

Memo

To: Commission Members
From: Alexander Khu
Date: Monday April 7, 2014
Re: April 7, 2014 Commission Meeting

Enclosed are the materials for the April 7, 2014 Commission meeting which will take place as follows:

Time: 6:00 pm

Location: 1485 Civic Court (formerly Enea Court), Suite 1200, Concord, CA
925-771-7300

A light dinner will be provided.

Please let me know if you have any questions.

Kind Regards,

Alexander Khu, Executive Assistant
First 5 Contra Costa
1485 Civic Court (*formerly Enea Court*)
Suite 1200
Concord, CA 94520
925-771-7342 Direct
925-771-6083 Fax

Agenda

Monday, April 7, 2014, 6:00 pm
1485 Civic Court, Suite 1200
Large Conference Room
Concord, CA

1.0 Call to Order and Roll Call

2.0 Public Comment

The public may comment on any item of public interest within the jurisdiction of the First 5 Contra Costa Children and Families Commission. In accordance with the Brown Act, if a member of the public addresses an item not on the posted agenda, no response, discussion, or action on the item may occur.

3.0 Approval of Consent Calendar

Action

A Commissioner or member of the public may ask that any of the following consent items be removed from the consent calendar for consideration under Item 4.

3.1 Approve the minutes from the February 3, 2014 Commission meeting.

3.2 Accept the Executive Committee Report from the February 3, 2014 meeting.

4.0 Consider for discussion any items removed from the consent calendar.

5.0 Public Hearing on the First 5 California 2012-13 Annual Report

The report may be found online at:

http://www.first5california.com/pdf/annual_report_pdfs/Annual_Report_12-13.pdf

5.1 Consider accepting the First 5 California 2012-13 Annual Report

Action

6.0 Public Hearing on the First 5 Contra Costa 2010-2015 Strategic Plan

The Strategic Plan may be found at:

<http://www.firstfivecc.org/index.php?page=strategic-plan>

6.1 Consider maintaining the First 5 Contra Costa 2010-2015 Strategic Plan without revision

Action

7.0 Considering approving the proposed First 5 Contra Costa budget for Fiscal Year 2014-2015

Action

8.0 Consider approving the proposed salary range of \$110,000 to \$160,000 for the position of Executive Director

Action

9.0 Consider approving the proposed increase in salary for the Executive Director, from the current salary of \$130,553 to \$137,081

Action

10.0 Executive Director's Report



11.0 Communications

- Memorandum from CCCERA to the Commission.

12.0 Commissioner F.Y.I. Updates

13.0 Adjourn

The First 5 Contra Costa Children and Families Commission will provide reasonable accommodations for persons with disabilities planning to participate in Commission meetings who contact the Commission's offices, at least 48 hours before the meeting, at (925) 771-7300.

Any disclosable public records related to an open session item on a regular meeting agenda and distributed by the First 5 Contra Costa Children and Families Commission to a majority of members of the First 5 Contra Costa Children and Families Commission less than 96 hours prior to that meeting are available for public inspection at 1485 Enea Court, Suite 1200, Concord, CA 94520 during normal business hours.

In consideration of those who may suffer from chemical sensitivities or who may have allergic reactions to heavy scents, First 5 Contra Costa requests that staff and visitors refrain from wearing perfume, cologne, or the use of strongly scented products in the work place. We thank you for your consideration of others.



Monday April 7, 2014

Agenda Item 3.1

Approve the minutes from the February 3, 2014 meeting.



COMMISSION MEETING MINUTES

Monday, February 3, 2014, 6:00 pm
1485 Civic Court, Suite 1200
Large Conference Room
Concord, CA

1.0 Call to Order and Roll Call

The meeting was called to order at 6:04 pm.

Commissioners in attendance were:

Chair PJ Shelton, Secretary / Treasurer Maria Fort, Vice Chair Valerie Earley, Barbara Cappa, Gareth Ashley, Supervisor Candace Andersen, John Jones, Dr. William Walker, and Katharine Mason for Kathy Gallagher.

Alternates present were:

Belinda Lucey, Kathy Lafferty, and Toni Robertson.

Mister Phillips joined the meeting at 6:22 pm.

Also present were County Counsels Keiko Kobayashi and Mary Ann Mason.

2.0 CLOSED SESSION

Public Employee Performance Evaluation

Title: Executive Director

This item was removed from the agenda this month and will be included in the April 7, 2014 Commission Meeting Agenda.

3.0 Public Comment

Sharon Bernhus, Executive Director from Shelter Inc. reported that they currently have 14 families at the Mountain View shelter. 41 individuals, 17 of whom are of First 5 age (0 to 5).

4.0 Approval of Consent Calendar

Motion was made by John Jones to approve the consent calendar.

Motion was seconded by Barbara Cappa.

AYES: PJ Shelton, Maria Fort, Valerie Earley, Barbara Cappa, Gareth Ashley, John Jones, Dr. William Walker, and Katharine Mason for Kathy Gallagher.

NOES: None

ABSENT: Kathy Gallagher

ABSTAIN: Supervisor Candace Andersen

Motion was **APPROVED**.

5.0 Consider for discussion any items removed from the consent calendar.

There were no items from the consent calendar removed for discussion.

6.0 Presentation on conflict of interest laws pertinent to Commissioners and staff

Mary Ann Mason, Assistant County Counsel made a presentation to the Commissioners and Staff updating and clarifying new items with regards to each responsibility in disclosure and reasons and process of recusal, and reviewed the Political Reform Act Government Code Section 1090 and case law that addresses the appearance of conflict of interest.

She addressed questions from the commissioners with matters pertaining to when or how to disclose and or recuse, what is the amount of time one abstains from participating after moving to a different organization. She explained when it is appropriate to participate in various decision-making including budgets, inspections and ratings that may involve sites and contractors.

After the presentation, Chair PJ Shelton asked Alternate Commissioner Katharine Mason to present to First 5 staff, Vanessa Miller a Certificate of Appreciation for her contribution to First 5 in the last year. Vanessa's name had been erroneously omitted during last December's appreciation.

7.0 Consider approving the FY 2013-14 mid-year budget revision

Sean Casey reported that a mid-year report is given whenever there are significant changes to the budget.

Update as follows:

1. Additional Race to the Top funding from the California Office of Education (\$528,128 through December, 2015).
2. \$5,000 from the East Bay Community Foundation and \$2,000 from Zero tolerance for Domestic Violence for Bruce Perry Seminar.
3. \$6,050 from Contra Costa County for car seat project.

John Jones asked to clarify the variance amount \$142,032 for the Race to the Top funding. Sean reported that the amount is for this fiscal year.

