**Yolo Preschool Act**

**Summary** – The Yolo Preschool Act seeks to address the serious shortage of quality, affordable, and accessible early education programs in the County by funding scholarships, program quality, and facilities through a ten year 1/4 cent increase in the transactions and use tax. The Act would ensure public accountability by requiring program evaluation, citizen oversight, and regular financial audits.

**Section 1. Title**.

This Act shall be known as the “Yolo Preschool Act.”

**Section 2. Findings.**

The People of the County of Yolo hereby find and declare the following:

(a) Half of Yolo County children do not have the benefit of preschool, and therefore may enter kindergarten less prepared socially and educationally than their peers. This is because of the high costs and shortage of available and affordable high quality preschool spaces.

(b) A child’s brain develops most dramatically during the first five years of life. This critical period is a window of opportunity to lay the foundation for all of the years that follow.

(c) By third grade, close to sixty percent of Yolo County third graders are not reading at grade level. Third grade reading is a key indicator of later success in school, high school graduation, and career readiness. Children who read by third grade are more likely to graduate from high school, attend college~~,~~ and become independent, self-supporting, and law-abiding adults.

(d) Quality early learning helps children succeed, helps working families advance financially, reduces crime and incarcerations, and makes local economies stronger.

(e) Quality preschool and other early education programs increase kindergarten readiness, as well as literacy rates, math scores, and graduation rates for the children who attend.

(f) Children do best in high quality programs with well-trained teachers, safe and well-equipped classrooms, and a curriculum that stimulates excitement about learning.

(g) Researchers have determined that the cost-benefits of preschool are great. Studies show that for every dollar spent on preschool, the public saves $16 by increasing success in school and fostering self-supporting healthy adults.

(h) Yolo County should have additional, dedicated funding available for preschool and other early education programs that serve the children of Yolo County.

**Section 3. Purpose and Intent.**

In enacting this Act, it is the purpose and intent of the people of the County of Yolo to:

(a) Provide quality, accessible, affordable preschool and other early education programs for Yolo County children.

(b) Ensure that all revenue generated under this Act is dedicated solely to expanding and improving preschool and other early education program opportunities for Yolo County children, and not for any other purpose.

(c) Establish the Yolo Preschool Oversight Committee to oversee the implementation of the Act and ensure accountability on behalf of the public.

(d) Provide for the creation of a Yolo County Preschool Program and Expenditure Plan with broad input from the community in order to guide the implementation of this Act.

(e) Adopt a special tax for a ten-year period in the form of an increase in the transactions and use tax of ¼ cent in order to make more funding available for preschool and other early education programs that serve the children of Yolo County.

**Section 4. Preschool and Early Education.**

A new Title 13 is added to the Yolo County Code to read as follows:

*Chapter 1. The Yolo Preschool Fund.*

Sec. 13-1.01. Definitions.

(a) For purposes of this Title, “early education programs” mean educational programs other than preschool that are designed to care for and further the education and development of children from birth to kindergarten eligibility.

 (b) For purposes of this Title, “Lead Agency” means the agency designated by the Board of Supervisors pursuant to section 13-3.101 to create and implement the Yolo County Preschool Program and Expenditure Plan.

Sec. 13-1.02. Establishment of the Yolo Preschool Fund.

(a) There is hereby established the Yolo Preschool Fund. The Fund shall be maintained separate and apart from all other County funds.

(b) All revenues raised pursuant to the transaction and use tax imposed by this Act shall be deposited into the Yolo Preschool Fund.

(c) All revenues deposited into the Yolo Preschool Fund, together with any interest earned by the

Fund, shall be expended only in accordance with the provisions of this Act.

Sec. 13-1.03. Eligible Uses.

(a) Monies in the Yolo Preschool Fund shall be used exclusively for the following purposes:

(1) Scholarships. Scholarships shall be awarded on behalf of Yolo County children to attend preschool or other early education programs. Funds shall be paid directly to the preschool or early education program.

(2) Quality Early Childhood Education Improvement. To create and maintain high quality preschool or other early education programs in Yolo County, assistance will be provided to preschool and early childhood education programs in Yolo County to support the professional development of program staff, teacher mentors and coaches, and to support curriculum improvement.

