



District 5 Summer Newsletter

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1221 Oak St., Ste 536
Oakland, CA 94612
Tel. 510-272-6695
Fax 510-271-5151
dist5@acgov.org

The Fifth District includes the cities of Albany, Berkeley, Emeryville and Piedmont; the West Oakland, North Oakland and Rockridge communities and portions of the Grand Lake, Manzanita, Dimond District and Fruitvale neighborhoods.

Education and Public Safety, Two Things Californians Are Willing To Pay For

California voters, despite the stereotype that we despise tax hikes, sometimes vote to approve tax increases, especially if the money will pay for education or public safety.

Case in point: on November 2, 1993, 58% of California voters approved Proposition 172, a half cent sales tax designed to preserve an adequate level of public safety services in our counties. The tax has been a crucial tool in Alameda County's budget balancing strategies by bringing in between \$110 Million and \$120 Million a year in public safety funding.

How did the issue of public safety funding end up on the ballot? Because a two thirds vote in the Legislature is required to raise revenue, propositions that involve tax increases are often put on the ballot for the people to decide. Different levels of government (state, counties and cities) frequently clash over who pays for what services. The state often dictates the terms of the deal, yet statewide propositions voted on by the people most often trump legislative decisions. Propositions often include a constitutional amendment that enshrines the funding source in the State Constitution.

The origins of Prop 172 go all the way back to Prop 98, a 1988 voter-passed initiative designed to reverse the trend of reductions in public education funding. Prop 98 requires that approximately 40% of the

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Measure A Maintains Essential Health Care Services

Measure A, the Essential Health Care Services Initiative, was passed by 71% of Alameda County voters in March 2004. It authorized Alameda County to raise its sales tax by one-half cent in order to provide additional financial support for emergency medical, hospital inpatient, outpatient, public health, mental health, and substance abuse services. The funding benefits indigent, low-income, and uninsured adults, children, families, seniors, and other residents of the County. These services faced sharply increasing costs with inadequate resources to meet the needs of County residents. Measure A funds substantially eased the countywide crisis in health care.

The Alameda County Medical Center receives 75% of the funds collected through Measure A; the Board of Supervisors distributes the remainder to other health care providers. Recipients include initiatives funded by the Alameda County Public Health Department and Behavioral Health Care Services; emergency room physicians; primary care clinics; Children's and St. Rose Hospitals; and school-based health centers.

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SAVE THE DATE!



7th Annual Ready to Learn Fun Fair

Saturday, September 29 2012, 10 AM - 1 PM
Fruitvale Elementary School
3200 Boston Avenue, Oakland, CA 94602

Meet Clifford the Big Red Dog, get free books!
See a clown show, enjoy music, games and resources!

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For more information visit:

<http://www.acgov.org/board/district5/>

County News

Workforce Development in Alameda County

Given the recent downturn in the economy, the need to fill skill gaps and put Americans back to work has become even more critical to the well-being of local communities. Many workers lack the skills necessary to acquire and retain jobs with wages that allow them to be self-sufficient and advance economically. It is of critical concern to address these and future workforce challenges in the changing global economic environment. Alameda County is taking the initiative to assist in job development and determine how we can address some of those concerns for our residents.

The current unemployment rate in Alameda County is at 9.1% and the poverty rate is estimated at 11.5%, which presents some unique challenges. However, our county has always been at the cutting edge on many initiatives that help improve people's lives. Many experts have predicted that the economic recovery for the United States will be a bit slower than some had anticipated. The recent job report in June issued by the U.S. Department of Labor indicated that job growth was lower than expected, with only 80,000 jobs added. We know that people are having a harder time finding jobs for various reasons: lack of skills, competition, and the needs of specific industries.

Workforce development has become a top priority for policy makers concerned about developing a skilled and knowledgeable workforce, which is crucial for jurisdictions to be economically competitive. To achieve this competitive edge, state workforce and education systems must be designed to provide the skilled workers employers need to thrive and the education and training individuals need to prosper in today's labor market.