Dr. William Walker made a motion to approve the FY 2013-14 mid-year budget revision.

Maria Forte seconded.

AYES: PJ Shelton, Maria Fort, Valerie Earley, Barbara Cappa, Gareth Ashley, John Jones, Supervisor Candace Andersen, Dr. William Walker, and Katharine Mason for Kathy Gallagher.

NOES: None

ABSENT: Kathy Gallagher

ABSTAIN: None

Motion was **APPROVED**.

8.0 Update on implementation of the Early Learning Challenge Quality Rating and Improvement System

Cally Martin reported on the status of implementation of the Quality Rating and Improvement System pilot. The supplemental funds received by the California Department of Education were awarded to the 17 Early Learning Challenge consortia with the requirement that they expand the number of participating sites and “mentor” new counties willing to implement QRIS and rate sites by December, 2015. Contra Costa County agreed to expand to 90 new sites and, along with the other 5 Bay Area Consortia, mentor San Mateo County. Each county agreed to pool 10% of their supplemental award to support San Mateo, which, in turn, agreed to adopt the tier structure, use the regional database and enroll 60 sites. Contra Costa County will be credited 15 of the San Mateo sites meaning we need add only 10 local sites to meet our target.

In the first year of the grant we engaged 20 sites to pilot the processes. We wanted to test the flow participation with a small number of sites before we rolled it out to a larger group. We are one of the last counties to begin ratings by design.

For many of the providers, a compelling reason to participate in QRIS is the opportunity to contribute to the growing body of knowledge about QRIS, particularly what aspects of quality are most important for child outcomes.

Providers participate in technical training on such topics as use of child observation tools, performing developmental screening, using environmental rating scales, and the use of the CLASS instrument to assess teacher child interactions.

Gareth Ashley asked if there were additional incentives besides the stipend?

Cally reported that providers continue to be eligible for PMD scholarships and can continue to take advantage of training.

Barbara Cappa asked how participants are identified. Or do participants come to seek out qualification through First 5?

Many of the participants were from the former Preschool Makes a Difference Program and the rest were identified based on their location in the target area

John Jones asked how many participants are family child care providers and how many are centers? To date, to date the distribution is 23 and 40 respectively.

For more information on the QRIS system and FAQs, please go to link:

<http://www.firstfivecc.org/index.php?page=gris>

The slide presentation is found on:

http://www.firstfivecc.org/uploads/programs/pdp/QRIS_Description_PPT.pdf

Sean Casey reminded the Commission that the funding that we are receiving is to set up and pilot the system with an eye towards assessing the feasibility for universal use in the future. The current

funding expires in December 2015.

9.0 Executive Director's Report

Sean Casey gave the following report:

SB 837

In December we started to hear about a proposal to expand Transitional Kindergarten in a combined funding stream with the existing state preschool program. The proposal also included expanding child care and support for children 0-3. The proposal was being put forward by Early Edge, a Bay Area advocacy group formerly known as Preschool California. Soon after, the Democratic Caucus expanded early education as one of its priorities for the coming session. Then, in late December, Sen Darrell Steinberg, the Senate President Pro Tem, introduced a bill, SB 837, to expand transitional kindergarten. The handout that's going around outlines the proposal.

The Bay Area First 5 EDs met with Scott Moore, Early Edge's Policy Director, a couple weeks ago and he fully explicated the proposal. There's a lot left to flesh out, particularly the two years for 4 year olds at highest need and the 0-3 proposal.

This is potentially a game-changing initiative for California. It would provide universality, with developmentally appropriate services, and reimbursements far above what state preschool programs currently receive.

Sugar Bites:

Our firm, Better World Advertising, carried out field interviews with parents of children 0-5 in Richmond, San Pablo and Concord who had seen the Sugar Bites ads. Ninety-nine surveys were completed. Ads in transit shelters and BART stations were seen by 51% and 46% of respondents, and convenience stores by 37%.

Almost all felt the campaign was memorable and convincing; 83% agreed with the message in the ad. Other outcomes:

More likely to serve kids milk or water: 65%

More likely to talk to kids about sugary drinks: 59%

Less likely to serve soda: 54%

Less likely to serve kids juice: 39%

Overall, the campaign successfully got the attention of the target audience, and elicited the kinds of reactions and intentions to change behavior we sought to achieve.

The next wave of ads, which will more specifically target juice, will go up in March. In the family surveys we conduct in our funded programs only 6% of parents said they had given their child soda yesterday, while more than 60% of parents said they had given their child juice between one and six times the previous day.

Bruce Perry Day:

Internationally known expert on brain development, trauma and intervention will be speaking in Contra Costa February 1. You are all invited to the morning meeting for local leaders to talk about community systems to address childhood trauma. The longer session – 10:00 to 4:00 is mostly for practitioners, though a couple Commissioners have expressed interest. That event is sold out, though we are likely to have a few stray tickets. If you think you would like to attend, and are available that day, please let me or Alex know.

Steve Robbins Day:

Another event you may be interested in will be a March 12 workshop with Steve Robbins, a national expert on diversity. Save the date fliers are here.

Poverty Campaign:

The Family Economic Security Partnership (FESP) and the Safety Net Task Force (SNTF) have joined forces to create a movement to cut poverty in Contra Costa County. The Human Services Alliance, East Bay Leadership Council, and Temple Isaiah (a member of the Industrial Areas Foundation and an affiliate of PICO), have also joined the effort. Currently there are two committees working on (1) an report of “provocative indicators” of poverty in Contra Costa (we are trying to avoid the use of the term “report card”) and (2) a large convening later this spring, tentatively May 16, to share Contra Costa poverty data, explore policy solutions, and to begin to build a base of support. You will be receiving more on this in the weeks to come.

10.0 Communications

None Received.

11.0 Commissioner F.Y.I. Updates

Lisa Johnson, First 5 Grants Program Manager updated the remaining site visits for the fiscal year 2013-14. So far 50% site visits completed. She invited commissioners to sign up for the remaining 8 sites in the next few weeks.

Kathy Lafferty announced the 10th Annual Young Children’s Issues forum for 2014. It is a forum discussion among state legislators, local elected officials and the community regarding current children’s issues. The event will be held Saturday March 29, 2014 at the Pleasant Hill Community Center. To find out more, please go to:

<http://plan4kids.org/events.html>

John Jones informs the group that he began his transition from his former position as executive director at We Care Children to the executive director at the Contra Costa Child Care Council two weeks ago and has been having a “blast”.