(3) Facility and Implementation Grants. Facility Grants shall be awarded to improve or develop facilities for preschool or other early childhood education programs in Yolo County, and Implementation Grants shall be awarded to defray the start-up and/or initial operating capital costs for such programs.

(4) Program oversight, management, and evaluation. Up to fifteen percent (15%) of monies in the Yolo Preschool Fund may be spent on independent program evaluation, program design and implementation, program administration, program monitoring, grant review, public engagement, and fiscal accountability.

(b) It is the purpose of this Act to increase funding for preschool and other early education programs in Yolo County. Monies in the Yolo Preschool Fund shall not be used to supplant baseline levels (Fiscal Year 2017-2018) of federal, state, or local funding provided to support any other preschool or other early childhood education program benefiting children from birth through kindergarten, unless the federal, state or non-County local funding sources of such existing funding levels have been reduced by the same amount and is not replaced by other federal, state, or local funding dedicated to the same or similar purpose.

Sec. 13-1.04. Appropriation of Funds from Yolo Preschool Fund.

(a) The County shall appropriate necessary funds for program oversight, management, and evaluation, subject to the cap established in paragraph (4) of subdivision (a) of section 13-1.03.

(b) Remaining moneys from the Yolo Preschool Fund shall be appropriated for all of the purposes set forth in paragraphs 1 through (3) of subdivisions (a) of section 13-1.03, including the competitive solicitation process to be awarded as scholarships and grants to eligible applicants.

(c) The County shall appropriate funding for the first competitive solicitation process to begin by July 1, 2020.

(d) The funds in the Yolo Preschool Fund may be used without regard to fiscal year.

Sec. 13-1.05. Audits.

The County shall complete an audit of the Yolo Preschool Fund on an annual basis. The audit report shall include, but not be limited to, the balance in the Yolo Preschool Fund at the end of the previous fiscal year, the tax revenue received, the amount and percentage of tax revenue received from each city and from the unincorporated area of Yolo County, the amount and type of expenditures made, and the ending balance in the Fund. The report shall be a public document and the County shall provide a copy of the report to the Yolo Preschool Oversight Committee.

*Chapter 2. The Yolo Preschool Oversight Committee.*

Sec. 13-2.01. Creation.

There shall be a Yolo Preschool Oversight Committee to ensure accountability on behalf of the public and to oversee and implement a program that seeks to address the serious shortage of quality, affordable, and accessible preschool and other early education programs. The Committee will ensure the public has broad and regular input regarding how the program is structured and implemented, and provide oversight of all aspects of program development and implementation to ensure the effective use of revenues generated by this Act for the benefit of Yolo County children.

Sec. 13-2.02. Membership.

The Yolo Preschool Oversight Committee shall consist of no fewer than nine (9) and no more than fifteen (15) members who shall be residents of Yolo County, to be appointed by the Board of Supervisors as follows:

(a)One member from each of the five public school districts in Yolo County, who shall be residents of the district from which they are appointed.

(b) At least one member each from among those recommended by the Yolo County Office of Education, the Yolo County Library, the Yolo County Local Child Care Planning Council, and Yolo First 5.

(c) Up to two additional members recommended under subdivision (b) may be appointed.

(d) Up to four community members recommended by the Yolo Preschool Oversight Committee may be appointed. At least one of these members must have professional experience in the field of early child care or education or experience as a parent or guardian of a child under the age of 5 within 36 months from the time of appointment.

(e) No member of the Committee may serve on the Committee while serving as an elected official in any office within the County.

(f) Within three months of the effective date of this Act, the Board of Supervisors shall appoint at least nine (9) members to the Committee. The terms of a majority of the initial appointments to the Committee shall be for two (2) years and the terms of the remaining members shall be for four (4) years. The initial appointees shall determine these terms among themselves by drawing lots. Thereafter, as vacancies occur, subsequent appointments shall be made for four (4) year terms. A person appointed to fill a vacancy that has been created by the resignation, removal, disqualification, or death of a member shall serve for the remainder of the existing term. No member shall serve more than eight (8) consecutive years.

Sec. 13-2.03. Organization, meetings, minutes, and quorum.