Some of the ways that Alameda County is working to help people determine career paths:

- Working specifically with businesses located in Alameda County to assist in identifying their future



Participants in the Oakland Green Jobs Corps speak about their experiences at a press conference.

employment needs

- Working with local school districts to ensure that students are properly prepared for the future workforce and have the requisite skills to be competitive
- Working with local community partners to develop and implement training programs to reach the most vulnerable populations to assist with employment.

Our goal is to work with the business sector and the community to get people working in Alameda County and reduce the unemployment rate. This is not an easy task, but it is a challenge that we are ready to undertake in order to ensure a better quality of life for the residents of Alameda County.

Click here for the Alameda County Workforce Investment Board:

<http://www.acwib.org/>

Employment Resources from the Social Services Agency:

<http://alamedasocialservices.org/public/services/>

New Grading System for Alameda County Food Facilities

Green, Yellow and Red – those are the colors of the placards that are posted at Alameda County retail food facilities (excluding City of Berkeley). The new system started on July 1, 2012. The grading system is the latest enhancement to the Alameda County Environmental Health Department's food safety program and will eventually impact the more than 6000 food facilities in the County.

Green is Pass, yellow is Conditional Pass, and red is Closed. The placards will rank the food safety status of facilities inspected after July 1st. Initially, foodservice operations at restaurants, school cafeterias, healthcare facilities, commissaries, supermarkets and bakeries will receive placards after a routine inspection is conducted. Mobile food and prepackaged facilities will be posted later in the year. The placards are to be posted at or near the entrance of the facility in public view.

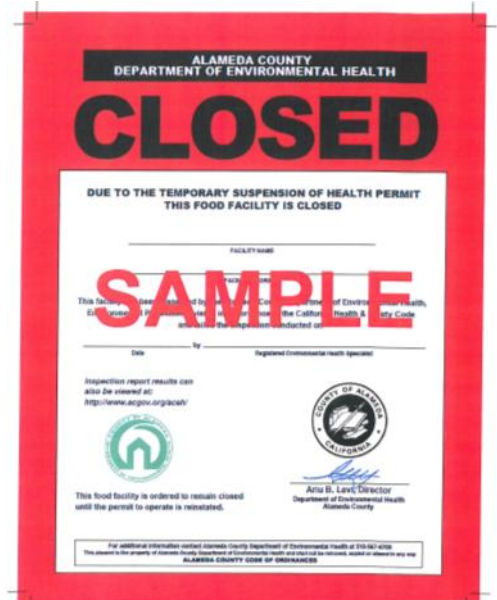
The grading system will provide the dining public with a simple means to understand at a glance the food safety status of a facility. Routine inspections of food facilities,

currently averaging about 2.2 times a year, will generate the appropriate placard immediately following the inspection.

- Green indicates no major violations of food safety after the inspection
- Yellow indicates two or more major food safety violations were identified and corrected during the inspection. A follow-up inspection will occur within a week.
- Red indicates the facility has been closed due to one or more uncorrected major food safety violations. All violations must be corrected and a re-inspection conducted before the facility can reopen.

For more information or to see the status of food facilities by color-coded dots on GIS maps, please visit <http://www.acgov.org/aceh/food/grading.htm>. Facilities with blue dots have yet to be inspected for grading/placarding purposes. As inspections are conducted, the website will be updated with the color of the placard issued after

Samples of the New Placards:





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state’s general fund be devoted to K-12 education. To achieve that target, in 1992 the State directed counties to shift a portion of their property taxes to the State to pay for schools. The shift, known as the Education Revenue Augmentation Fund (ERAF), partially replaces revenue the state would have sent to schools as a result of Proposition 98, thus easing the burden on the state’s General Fund.


However, the loss of ERAF property tax dollars to counties would have forced them to cut their budgets, putting county public safety funds at risk. Shortly thereafter, the Governor and the Legislature put Proposition 172 on the ballot to replace public safety funding in counties. The end result is that Californians pay more to maintain the same level of public safety services. In fiscal year 2011-2012, Alameda County will bring in an estimated \$115 million in Prop 172 revenue, while sending \$326 million to the State due to ERAF.