Valerie Earley announced on behalf of Katharine Mason, some updates regarding Head Start: 14 sites out of 18 are currently active. The \$1 trillion federal budget deal announced Monday funds the federal government through October and would restore Head Start sequestration cuts and add another \$612 million over 2013 levels. It would also provide \$500 million for Early Head Start, which serves infants through toddlers age 3. In addition, it would offer \$250 million in new Race to the Top competitive Early Learning grants to help states bolster their programs.

12.0 Adjourn

PJ Shelton reminded that the next meeting will be on April 7, 2014
Meeting was adjourned at 7:24 pm.



Monday April 7, 2014

Agenda Item 3.2

Accept the Executive Committee Report from February 3, 2014 meeting.



Executive Committee MINUTES

February 3, 2014

4:00 p.m.

Small Conference Room,
1485 Civic Court, Suite 1200, Concord, CA

1.0 Call to Order

2.0 Public Comment

3.0 Staff Updates

Cally Martin updated the Executive Committee on the following activities:

Staff has completed 8 site visits; 16 programs in 14 organizations will be visited by the end of March. Commissioners may still sign up to participate.

We completed the paperwork to receive supplemental Race to the Top funding for the Quality Rating and Improvement System (QRIS). We will be receiving \$528,128 for activities through December, 2015.

Staff are preparing for two large forums in the coming months on early childhood trauma, with Dr. Bruce Perry, and cultural humility, with Steve Robbins. These events will be held at the Leshner Center and we will be encouraging all of our contract agencies, as well as others who serve children 0-5 to attend.

In partnership with Zero Tolerance for Domestic Violence we convened over 40 community leaders to discuss pathways toward increasing the understanding of trauma-informed work in Contra Costa. This is the first of many activities that will be occurring in this area over the next year.

The County pediatric clinics have requested the continued support of First 5's Early Intervention officer to expand their implementation of ASQ-3 screening to all clinic sites. The county physicians report they could not have done this work without the support of First 5. Two county physicians, Dr. Parrish and Dr. Huang, have also agreed to be AAP champions for our Help Me Grow efforts. We appreciate the Health Services Department's partnership in this activity.

The first East County Land Use Planning School launched January 29. The "Planning School" is a six-month leadership training institute for 25 East County residents on core urban planning and land use concepts as they relate to low-income families and children. First 5 and the East County Regional Group are collaborating with Contra Costa Health Services, the Pacific Institute, and the Regional Asthma Management and Prevention Program. Kaiser Permanente is the primary funder of the project; First 5 is providing support through the Community Engagement program. Sessions will be held until June 2014.

At the latest Family Economic Security Partnership meeting, over 45 attendees heard a presentation on building social movements from the San Francisco Living Wage Coalition and discussed with a panel of county agency representatives the current status of local implementation of the Affordable Care Act.

*Executive Committee
Meeting Minutes
February 3, 2014
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4.0 Commission Updates

Sean Casey noted that the terms have expired for the District 4 Alternate Commissioner, the District 5 Commissioner and the District 5 Alternate Commissioner. Sean will follow up with the respective Supervisors. The CFS Alternate Commissioner seat remains unfilled as that department is still recovering from numerous retirements last year.

5.0 Statewide Updates

Sean updated the Committee on new legislation to expand “transitional kindergarten” into a statewide universal preschool program. SB837, as it’s known, was introduced by Senate President Darrell Steinberg in December. We are tracking the bill and talking to advocates as well as our local partners to learn more about it.

The California First 5 Commission is close to adopting its strategic plan. Sean shared a handout of the proposed strategies and objectives in the plan.

Our state association is working with the state Board of Equalization on the ever-increasing fee the BOE is taking from Proposition 10 tobacco tax revenue. The fee it currently charges is seven times what it took in Prop 10’s first full year.

6.0 Items for Consideration

6.1 Budget development process for FY 2014/15

Sean reported that the 14/15 budget will be the last of the current strategic plan period. It will be similar to the current year budget as no major programmatic or revenue changes are anticipated. A 2% staff COLA will be proposed, as well as a 2% increase for annual (not multiple-year) contracts. We will bring the budget to the Commission for approval at the April meeting.

6.2 Review and discuss the plan for producing the Commission’s 2015-20 strategic plan.

Sean provided a handout describing the process for developing the next strategic plan. The Committee discussed the options for Commission participation and agreed on a one-day strategic planning retreat to be held in October, in lieu of the regular October meeting. The retreat will need to start with the acceptance of the annual audit.

6.3 Review the updated process for the Committee’s annual performance review of the Executive Director.

Staff have developed a plan for the annual review of the Executive Director. This will ensure that the Executive Committee each year can anticipate the review and complete it in a timely fashion. Counsel has clarified the appropriate method for the Commission’s approval of any compensation increase.

7.0 Agenda items for upcoming Commission meetings

The Committee reviewed the following items for the April Commission meeting:

Public Hearing on the current strategic plan
Public Hearing on the First 5 California annual report
Approve the FY 2014/15 budget
Approve Executive Director salary structure

8.0 Adjourn



Monday April 7, 2014

Agenda Item 5.0

Public Hearing on the First 5 California 2012-13 Annual Report.



**Staff Report
April 7, 2014**

ACTION: X
DISCUSSION:

TITLE: Public Hearing on the First 5 California 2012-13 Annual Report

Introduction:

First 5 California prepares an annual report each year, based in part on fiscal, program and participant information provided by each of the 58 county commissions. County commissions are required by statute to hold an annual public hearing on First 5 California's annual report.

The report may be found online at:

http://www.first5california.com/pdf/annual_report_pdfs/Annual_Report_12-13.pdf

A short summary of Contra Costa program highlights appears on page 38.



Monday April 7, 2014

Agenda Item 6.0

Public Hearing on the First 5 Contra Costa 2010-2015 Strategic Plan.



**Staff Report
April 7, 2014**

ACTION: X
DISCUSSION:

TITLE: Public Hearing on the First 5 Contra Costa 2010-2015 Strategic Plan

Introduction:

The Commission is required by statute to hold an annual public hearing on its strategic plan.

Background:

The Commission adopted its 2010-2015 Strategic Plan in October 2009. With the exception of contingency planning in the wake of AB 99 (which was invalidated in the courts), the Commission has remained on course since then to maintain its programs at a consistent level through the five-year period. Staff has no recommendations for revision of the plan at this time.

As this is the last year of the plan, staff will present the Commission a plan to update its strategic plan for 2015-2020.

Recommendation:

Staff recommend that the Commission maintain its programs and continue its funding in FY 2014-15 as laid out in the 2010-2015 Strategic Plan.