(a) The Committee shall, by majority vote, do each of the following:

(1) Annually appoint one of its members as chair and one of its members as vice-chair;

(2) Approve bylaws to facilitate the proper functioning of the Committee;

(3) Establish a regular time and place of meeting, providing for the notice required by law and requiring such meetings to be open to the public; and

(4) Record minutes for each meeting and file an approved copy with the Clerk of the Board.

(b) A majority of the members, not including vacancies, shall be required to constitute a quorum. Except for adjournment of the meeting, no action may be taken by the Committee unless a quorum is present.

Sec. 13-2.04. Duties and responsibilities.

The Committee shall do each of the following:

(a) Oversee all phases of the planning process and implementation of the Act to ensure that it is conducted and managed according to the requirements and purposes of this Act, including, but not limited to, the management of the Yolo Preschool Fund, the appointment process for the Yolo Preschool Oversight Committee, the drafting and revision of the Yolo County Preschool Program and Expenditure Plan, and the annual competitive solicitation process.

(b) Create a plan to ensure that the Yolo County Preschool Program and Expenditure Plan is developed with broad input from community stakeholders from each city and the unincorporated area of the County. Such stakeholders shall include, but not be limited to, families, experts in early education, preschool and early education providers, participating local agencies, schools, school districts, city councils, nonprofit organizations focusing on the needs of children and families, public libraries, and the public. The Committee shall review and, if necessary, revise this plan prior to each triennial update of the Yolo County Preschool Program and Expenditure Plan.

(c) Ensure that an independent program evaluation is conducted of the programs and services funded by this Act at least once every three years to evaluate the impact of the Yolo Preschool Act on the quality, affordability, and availability of preschool in Yolo County. The resulting report shall be a public document and shall be considered during the planning process for the triennial update of the Yolo County Preschool Program and Expenditure Plan.

(d) Review all reasonably available financial information relevant to the Yolo Preschool Act, including the annual audit report of the Yolo Preschool Fund.

(e) Make recommendations to the Board of Supervisors and Lead Agency regarding actions that would better ensure that the planning and implementation of the Act is conducted and managed according to the requirements and purposes of this Act, and in accordance with input from community stakeholders.

*Chapter 3. Administration.*

*Article 1. Planning.*

Sec. 13-3.101. Designation of Lead Agency.

Within three months of the effective date of this Act, the Board of Supervisors shall designate a lead agency to create and implement a planning process to develop an initial Yolo County Preschool Program and Expenditure Plan, and triennial updates of that Plan.

Sec. 13-3.102. Planning Process.

(a) The Lead Agency shall create, and revise as necessary, a planning process to develop the initial Yolo County Preschool Program and Expenditure Plan and a triennial update of the Plan.

(b) The planning process shall ensure that each Yolo County Preschool Program and Expenditure Plan is developed with broad input from community stakeholders from each city and the unincorporated area of the County, in accordance with the plan created by the Yolo Preschool Oversight Committee.

(c) The planning process shall provide for participation and oversight by the Yolo Preschool Oversight Committee, and shall include consideration of available audits and independent program evaluations conducted pursuant to this Act.

Sec. 13-3.103. The Yolo County Preschool Program and Expenditure Plan.

The Lead Agency shall draft the Yolo County Preschool Program and Expenditure Plan and each triennial update of the Plan pursuant to the planning process set forth in section 12-2.102. The Plan and each triennial update of the Plan shall include the following elements:

(a) Criteria for awarding scholarships to children from birth to kindergarten eligibility to attend preschool or other early education programs in Yolo County based on need and in accordance with a sliding scale.

(b) Minimum criteria to ensure that providers applying for grants pursuant to this Act are able to provide quality preschool or early education programs. Such criteria shall be based on generally accepted principles concerning which features of preschool or early education programs have been demonstrated to contribute most effectively to positive outcomes for children.

(c) Requirements for grant recipients to participate in professional development activities as needed to support and enhance program quality.

(d) The identification of resources available to provide technical assistance to grant recipients.

(e) Any other elements identified by the Lead Agency or the Board of Supervisors that are consistent with the requirements and purposes of this Act.

Sec. 13-3.104. Plan Approval.