It is hard to quantify what would be lost in Alameda County without Prop 172 funding. To put it into context, the entire public safety budget for fiscal year 2012-2013 is \$546.2 million.; \$115 million represents 21% of that budget. It is fair to say that without Proposition 172, the County would face serious budget challenges and could potentially be forced to cut funding from the District Attorney’s office, the Public Defender’s Office, the Sheriff’s department, the operations of the County jails, and the Probation department.

Prudent fiscal decisions by our residents and decision makers will allow Alameda County to continue to provide innovative initiatives and progressive leadership well into the future.

Click here for more information about Prop 172:

[http://ballotpedia.org/wiki/index.php/
California Proposition 172, Sales Tax Increase
\(1993\)](http://ballotpedia.org/wiki/index.php/California_Proposition_172,_Sales_Tax_Increase_(1993))



Sunday, September 9 2012, 10am - 6pm
Solano Avenue in Berkeley and Albany
Visit our District 5 and Alameda County services booths

Pension Reform: The Story Behind the Numbers

In recent months, numerous U.S. states, cities and municipalities have enacted varying degrees of pension reform against a backdrop of ballooning budget deficits and increased public scrutiny of employee salaries and benefits. When three California cities--Stockton, San Bernadino and Mammoth Lakes--recently declared bankruptcy, pension and retiree health care costs were among the reasons given for the fiscal emergencies. What factors caused the crisis, and how are California municipalities being impacted?

Background on the crisis

The crisis in pension funding was partially precipitated by the financial crisis of 2007-2010, which led to massive investment losses. Given that many pension funds expect to receive as much as two thirds of their income from investment returns, these losses were devastating. For example, the California Public Employees Retirement System (CalPERS), the nation’s largest pension fund, suffered a \$12.5 billion investment income loss in 2008 and a \$57.3 billion loss in 2009.

Even before the recent financial crisis, irresponsible decisions placed some pension plans in a precarious position. During the boom years in the late 1990s and mid-2000s, some jurisdictions retroactively enhanced benefits for retirees or took pension “holidays” and failed to pay the recommended contributions into pension funds.

The combination of steep investment losses and imprudent funding choices has led to a situation where many pension funds are considerably underfunded. Most pension experts believe that to be healthy, a plan must be at least 80% funded. The difference between the promises made to retirees and the amount of money in the fund is called the “unfunded actuarial accrued liability” (see box). CalPERS state worker plans carry an unfunded liability of \$38.5 billion as of June 30, 2011, and are on average 70% funded.

Experts disagree about how to calculate pension debt, however. A new estimate from Moody’s Investor Ser-

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vices calculates the total local and state pension debt to be \$2.2 trillion, almost three times the \$766 billion reported by those entities. Estimates of the total national pension debt range from \$757 billion (according to a Pew Center on the States report) to \$3.9 trillion (according to a J. P. Morgan report). The differences arise from conservative analysts' use of a lower assumed rate of return on investments (between 4% and 6%) compared with the 7.5% to 8% rate of return assumed by many governments. Economists believe governments should use the lower rates, which are closer to average yields on low-risk bonds. Retirement fund administrators argue that the higher rates of return are justified by examining long-term historical average rates of return over many decades.

However the debt is calculated, it is clear that pension funds are facing challenging times. In response to the crisis, Governor Jerry Brown introduced a "12 Point Plan" to reform California's pension system. The overall idea of the plan is to eliminate abuses in the system and to shift some of the financial risk from employers to employees. In October 2011 when the plan was released, the administration estimated that the proposed reforms would save state and local governments between \$4 and \$11 billion over 30 years.