Monday April 7, 2014

Agenda Item 7.0

Consider approving the proposed First 5 Contra Costa budget for Fiscal year
2014-2015



**Staff Report
April 7, 2014**

ACTION: X
DISCUSSION:

TITLE: Proposed First 5 Contra Costa Budget, FY 2014-15

Introduction

The FY 2014-15 budget is based on the FY 2013-14 budget with a few alterations, described below. Overall, the \$16,012,137 budget is slightly less than its predecessor. The budget is within the expectations projected in the Commission's five-year strategic plan.

Summary

The 2014-15 budget is described in detail on the following pages. Particular features include the following:

Revenue:

- The principal revenue factors are the scheduled annual decline in the five-year Thomas J. Long grant for Preschool Makes a Difference (\$262,000 less than FY13/14) and Race to the Top (\$208,332 increase over FY13/14). Both of these grants end in December, 2015.
- Projected Proposition 10 tax revenue is 1.1% less than the previous year's projection.
- The budget calls for using \$5.6 million of the Commission's fund balance to make up the difference between revenue and expenditures; this use of the fund balance was anticipated in the strategic plan.

Program:

- The apparent reduction of the Early Learning Quality line principally reflects the reduced funding for Preschool Makes a Difference scholarships. Additional Race to the Top funds are listed under salaries and benefits for the QRIS coaches (see below). Furthermore, the budgeted amount for this line in FY 2013-14, which was increased mid-year, will likely not all be spent, resulting in roll-over to FY 2014-15.
- Twelve annual program contracts that are not otherwise being negotiated will receive a 2% increase. Cost: \$55,415.
- Two new intermittent positions are added to program staff expenses to provide coaching to participating sites in QRIS. These positions are funded entirely with Race to the Top funds. Cost: \$172,032.



- Staff propose allocating \$60,000 in additional funds in the Early Intervention Initiative for a centralized telephone access point for early intervention resources and referral.

Wages and Benefits

- A 2% cost of living increase for staff is proposed, based on the Bay Area consumer price index for the last 12 months. The increase would go into effect July 1, 2013. Cost: \$39,400.
- The Commission's retirement contribution increased from 40.15% to 41.84% of payroll. The prepayment on the Commission's UAAL obligation reduced retirement costs by \$82,857. Overall retirement cost increase: \$95,113.
- Pre-funding the Commission's OPEB obligation reduced its budgeted payment by 72%, saving \$64,158.
- Health benefits increased due to a projected 7% increase in health plan premiums and staff changes in participation and plan preference. Cost: \$25,560.

Administrative Costs

Administrative costs remain at 8% of total costs.

Recommendation:

That the Commission approve the proposed First 5 Contra Costa Budget for FY 2014-15.

Proposed FY14/15 Budget

		FY13/14 Budget	FY 14/15 First 5 CC Funds	FY 14/15 Other Funds	FY14/15 Total Budget	Year to Year Variance
	REVENUE					
1	Prop 10 - Tax Apportionment	8,248,465	8,154,941		8,154,941	(93,524)
3	First 5 California CARES Plus	300,000	-	300,000	300,000	-
4	Race to the Top	529,332	-	737,664	737,664	208,332
5	Thomas J Long Foundation	1,267,200	-	990,000	990,000	(277,200)
6	Interest Income	120,000	120,000		120,000	-
7	MHSA Grant/Other Income	88,050	-	81,050	81,050	(7,000)
8	Fund Balance Drawdown	5,500,048	5,400,608	227,874	5,628,482	128,434
9	TOTAL REVENUE	16,053,095	13,675,549	2,336,588	16,012,137	(40,958)
	PROGRAM EXPENSES					
10	Initiatives	11,714,932	9,193,664	2,164,556	11,358,220	(356,712)
11	Early Care and Education Initiative					
12	Professional Development	1,179,654	919,800	300,000	1,219,800	40,146
13	Early Learning Quality	2,548,022	275,494	1,783,506	2,059,000	(489,022)
14	Literacy	254,000	256,080		256,080	2,080
15	Total	3,981,676	1,451,374	2,083,506	3,534,880	(446,796)
16	Family Support					-
17	First 5 Centers	2,313,507	2,314,957	6,050	2,321,007	7,500
18	Home Visiting	1,397,306	1,388,209		1,388,209	(9,097)
19	Training and Consultation	61,700	64,200		64,200	2,500
20	Total	3,772,513	3,767,366	6,050	3,773,416	903
21	Early Intervention					
22	Mental Health Therapeutic Services	909,638	834,638	75,000	909,638	-
23	ECE Consultation	973,703	993,177		993,177	19,474
24	Children's Developmental Needs	598,228	663,733		663,733	65,505
25	Children at Risk of Stress or Trauma	780,088	784,290		784,290	4,202
26	Training and Consultation	25,000	25,000		25,000	-
27	Total	3,286,657	3,300,838	75,000	3,375,838	89,181
28	Community Information and Education					
29	Public Information	524,086	524,086		524,086	-
30	Community Engagement	140,000	140,000		140,000	-
31	Family Economic Stability	10,000	10,000		10,000	-
32	Total	674,086	674,086		674,086	-
33	Program Expenses					
34	Program Salaries & Wages	1,117,811	1,190,135	153,600	1,343,735	225,924
35	Program Employee Benefits	735,637	799,334	18,432	817,766	82,129
36	Overhead Expenses	262,366	231,607		231,607	(30,759)
37	Total	2,115,814	2,221,076	172,032	2,393,108	277,294
38	TOTAL PROGRAM EXPENSES	13,830,746	11,414,740	2,336,588	13,751,328	(79,418)
	EVALUATION EXPENSES					
39	Evaluation Salaries & Wages	331,217	338,318		338,318	7,101
40	Evaluation Employee Benefits	214,559	212,971		212,971	(1,588)
41	Professional Services	317,334	306,000		306,000	(11,334)
42	Purchased Services and Supplies	10,523	21,546		21,546	11,023
43	Office Overhead and Other Expenses	35,496	38,987		38,987	3,491
44	TOTAL EVALUATION EXPENSES	909,129	917,822		917,822	8,693
	ADMINISTRATIVE EXPENSES					
45	Administrative Salaries & Wages	532,961	562,956		562,956	29,995
46	Administrative Employee Benefits	347,905	351,677		351,677	3,772
47	Professional Services	135,500	135,500		135,500	-
48	Purchased Services, Equipment lease, supplies	202,142	202,839		202,839	697
49	Overhead Expenses	94,712	90,015		90,015	(4,697)
50	TOTAL ADMINISTRATIVE EXPENSES	1,313,220	1,342,987		1,342,987	29,767
51	GRAND TOTAL	16,053,095	13,675,549	2,336,588	16,012,137	(40,958)

FY14/15 budget % by area:	Program	86%
	Evaluation	6%
	Administrative	8%
		100%



Monday April 7, 2014

Agenda Item 8.0

Consider approving the proposed salary range of \$110,000 to \$160,000 for the position of Executive Director



**Staff Report
April 7, 2014**

ACTION: X
DISCUSSION:

TITLE: Proposed salary range of \$110,000 to \$160,000 for the position of Executive Director

Introduction:

The Executive Committee has taken on the task of clarifying and streamlining the process for the annual review of the Executive Director. In doing so the Executive Committee found there were few guidelines on determining the compensation of the Executive Director. The Commission has not previously adopted a salary range for the position. All other starting salary ranges are included in the Salary and Benefits Resolution adopted by the Commission. The Executive Committee asked that staff review comparable salaries and salary ranges and propose a range for the position.