(a) Upon completion, the Yolo County Preschool Program and Expenditure Plan shall be submitted to the Yolo Preschool Oversight Committee for its review. The Committee shall have 30 days to either approve the Plan or disapprove the Plan with an explanation of the reasons for disapproving the Plan, and to submit the plan to the Board of Supervisors for its review. The Board shall adopt a final Plan within 60 days.

(b) The initial Yolo County Preschool Program and Expenditure Plan shall be submitted to the Board of Supervisors by January 1, 2020.

*Article 2. Implementation.*

Sec. 13-3.201. Award of Funds.

(a) Funding for Scholarships, Quality Early Education Improvement Assistance, Facility and Implementation Grants shall be awarded through an annual competitive solicitation process administered by the Lead Agency.

(b) Applications for the first competitive solicitation process shall be accepted by July 1, 2020.

Sec. 13-3.202. Eligible Applicants.

(a) Scholarships shall be provided based on need and in accordance with a sliding scale for Yolo County children from birth to kindergarten eligibility to attend preschool or other early education programs.

(b) Grants and other assistance shall be provided to public schools and non-profit or for-profit providers of child care, preschool, or other early education programs that are committed to participating in the California Early Childhood Quality Ratings Matrix, developed by the California Department of Education, to inform their work.

(c) The Board of Supervisors and Lead Agency may establish additional eligibility requirements that are consistent with the requirements and purposes of this Act.

Sec. 13-3.203. Disbursement of Funds.

To the extent possible given the pool of qualified applicants, grants and other assistance shall be provided to programs and services in cities and the unincorporated area of Yolo County based upon the approximate share of revenue raised pursuant to this Act by that city or unincorporated area.

**Section. 5. Transactions and Use Tax.**

A new Chapter 18 is added to Title 3 of the Yolo County Code to read as follows:

Sec. 3-18.01.  Purposes.

 PLEASE MAKE ALL APPROPRIATE CHANGES TO THE LANGUAGE BELOW TO MAKE THIS A SPECIAL TAX (COUNTY COUNSEL WILL HONOR A REQUEST TO DESIGNATE THE VOTE REQUIREMENT AS A “ MAJORITY VOTE” OR” THE VOTE REQUIRED BY LAW”)

This chapter is adopted to achieve the following purposes, and its provisions shall be interpreted to accomplish those purposes:

(a) To adopt a special tax for a ten-year period in the form of a retail transactions and use tax of ¼ cent to be placed in the County’s General Fund in order to make more funding available for the general governmental needs of the people of Yolo County.

(b) To adopt a retail transactions and use tax law in accordance with the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code and the applicable provisions of Part 1.7 of Division 2 of the Revenue and Taxation Code;

(c) To adopt a retail transactions and use tax law that incorporates provisions identical to those of the Sales and Use Tax Law of the State insofar as these provisions are not inconsistent with the requirements and limitations contained in Part 1.6 of Division 2 of the Revenue and Taxation Code;

(d) To adopt a retail transactions and use tax law that imposes a one-quarter (1/4%) percent tax and provides a measure therefor that can be administered and collected by the California Department of Tax and Fee Administration in a manner that adapts itself as fully as practicable to, and requires the least possible deviation from, the existing statutory and administrative procedures followed by the California Department of Tax and Fee Administration in administering and collecting the California State Sales and Use Taxes; and

(e) To adopt a retail transactions and use tax law that can be administered in a manner that will be, to the degree possible, consistent with the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code, minimize the cost of collecting the transactions and use taxes, and at the same time, minimize the burden of record keeping upon persons subject to taxation under the provisions of this chapter.

Sec. 3-18.02. Transactions tax rate.

For the privilege of selling tangible personal property at retail, a tax is hereby imposed upon all retailers in the County at the rate of one quarter of one per cent (0.25%) of the gross receipts of any retailer from the sale of all tangible personal property sold at retail in said territory for ten years from the operative date of this chapter.

Sec. 3-18.03. Place of sale.

For purposes of this chapter, all retail sales are consummated at the place of business of the retailer unless the tangible personal property sold is delivered by the retailer or the retailer’s agent to an out-of-state destination or to a common carrier for delivery to an out-of-state destination. The gross receipts from such sales shall include delivery charges, when such charges are subject to California State Sales and Use Taxes, regardless of the place to which delivery is made. In the event a retailer has no permanent place of business in the State or has more than one place of business, the place or places at which the retail sales are consummated shall be determined under rules and regulations to be prescribed and adopted by the California Department of Tax and Fee Administration.

