%	389	16.5%
Filipino	253	10.1%	232	9.8%
Hispanic	538	21.4%	510	21.6%
Multiracial	28	1.1%	27	1.1%
White	455	18.1%	405	17.2%
Total	2,509		2,356	

Appendix II: Race/Ethnicity in 10 Largest City Departments, 2019 to 2021

Race/Ethnicity	2019		2021	
	# of employees	% of total	# of employees	% of total
MTA				
American Indian/Alaskan Native	38	0.6%	32	0.6%
Asian	1,965	33.0%	1,929	33.8%
Black	1,688	28.3%	1,583	27.8%
Filipino	560	9.4%	545	9.6%
Hispanic	788	13.2%	743	13.0%
Multiracial	32	0.5%	47	0.8%
White	887	14.9%	824	14.4%
Total	5,958		5,703	

Police				
American Indian/Alaskan Native	12	0.4%	12	0.4%
Asian	593	19.9%	589	20.7%
Black	300	10.1%	285	10.0%
Filipino	240	8.0%	245	8.6%
Hispanic	510	17.1%	498	17.5%
Multiracial	10	0.3%	12	0.4%
White	1,319	44.2%	1,203	42.3%
Total	2,984		2,844	

Public Utilities Commission				
American Indian/Alaskan Native	6	0.3%	10	0.5%
Asian	560	24.8%	548	25.0%
Black	197	8.7%	185	8.4%
Filipino	168	7.4%	166	7.6%
Hispanic	308	13.6%	283	12.9%
Multiracial	10	0.4%	15	0.7%
White	1,009	44.7%	987	45.0%
Total	2,258		2,194	

Public Works				
American Indian/Alaskan Native	12	0.8%	10	0.7%
Asian	448	29.0%	421	30.8%
Black	311	20.1%	264	19.3%
Filipino	111	7.2%	104	7.6%
Hispanic	269	17.4%	242	17.7%
Multiracial	9	0.6%	12	0.9%
White	386	25.0%	314	23.0%
Total	1,546		1,367	

Appendix II: Race/Ethnicity in 10 Largest City Departments, 2019 to 2021

Race/Ethnicity	2019		2021	
	# of employees	% of total	# of employees	% of total
Rec and Park				
American Indian/Alaskan Native	14	0.6%	7	0.4%
Asian	485	22.4%	407	22.9%
Black	344	15.9%	294	16.6%
Filipino	108	5.0%	98	5.5%
Hispanic	341	15.7%	282	15.9%
Multiracial	89	4.1%	90	5.1%
White	789	36.4%	596	33.6%
Total	2,170		1,774	

Sheriff				
American Indian/Alaskan Native	4	0.4%	4	0.4%
Asian	229	22.7%	229	23.7%
Black	164	16.3%	140	14.5%
Filipino	135	13.4%	133	13.8%
Hispanic	206	20.4%	199	20.6%
Multiracial	5	0.5%	5	0.5%
White	265	26.3%	255	26.4%
Total	1,008		965	