Background:

Staff reviewed salaries for executive directors from the following sources:

- Larger First 5s in the Bay Area, including Alameda, Santa Clara, San Francisco, and San Mateo
- Other First 5s of similar size to Contra Costa, including Fresno, Kern, Sacramento, San Joaquin and Ventura
- Alameda and Contra Costa non-profits
- Northern California non-profits with budgets \$9-15 million

The attached chart arranges the current First 5 executive director salaries from high to low and also indicates whether or not the agency is independent of the local county structure, the Proposition 10 revenue and the number of years the current executive director has been in his or her position. Interspersed are the non-profit 90th, 50th and 10th percentile salaries.

The proposed range for the Contra Costa executive director is based on the initial salary of the current executive director (\$110,000), and a top salary at slightly less than 150% of the bottom (\$160,000).

Recommendation:

Staff recommends the Commission adopt the proposed range for the position of Executive Director of \$110,000 to \$160,000.

Executive Director Salary Survey, 2013

Entity	F5 Structure	FY 12-13 Prop 10 Revenue	Yrs. in position	Base Annual Salary
N. CA Non-Profits (\$9-15M), 90th %ile				\$243,992
Ala/CoCo Non-Profits 90th %ile				\$195,000
F5 Santa Clara	Independent	\$16,917,084	8	\$193,000
F5 Alameda	Independent	\$13,641,943	13	\$180,000
N. CA Non-Profits (\$9-15M), median				\$179,920
F5 Kern	Independent	\$10,188,699	3	\$176,678
F5 Contra Costa (proposed top)				\$160,000
F5 Ventura	Independent	\$7,878,290	13	\$144,208
F5 San Francisco	County	\$6,219,516	7.9	\$140,608
Ala/CoCo Non-Profits, median				\$134,868
F5 Contra Costa (current)	Independent	\$8,729,939	7	\$130,553
F5 Sacramento	Independent	\$14,174,136	3	\$130,000
F5 San Mateo	County	\$6,497,274	3	\$121,000
N. CA Non-Profits (\$9-15M), 10th %ile				\$119,820
F5 San Joaquin	County	\$7,486,743	13	\$115,773
F5 Contra Costa (proposed bottom)				\$110,000
F5 Fresno	Independent	\$11,506,812	4	\$100,000
Ala/CoCo Non-Profits 10th %ile				\$79,498

Notes:

-- Similar size First 5s in Bay Area and California

--Northern California non-profits with budget size \$9-\$15 million¹

--Alameda/Contra Costa non-profits of all sizes¹

¹ Nonprofit Compensation Associates 2013 Compensation and Benefits Survey



Monday April 7, 2014

Agenda Item 9.0

Consider approving the proposed increase in salary for the Executive Director,
from the current salary of \$130,553 to \$137,081



**Staff Report
April 7, 2014**

ACTION: X
DISCUSSION:

TITLE: Proposed increase in salary for the Executive Director, from the current salary of \$130,553 to \$137,081, effective August 1, 2013

Introduction:

At the Commission's October 7, 2013 meeting, the Executive Committee reported in closed session the findings of its annual performance review of the Executive Director.

The Commission Chair has delayed making a recommendation for the Executive Director's salary until the Commission adopted a salary range for the position.

The Commission Chair recommends that the Executive Director receive a 5% increase in salary, retroactive to the official anniversary date of August 1, 2013.

Recommendation:

That the Commission approve the proposed increase in salary for the Executive Director, from the current salary of \$130,553 to \$137,081.



Monday April 7, 2014

Agenda Item 10.0

Executive Director's Report

Contra Costa County strives to improve trauma treatment for children

By Theresa Harrington Contra Costa Times Contra Costa Times

Posted:

ContraCostaTimes.com

WALNUT CREEK -- Communities filled with children who have been abused, neglected or are victims of trauma can include high levels of crime and violence, poor student performance and mental health issues.

Contra Costa County has joined about 30 other communities throughout the world striving to become "trauma-informed" to better serve those children and families. In these areas, brain development researchers and nonprofit organizations are teaming up with child care providers, educators, parents and doctors -- and even business leaders, police and the criminal justice system -- to change the way traumatized children are diagnosed and treated.

The ultimate goal is that everyone who works with kids will understand how brains develop and have a better idea about which treatments work best for trauma-related mental and physical problems.

"The risk for heart disease is higher for those with high-risk childhoods than for those who smoke," said Dr. Bruce Perry, who works with a nonprofit organization that consults with communities about trauma. "And the achievement gap is not about the color of your skin. It's about the level of stress in your environment."

Perry gave a presentation this week to about 300 child care providers and others in the county who work with children ages 5 and younger focused on "the impact of childhood trauma on our community and what we can do about it."

Childhood trauma, he said, can occur in the womb from issues including a mother's substance abuse; as an infant or toddler due to disruptions in the parent-child interactions such as a mother's depression; or anytime in life due to adversity such as a traumatic event.

"What makes an event traumatic is the way you handle it," he said, adding that the same incident could affect different people in various ways. "But you can develop post-traumatic resilience."

Instead of seeing those who have experienced trauma as victims, Perry said it's important to help them build up resilience by giving them tiny doses of stress and monitoring them, then tailoring treatment to their individual needs. "Resilience is not a trait," he said. "You can wear down the resilience of people if you give them a pattern of unpredictable stress." Problem-solving skills, he said, shut down when people feel threatened. Those who fear for their safety feel the urge to fight or flee.

Before a child is ready to learn or to be social, he or she needs to feel safe and to form positive relationships, he added.

"Programs don't change people, people change people," he said. "I would bet that at least 50 percent of kids are in the juvenile justice system because they ended up in environments where we tried to contain them and restrain them."

It's unrealistic to expect teens with delayed cognitive and emotional brain development to function like

their peers, he said. The key to helping traumatized children develop in a healthy way is by assisting them to regulate their own comfort levels, relating to them where they are in their development, and then reasoning with them at their level, he said.