The Governor's plan

1. Employees must contribute at least 50% of the normal cost of retirement plans; employers may not pay any part of the employees' share.
2. New employees must participate in a "hybrid plan" that combines a traditional defined benefit plan with a 401(k)-style defined contribution plan and Social Security benefits for those who are eligible.
3. Increase the minimum retirement age from 55 to 67 for general members and from 50 to 57 for public safety members.
4. Final compensation must be based on the final 3 years of service rather than the last year of service (to eliminate "spiking").
5. The pay rate used to determine pension benefits must not include vacation, sick or other forms of leave; severance; overtime; in-kind remuneration; expenses related to uni-

Pension Definitions

Defined Benefit: A traditional government pension is referred to as a "defined benefit" plan. Over the course of an employee's service, the employer makes payments to a retirement fund; some employees are also required to make contributions to the fund. The retirement association pools together the contributions from all employees and invests the funds using professional managers. Upon retirement, the employee receives a guaranteed amount of money, usually paid out in monthly installments. The benefit amount depends upon the employee's years of service and his or her final compensation, usually calculated based on the last year or as an average of the last three years of service.

Defined Contribution: Many private sector employees and an increasing number of public sector employees are enrolled in a defined contribution retirement plan. The most common type of defined contribution plan is a 401(k). Employees make contributions to a retirement account, which are then invested, usually in mutual funds. In some cases, the employer will also contribute to the account. The risk remains with the employee because the benefit paid out to the retiree is not guaranteed by the employer. In the event of a financial crisis when retirement accounts suffer significant losses, retirees can end up outliving the balance of their accounts.

Hybrid Plan: A retirement plan that combines elements of a defined benefit plan and defined contribution plan. The employer guarantees some portion of the benefit and the remaining portion is invested in a defined contribution plan.

Unfunded actuarial accrued liability (UAAL): The difference between the actuarial value of projected future benefits (the liability) and the actuarial value of the fund's assets is called the UAAL. With most defined benefit plans, the employer carries all of the financial risk and must increase their contributions when there is an unfunded liability.

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- forms, vehicles, housing allowances, employer contributions of deferred compensation or defined benefit plans (to eliminate spiking).
- 6. Retirees may be rehired but only for 960 hours per calendar year (to eliminate “double dipping”).
- 7. All public officers and public employees would forfeit their pension upon the conviction of a felony.
- 8. Prohibit retroactive benefit enhancements.
- 9. Prohibit employer and employee contribution holidays.
- 10. Bans the purchase of service credits for years that the employee has not worked (to eliminate “air time”).
- 11. Adds new members with financial expertise to the CalPERS Board of Directors
- 12. Require state employees to work at least 15 years before becoming eligible for retiree health care benefits.

Read the Governor’s full plan here:

http://gov.ca.gov/docs/Twelve_Point_Pension_Reform_10.27.11.pdf

After months of studying the plan in a conference committee, Legislators were not able to come to an agreement with the Governor on pension reform legislation before the July recess. There is general agreement about certain key points, such as eliminating spiking and prohibiting pension payouts for those convicted of a felony. Lawmakers may take up the issue when they return in August, but there are a few sticking points, especially over the minimum retirement age and the exact details of the proposed hybrid plan (see box).

Implementing state-wide reform also faces challenges due to the diversity of pension systems in California. In June, San Jose and San Diego, two charter cities that are not part of CalPERS, enacted pension reform through voter-approved ballot measures. Twenty California counties, including Alameda County, run their own pension plans as part under a 1937 Act called the County Employees Retirement Law. It remains to be seen how a possible state-wide pension reform package will affect the various jurisdictions and exactly how

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Since the start of the economic downturn, unemployment has been on the rise, which increases the number of indigent, uninsured, and low-income Alameda County residents who need Measure A funded services. Not only has the downturn affected individuals, but it has also resulted in severe budget gaps at the state and federal level. Those gaps have been closed by cutting programs such as Medi-Cal and Healthy Families, which support the very families hardest hit by the downturn. During the last several years of financial uncertainty, Alameda County has been able to maintain funding for critical safety net services because of the support of Measure A.

While a half cent countywide adds up to over \$100 million a year, Measure A has saved taxpayers much more in the long run by providing primary care services to the most vulnerable and addressing their medical issues before they get into a costly emergency or hospitalization situation.

For more information about Measure A, please click here:

<http://www.acgov.org/health/indigent/measureA.htm>

much savings will be achieved for the budgets of the State, cities and counties.