Sec. 3-18.04. Use tax rate.

An excise tax is hereby imposed on the storage, use, or other consumption in the County of tangible personal property purchased from any retailer on and after the operative date of this chapter for storage, use or other consumption in said territory at the rate of one quarter of one percent (0.25%) of the sales price of the property. The sales price shall include delivery charges when such charges are subject to California State Sales and Use Taxes, regardless of the place to which delivery is made.

Sec. 3-18.05. Conformance with state law.

Within three months of the effective date of this Act, the County Board of Supervisors shall pass enabling legislation to ensure that the tax is implemented in a manner that adapts itself as fully as practicable to, and requires the least possible deviation from, all of the provisions of Part 1 (commencing with Section 6001) of Division 2 of the Revenue and Taxation Code, except to the extent that such provisions are inconsistent with the provisions of this Chapter and Part 1.6 of Division 2 of the Revenue and Taxation Code, and to the extent that such provisions refer to the State of California rather than the County.

Sec. 3-18.06. Permit not required.

If a seller’s permit has been issued to a retailer under Section 6067 of the Revenue and Taxation Code, an additional transactor’s permit shall not be required by this chapter.

Sec. 3-18.07. Exemptions and exclusions.

(a) There shall be excluded from the measure of the transactions tax and the use tax the amount of any sales tax or use tax imposed by the State of California or by any city, city and county, or county pursuant to the Bradley-Burns Uniform Local Sales and Use Tax Law or the amount of any state-administered transactions or use tax.

(b) The computation of the amount of transactions tax the gross receipts shall exclude:

(1) Sales of tangible personal property, other than fuel or petroleum products, to operators of aircraft to be used or consumed principally outside the County in which the sale is made and directly and exclusively in the use of such aircraft as common carriers of persons or property under the authority of the laws of this State, the United States, or any foreign government.

(2) Sales of property to be used outside the County which is shipped to a point outside the County, pursuant to the contract of sale, by delivery to such point by the retailer or his agent, or by delivery by the retailer to a carrier for shipment to a consignee at such point. For the purposes of this paragraph, delivery to a point outside the County shall be satisfied:

(i) With respect to vehicles (other than commercial vehicles) subject to registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the Vehicle Code, aircraft licensed in compliance with Section 21411 of the Public Utilities Code, and undocumented vessels registered under Division 3.5 (commencing with Section 9840) of the Vehicle Code by registration to an out-of-County address and by a declaration under penalty of perjury, signed by the buyer, stating that such address is, in fact, his or her principal place of residence; and

(ii) With respect to commercial vehicles, by registration to a place of business out-of-County and declaration under penalty of perjury, signed by the buyer, that the vehicle will be operated from that address.

(3) The sale of tangible personal property if the seller is obligated to furnish the property for a fixed price pursuant to a contract entered into prior to the operative date of this chapter.

(4) A lease of tangible personal property which is a continuing sale of such property, for any period of time for which the lessor is obligated to lease the property for an amount fixed by the lease prior to the operative date of this chapter.

(5) For the purposes of subparagraphs (3) and (4) of this section, the sale or lease of tangible personal property shall be deemed not to be obligated pursuant to a contract or lease for any period of time for which any party to the contract or lease has the unconditional right to terminate the contract or lease upon notice, whether or not such right is exercised.

(c) There are exempted from the use tax imposed by this chapter, the storage, use or other consumption in this County of tangible personal property:

(1) The gross receipts from the sale of which have been subject to a transactions tax under any state-administered transactions and use tax ordinance.

(2) Other than fuel or petroleum products purchased by operators of aircraft and used or consumed by such operators directly and exclusively in the use of such aircraft as common carriers of persons or property for hire or compensation under a certificate of public convenience and necessity issued pursuant to the laws of this State, the United States, or any foreign government. This exemption is in addition to the exemptions provided in Sections 6366 and 6366.1 of the Revenue and Taxation Code.