Trauma-informed communities, Perry said, should also focus on housing and other urban planning issues that determine residents' environments.

Carol Carillo, executive director of the Child Abuse Prevention Council of Contra Costa County, was encouraged by Perry's presentation.

"In our community, I think mental health is a very traditional model that isn't necessarily embracing some of these approaches," she said. "I'm very hopeful that this will bring about changes in programs and services."

MORE INFORMATION

To find out more about Contra Costa County's efforts to become a trauma-informed community, go to www.familiesthrive.org.

Details about Dr. Bruce Perry's brain development research and work with communities is available at <http://childtrauma.org>. To see a video of Perry talking about his work, go to www.contracostatimes.com/education.



Board of Equalization Administrative Fees March 2014

Issue

BOE administrative fees have been significantly increasing over the past 10 years. While Prop 10 tobacco tax receipts have decreased by 25%, BOE administrative fees have increased seven fold. Administrative fees have increased from .3% of total tobacco tax revenue to 3.4% of revenue and while county commissions are limited by statute to an administrative ceiling cap, there is no similar cap for BOE. County Commissions have repeatedly requested greater transparency regarding the cost allocation and that BOE model the reporting provided for the backfill calculation for administrative costs.

Background

The enabling Prop 10 legislation allows “reimbursement of the State Board of Equalization for expenses incurred in the administration and collection of the taxes imposed by Section 30131.2”. This provision allows for BOE to recover its cost, but doesn’t specify or define the cost allocation or the recovery mechanism.

Last year, the Department of Finance, in its independent audit report of First 5 California, made the following finding:

“The BOE does not have written cost allocation (CAP) procedure for program and administrative costs allocated to the various funds it administers...”

The report further recommended that the BOE is required per applicable government code and the State Administrative Manual to maintain “documentation of cost allocation procedures... with detailed information required for the costs being allocation, allocation methodology, frequency of allocation, and the rationale for the allocation base.”

In October 2013, BOE did provide a narrative explanation of the methodology employed and examples of how the cost allocation methodology is applied. The document, however does not explain specific costs for the any fiscal year. BOE does not plan to issue or document the costs annually.

In conversations with the BOE staff, further clarifications suggest a need for greater discussion. In particular, BOE staff concurs that:

- *BOE fees are likely to increase over time* - The administrative fees are based on the BOE costs for two programs: Cigarette and Tobacco Products Tax Program and Cigarette and Tobacco Products Licensing Program. Collectively, these programs are budgeted at \$34.8 million for FY 2013/14; Proposition 10 funds are budgeted to billed for approximately 50% of these costs at 17.6 million. Despite prior indications, BOE does not anticipate any decline in the costs of these programs in the future; furthermore, costs are likely to increase as the State allows the rehiring of positions, eliminates the furloughing of state employees, and allows for future salary increase.
- *BOE charges to Proposition 10 funds are likely to increase significantly if additional tobacco tax increases are approved* – Recent tobacco tax initiatives that have proposed increases in the



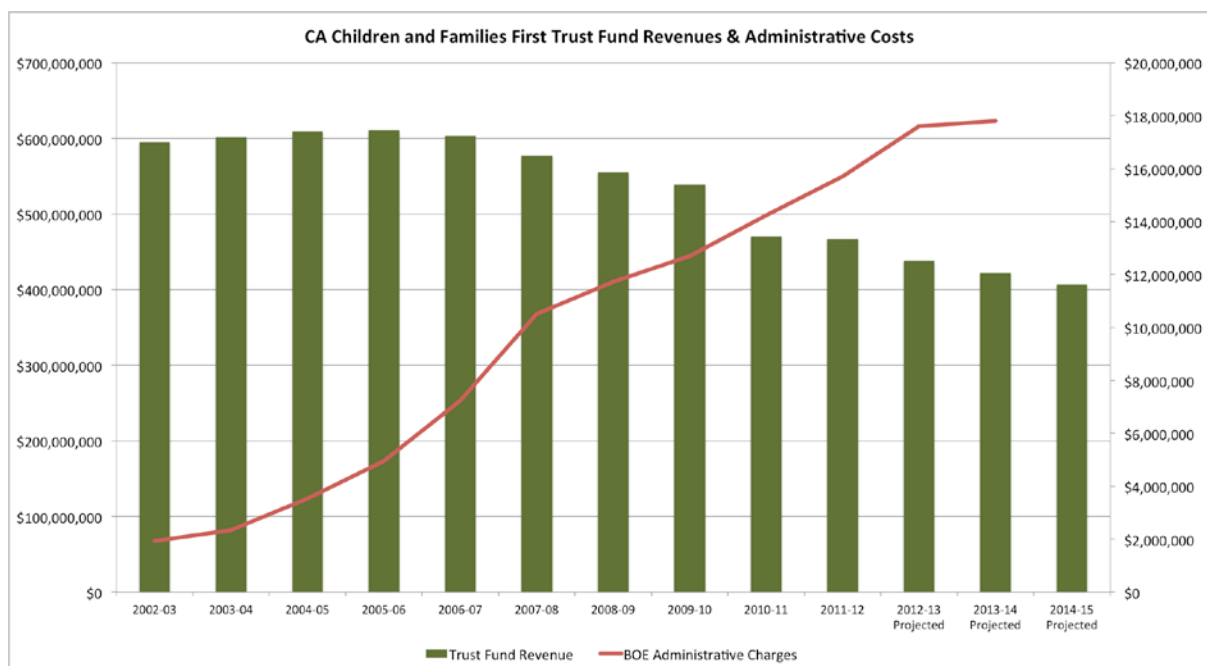
tobacco tax have included provisions that limit the amount of administrative fees that the BOE may charge on this new revenue. BOE staff has indicated that any new tax would result in a significant increase in BOE tobacco tax collection costs and that since there are no legislative restrictions, the increased cost of the programs would be allocated to all eligible revenue sources.

Impact on County Commissions:

County commissions continue to struggle with addressing the decline in Prop 10 revenue, which has averaged approximately 3% per year. The BOE costs significantly impact the counties. For the FY 2013/14 fiscal year BOE administrative costs are projected to be \$17.8 million. This fee directly impacts the resources available for direct services to children in counties as shown in the table below:

County Commission	Share of Statewide Births/ BOE Costs	Approximate Annual Cost of BOE
Alameda	3.79%	\$538,996
Fresno	3.22%	\$458,297
Los Angeles	25.96%	\$3,696,330
Orange	7.59%	\$1,080,715
Riverside	6.10%	\$868,260
San Diego	8.69%	\$1,237,320
First 5 CA		\$3,560,000
<i>Based on FY 2013/14 BOE costs projected at \$17.8 million and counties 80% share.</i>		

The final table, below, shows the varying rates in the rise of the BOE Administrative Costs and the continual decline in the Proposition 10 revenues.