Resources:

CalPERS Facts: <http://www.calpers.ca.gov/eip-docs/about/facts/general.pdf>

Moody’s estimates of pension debt: <http://www.publicceo.com/2012/07/moodys-estimate-triples-pension-debt-2-trillion/>

Pew Center on the States Report: http://www.pewstates.org/uploadedFiles/PCS_Assets/2012/Pew_Pensions_Update.pdf

J.P. Morgan Chase report:

<http://www.foxbusiness.com/industries/2012/06/13/jpmorgan-questionable-muni-call/>



Asian Community Collaborative (ACC) Update

In response to the economic challenges that Alameda County residents and communities face, the Asian Community Collaborative (ACC) has been providing a series of mini-workshop on fund development. The workshops assist Asian Pacific Islander (API) community-based organizations with tools so they are able to continue to provide vital social and health care services for our community.

At the June 7, 2012 ACC General Membership meeting, the final fund development session for the year took place. Presenters included representatives from the One Pacific Foundation, Philanthropedia- a Division of GuideStar Inc. and the Oakland Digital Arts and Literacy Center. In addition, the Alameda County Social Services Deputy Director presented an analysis of the Governor’s Revised Budget and its impact on service providers.



Photo: Michael Gumora for Oakland Digital

making organization, some of their goals are to help our community by alleviating economic distress and increasing financial literacy.

Philanthropedia – A Division of GuideStar Inc. described their role in evaluating the impact of non-profits in all sectors of service and all communities across the United States. The Oakland Digital Arts and Literacy Center provided nine tips for a successful Facebook page and explained how to better outreach to an audience through digital media and online platforms.

The ACC will continue to meet quarterly and provide vital information on issues that affect API communities, including another annual series of fund development workshops.

You may visit the ACC website at: <http://www.acgov.org/board/district5/acc.htm>



Photo: Michael Gumora for Oakland Digital

In the past 10 months, ACC has provided fund development presentations from Kaiser, AT&T, Rubicon Programs, Alameda County Social Services Contracts Office, Alameda County Purchasing Department, and a professional grant writer.

At each of the fund development sessions, more than 25 service providers attended and the presenters gave an overview of their organization. On June 7, the One Pacific Coast Foundation described the activities that they support in conjunction with the goals of the One Pacific Coast Bank. Although they are not a grant



Photo: Michael Gumora for Oakland Digital

Thank You to Our Interns



Photo credit: Michael Gumora for Oakland Digital (ODALC)

Vickie Ozorio Zeino is a dynamic mother who lives in East Oakland and studies graphic design at Laney College. Vickie is one of four winners of “Inspire Oakland,” a competition that challenged aspiring graphic designers to create a billboard showcasing inspiring aspects of the City of Oakland.

Vickie served as an intern in the District 5 Office for the month of June, working on a variety of design projects, including logos, event postcards, banners and a new community services guide. We appreciated her positive attitude, enthusiasm and strong work ethic. Thanks to Oakland Digital Arts and Literacy Center for connecting us with Vickie.

Click here for more on Oakland Digital and the Inspire Oakland competition: <http://www.odalc.org/>



Kevin Jenkins, a native of Oakland and graduate of Oakland High School, has been interning in our office since January. Kevin is finishing his studies at San Francisco State University, where he majors in Urban Studies and Planning. He has shown leadership through his work on a project to support men in the West Oakland community. Kevin has been coordinating with the County Public Health Department and learning skills to map community assets and challenges. The most important thing he has learned during his internship is “to ask the right questions in order to know what is going on in the community and how to come up with workable solutions.” We appreciate Kevin’s friendly demeanor, his insightful observations and his dedication to the community.



Kylie Fisher grew up in Albany and graduated from Albany High in 2009. In the fall, she will start her senior year at Smith College in Massachusetts, where she majors in Art History and Government. This summer, Kylie worked as a Teaching Artist at the de Young Museum in San Francisco and interned in the District 5 office once a week. She has helped our staff research STEM (Science, Technology Engineering and Math) best practices for early childhood education. Her research has focused on finding tools for building curriculum and methods for implementing STEM programs for children. She has also assisted with preparing commendations, database management and event planning. We appreciate Kylie’s willingness to take on any task, her thorough research and her big smile!