(3) If the purchaser is obligated to purchase the property for a fixed price pursuant to a contract entered into prior to the operative date of this chapter.

(4) If the possession of, or the exercise of any right or power over, the tangible personal property arises under a lease which is a continuing purchase of such property for any period of time for which the lessee is obligated to lease the property for an amount fixed by a lease prior to the operative date of this chapter.

(5) For the purposes of subparagraphs (3) and (4), storage, use, or other consumption, or possession of, or exercise of any right or power over, tangible personal property shall be deemed not to be obligated pursuant to a contract or lease for any period of time for which any party to the contract or lease has the unconditional right to terminate the contract or lease upon notice, whether or not such right is exercised.

(6) Except as provided in subparagraph (7), a retailer engaged in business in the County shall not be required to collect use tax from the purchaser of tangible personal property, unless the retailer ships or delivers the property into the County or participates within the County in making the sale of the property, including, but not limited to, soliciting or receiving the order, either directly or indirectly, at a place of business of the retailer in the County or through any representative, agent, canvasser, solicitor, subsidiary, or person in the County under the authority of the retailer.

(7) “A retailer engaged in business in the county” shall also include any retailer of any of the following: vehicles subject to registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the Vehicle Code, aircraft licensed in compliance with Section 21411 of the Public Utilities Code, or undocumented vessels registered under Division 3.5 (commencing with Section 9840) of the Vehicle Code. That retailer shall be required to collect use tax from any purchaser who registers or licenses the vehicle, vessel, or aircraft at an address in the County.

(d) Any person subject to use tax under this chapter may credit against that tax any transactions tax or reimbursement for transactions tax paid to a County imposing, or retailer liable for a transactions tax pursuant to Part 1.6 of Division 2 of the Revenue and Taxation Code with respect to the sale to the person of the property the storage, use or other consumption of which is subject to the use tax.

Sec. 3-18.08. Enjoining collection forbidden.

No injunction or writ of mandate or other legal or equitable process shall issue in any suit, action or proceeding in any court against the State or the County, or against any officer of the State or the County, to prevent or enjoin the collection under this chapter, or Part 1.6 of Division 2 of the Revenue and Taxation Code, of any tax or any amount of tax required to be collected.

Sec. 3-18.09. Operative date.

This chapter shall become operative on the first day of the calendar quarter commencing 110 days after the adoption of the chapter, and prior to that date the County shall contract with the California Department of Tax and Fee Administration to perform all functions incident to the administration and operation of this retail transactions and use tax.

Sec. 3-18.10. Termination date.

The authority to levy the tax imposed by this chapter shall expire ten years from the operative date of this chapter.

**Section 6. Amendment.**

This Act may not be amended by action of the Board of Supervisors without voter approval.

**Section 7. Enabling Legislation.**

The Board of Supervisors may enact enabling legislation addressing administrative and program issues not addressed in the Act, or not contrary to the purposes of the Act, including, but not limited to, defining program priorities or establishing minimum criteria to ensure that providers applying for grants pursuant to this Act are able to provide quality preschool or early education programs.

**Section 8. Severability.**

The people of Yolo County hereby declare that they would have adopted each section, sentence, clause, phrase, word, or portion of this Act, irrespective of the fact that any one or more sections, sentences, clauses, phrases, words, or portions of this Act, or any application thereof to any person or circumstance, be declared invalid or unenforceable and, to that end, the provisions of this Act are severable. If any section, sentence, clause, phrase, word, or portion of this Act, or any application thereof to any person or in any circumstance, is for any reason held to be invalid or unenforceable by a court of competent jurisdiction, the remaining sections, sentences, clauses, phrases, words, or portions of this Act, and applications thereof, shall nonetheless remain in full force and effect.

**Section 9. Liberal Construction.**

This Act shall be liberally construed to effectuate its purposes.

**Section 10. Effective Date.**

Except as otherwise provided in this Act, this Act shall take effect the day after the election at which it is adopted.

**Section 11. Appropriations Limit Increase.**

Pursuant to California Constitution Article XIII B and applicable laws, for four years from the day of the election at which this Act is adopted, the appropriations limit for the County shall be increased by the aggregate sum collected by the levy of the transactions and use tax imposed by this Act.