Monday April 7, 2014

Agenda Item 11.0

Communications:
Memorandum from CCCERA to the Commission



MEMORANDUM

Date: February 18, 2014
To: CCCERA Employers
From: Marilyn Leedom, Retirement Chief Executive Officer
Subject: Five Year Projection of Employer Contribution Rate Changes

We are providing you with a copy of the *Five Year Projection of Employer Contribution Rate Changes* as provided to us by The Segal Company. This document is intended to provide an updated projection of estimated future contribution rate changes for CCCERA.

Please read the attached document closely. This projection will provide an estimate to employers of potential changes in contribution rates, based on the investment earnings of CCCERA for the year ended December 31, 2013, assuming all other assumptions remain the same.

Please note that this is a preliminary report only, based on preliminary investment returns for 2013.

The final projection letter will be provided to all employers after the completion of the annual actuarial valuation, in late June or early July.



THE SEGAL COMPANY

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John W. Monroe, ASA, WAAA, EA
Vice President & Associate Actuary
jmonroe@segalco.com

January 31, 2014

Ms. Marilyn Leedom
Chief Executive Officer
Contra Costa County Employees' Retirement Association
1355 Willow Way, Suite 221
Concord, CA 94520

**Re: Contra Costa County Employees' Retirement Association
Five-Year Projection of Employer Contribution Rate Changes
Based on Estimated 16.5% Gross Market Value Investment Return for 2013**

Dear Marilyn:

As requested, we have updated our five-year projection of estimated employer contribution rate changes for CCCERA. This projection is derived from the December 31, 2012 actuarial valuation results and incorporates an estimated gross market value investment return of 16.5% for the 2013 calendar year. Key assumptions and methods are detailed below. **It is important to understand that these results are entirely dependent on those assumptions. Actual results as determined in future actuarial valuations will differ from these results. In particular, actual investment returns and actual salary levels different than assumed can have a significant impact on future contribution rates.**

Results

The estimated contribution rate changes shown on the next page apply to the recommended average employer contribution rate. For purposes of this projection, the rate changes that are reflected include the asset gains and losses that are funded as a level percentage of the Association's total active payroll base.

The changes in contribution rate are due to: (1) deferred gains and losses from the actuarial asset smoothing methodology; (2) gains due to investment income earned on the difference between the Market Value of Assets (MVA) and Actuarial Value of Assets (AVA) (and losses when the opposite occurs); (3) contribution gains and losses which occur from delaying the implementation of new rates until 18 months after the actuarial valuation date.

Benefits, Compensation and HR Consulting Offices throughout the United States and Canada

The following table provides the year-to-year rate changes resulting from each of the above components and the cumulative rate change over the five-year projection period. To obtain the estimated average employer contribution rate at each successive valuation date, these cumulative rate changes should be added to the rates developed from the December 31, 2012 valuation. These rate changes become effective 18 months following the actuarial valuation date shown in the table.

The rate changes shown below represent the average rate for the aggregate plan.

Rate Change Component	Valuation Date (12/31)				
	2013	2014	2015	2016	2017
(1) Deferred (Gains)/Losses	-0.76%	-1.94%	-1.40%	-1.06%	-1.05%
(2) (Gain)/Loss of Investment Income on Difference Between MVA and AVA	-0.12%	-0.43%	-0.28%	-0.17%	-0.09%
(3) 18-Month Rate Delay	<u>1.09%</u>	<u>0.50%</u>	<u>-0.13%</u>	<u>-0.20%</u>	<u>-0.17%</u>
Incremental Rate Change	0.21%	-1.87%	-1.81%	-1.43%	-1.31%
Cumulative Rate Change	0.21%	-1.66%	-3.47%	-4.90%	-6.21%

The difference between these cumulative rate changes and those shown in our August 9, 2013 letter (i.e., previous five-year projection) are as follows:

	Valuation Date (12/31)				
	2013	2014	2015	2016	2017
Cumulative Rate Change From August 9, 2013 Letter	1.00%	0.51%	0.03%	-0.16%	-0.35%
Reflecting Actual Investment Return through 12/31/2013	0.21%	-1.66%	-3.47%	-4.90%	-6.21%
Difference	-0.79%	-2.17%	-3.50%	-4.74%	-5.86%

The average employer contribution rate as of the December 31, 2012 Actuarial Valuation is 49.82%, and based on the cumulative rate changes above is projected to progress as shown below.

	Valuation Date (12/31)				
	2013	2014	2015	2016	2017
Average Employer Contribution Rate	50.03%	48.16%	46.35%	44.92%	43.61%

The rate change for an individual cost group or employer will vary depending primarily on the size of that group's assets and liabilities relative to its payroll. The ratio of the group's assets to payroll is sometimes referred to as the volatility index (VI). A higher VI results in more volatile contributions and can result from the following factors:

- More generous benefits
- More retirees
- Older workforce
- Higher funded ratio
- Issuance of Pension Obligation Bonds (POBs)

The attached exhibit shows the VI for CCCERA's cost groups along with the "relative VI" which is the VI for that specific cost group divided by the average VI for the aggregate plan. Using these ratios we have estimated the rate change due to these generally investment related net gains for each individual cost group by multiplying the rate changes shown above for the aggregate plan by the relative VI for each cost group. These estimated rate changes for each cost group are shown in the attached exhibit.

Note that because we have estimated the allocation of the rate changes across the cost groups, the actual rate changes by group may differ from those shown in the exhibit, even if the plan-wide average rate changes are close to those shown above.

Key Assumptions and Methods

The projection is based upon the following assumptions and methods:

- December 31, 2012 non-economic assumptions remain unchanged.

- December 31, 2012 retirement benefit formulas remain unchanged.
- December 31, 2012 1937 Act statutes remain unchanged. In particular, these projections do not reflect any potential changes in benefits or contributions due to AB 340 (“PEPRA”) or AB 197.
- UAAL amortization method remains unchanged (i.e., 18-year layers, level percent of pay).
- December 31, 2012 economic assumptions remain unchanged, including the 7.25% investment earnings assumption.
- The gross market value investment return of 16.5% during 2013 was reduced by an estimated 0.65% to account for investment and administrative expenses.
- We have assumed that returns of 7.25% are earned on a market value basis for each of the next four years after 2013.
- Active payroll grows at 4.00% per annum.
- Deferred investment gains and losses are recognized per the asset smoothing schedule prepared by the Association as of June 30, 2012. In addition, the estimated investment gain for 2013 is also recognized over a five-year period. They are funded as a level percentage of the Association’s total active payroll base.
- Deferred investment gains are all applied directly to reduce the UAAL. Note that this assumption may not be entirely consistent with the details of the Board’s Interest Crediting and Excess Earnings Policy.
- The VI used for these projections is based on the December 31, 2012 Actuarial Valuation and is assumed to stay constant during the projection period.
- All other actuarial assumptions used in the December 31, 2012 actuarial valuation are realized.
- No changes are made to actuarial methodologies, such as adjusting for the contribution rate delay in advance.
- The projections do not reflect any changes in the employer contribution rates that could result due to future changes in the demographics of CCCERA’s active members or decreases in the employer contribution rates that might result from new hires going into the PEPRA tiers.

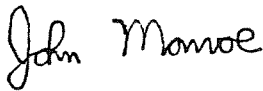
Finally, we emphasize that projections, by their nature, are not a guarantee of future results. The modeling projections are intended to serve as illustrations of future financial outcomes that are based on the information available to us at the time the modeling is undertaken and completed, and the agreed-upon assumptions and methodologies described herein. Emerging results may differ significantly if the actual experience proves to be different from these assumptions or if alternative methodologies are used. Actual experience may differ due to such variables as demographic experience, the economy, stock market performance and the regulatory environment.

Unless otherwise noted, all of the above calculations are based on the December 31, 2012 actuarial valuation results including the participant data and actuarial assumptions on which that valuation was based. That valuation and these projections were completed under the supervision of John Monroe, ASA, MAAA, Enrolled Actuary.

The undersigned is a member of the American Academy of Actuaries and meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein.

Please let us know if you have any questions.

Sincerely,

A handwritten signature in black ink that reads "John Monroe". The signature is written in a cursive, slightly stylized font.

John Monroe

AW/bqb
Enclosure

cc: Kurt Schneider

Exhibit

Contra Costa County Employees' Retirement Association
Estimated Employer Rate Change by Cost Group (CG) Based on December 31, 2012 Valuation with Estimated 16.5% Gross Market Value Return for 2013

	CG#1 & CG#2 Combined Enhanced General Tier 1 & 3	CG#3 Enhanced CCC Sanitary District Tier 1	CG#4 Enhanced Housing Authority Tier 1	CG#5 Enhanced CCCCPD Tier 1	CG#6 Non-Enhanced District Tier 1
Market Value of Assets (MVA)*	\$3,140,653,840	\$189,503,039	\$37,279,077	\$37,128,377	\$4,550,552
Projected Payroll for 2013	\$480,730,515	\$23,833,773	\$5,054,117	\$3,555,471	\$746,787
Volatility Index (VI) = MVA/Payroll	6.53	7.95	7.38	10.44	6.09
Relative Volatility Index (VI) = CG VI / Total Plan VI	0.76	0.92	0.85	1.21	0.70
Estimated Incremental Rate Change as of 12/31/2013	0.16%	0.19%	0.18%	0.25%	0.15%
Estimated Incremental Rate Change as of 12/31/2014	-1.41%	-1.72%	-1.60%	-2.26%	-1.32%
Estimated Incremental Rate Change as of 12/31/2015	-1.37%	-1.66%	-1.54%	-2.19%	-1.28%
Estimated Incremental Rate Change as of 12/31/2016	-1.08%	-1.32%	-1.22%	-1.73%	-1.01%
Estimated Incremental Rate Change as of 12/31/2017	-0.99%	-1.20%	-1.12%	-1.58%	-0.92%
Cumulative Rate Change as of 12/31/2013	0.16%	0.19%	0.18%	0.25%	0.15%
Cumulative Rate Change as of 12/31/2014	-1.25%	-1.53%	-1.42%	-2.01%	-1.17%
Cumulative Rate Change as of 12/31/2015	-2.62%	-3.19%	-2.96%	-4.20%	-2.45%
Cumulative Rate Change as of 12/31/2016	-3.70%	-4.51%	-4.18%	-5.93%	-3.46%
Cumulative Rate Change as of 12/31/2017	-4.69%	-5.71%	-5.30%	-7.51%	-4.38%

	CG#7 & CG#9 Combined Enhanced County Safety Tier A & C	CG#8 Enhanced CCCCPD/East CCCCPD Safety Tier A	CG#10 Enhanced Moraga-Orinda FD Safety Tier A	CG#11 Enhanced San Ramon Valley FD Safety Tier A	CG#12 Non-Enhanced Rodeo-Hercules FPD Safety Tier A
Market Value of Assets (MVA)*	\$1,166,115,501	\$688,736,519	\$123,335,771	\$231,051,990	\$21,289,858
Projected Payroll for 2013	\$80,272,749	\$32,604,881	\$7,084,771	\$16,733,471	\$1,695,645
Volatility Index (VI) = MVA/Payroll	14.53	21.12	17.41	13.81	12.56
Relative Volatility Index (VI) = CG VI / Total Plan VI	1.68	2.44	2.01	1.60	1.45
Estimated Incremental Rate Change as of 12/31/2013	0.35%	0.51%	0.42%	0.34%	0.30%
Estimated Incremental Rate Change as of 12/31/2014	-3.14%	-4.57%	-3.77%	-2.99%	-2.72%
Estimated Incremental Rate Change as of 12/31/2015	-3.04%	-4.42%	-3.64%	-2.89%	-2.63%
Estimated Incremental Rate Change as of 12/31/2016	-2.40%	-3.49%	-2.88%	-2.28%	-2.08%
Estimated Incremental Rate Change as of 12/31/2017	-2.20%	-3.20%	-2.64%	-2.09%	-1.90%
Cumulative Rate Change as of 12/31/2013	0.35%	0.51%	0.42%	0.34%	0.30%
Cumulative Rate Change as of 12/31/2014	-2.79%	-4.06%	-3.35%	-2.65%	-2.42%
Cumulative Rate Change as of 12/31/2015	-5.83%	-8.48%	-6.99%	-5.54%	-5.05%
Cumulative Rate Change as of 12/31/2016	-8.23%	-11.97%	-9.87%	-7.82%	-7.13%
Cumulative Rate Change as of 12/31/2017	-10.43%	-15.17%	-12.51%	-9.91%	-9.03%

* Excludes Post Retirement Death Benefit reserve.

These rates do not include any employer subvention of member contributions or any member subvention of employer contributions.

Total Plan
\$5,639,644,524
\$652,312,180
8.65
1.00
0.21%
-1.87%
-1.81%
-1.43%
-1.31%
0.21%
-1.66%
-3.47%
-4.90%
-6.21%