

SAFE, AFFORDABLE, QUALITY CHILD CARE IN MONTEREY COUNTY ACT

The People of the County of Monterey ordain as follows:

Section 1. Title.

This Ordinance shall be known and may be cited as the “Safe, Affordable, Quality Child Care in Monterey County Act.”

Section 2. Findings and Declarations.

The People of the County of Monterey find and declare all of the following:

A. Safe, affordable, quality child care and early learning are critical for a stable, prosperous Monterey County, providing multi-generational benefits for children, their families, the community at large, and the economy.

B. Safe, affordable, quality child care and early learning support the healthy social, emotional, cognitive, and physical development and educational growth of children in the most critical years for brain development. They help to lay the foundation for school readiness, which has life-long impacts on a child’s academic and career advancement, and ability to contribute to a thriving community.

C. According to the most recent school readiness assessment in Monterey County, only one in four children in the county are ready for kindergarten, due in part to the shortage of safe, affordable, quality child care and early learning.

D. Children across Monterey County are facing challenging circumstances that may negatively affect them for the rest of their lives, such as trauma from the COVID-19 pandemic, wildfires and other natural disasters, family instability, and abuse.

E. Studies show that children who attended quality child care have higher IQ scores, higher graduation rates, higher adult employment and income, lower rates of hypertension, lower rates of drug use, and lower crime rates than those who did not. The same studies suggest a 13% per year return on investments for quality child care and early learning.

F. Quality child care includes comprehensive developmental resources, such as age-appropriate early education, parent engagement, access to other support services, and guidance for a healthy childhood — mentally, emotionally, and physically. Children in a quality child care setting are more likely to obtain services and support programs that can stabilize them and their family when experiencing trauma and vulnerable situations, such as facing homelessness, loss of income, or ill health.

G. Safe, affordable, quality child care and early learning allow parents to participate in the workforce, advance their vocational and professional training, and contribute in more ways to the betterment of their families and communities. They tend to be more effective and satisfied at the workplace, are able to better engage in their child’s healthy development, and find greater social connection and access to services that support family stability.

H. Safe, affordable, quality child care and early learning benefit businesses by reducing the labor shortage due to lack of child care, attracting a workforce from both within and outside of the region, and increasing productivity and retention of current employees. Child care and early learning also contribute to a better prepared future workforce for generations to come.

I. There is a critical gap in the availability of safe, affordable, quality child care and early learning opportunities, worsened by the spread of COVID-19. According to a recent count, in Monterey County there are about 70,000 children 10 years and under. At the same time, the County has about 10,000 licensed child care spaces, not all of which are operational, serving only a small fraction of young children.

J. Licensed child care is difficult to open and expensive to operate. This is due to a lack of appropriate facilities in Monterey County, complex state and federal regulations, and a teacher and staff shortage, all worsened by the COVID-19 pandemic.

K. The pay is just above minimum wage for most child care workers, and becoming a credentialed teacher for early care and learning takes at least two years. The combination of low pay and high educational requirements makes it difficult to attract and retain staff.

L. Safe, quality child care and early learning are beyond what is reasonably affordable for most families in Monterey County. According to the U.S. Department of Health and Human Services, child care is considered affordable for a family when it is 7% or less of their household income. In 2021, the average annual cost of licensed child care was more than \$10,000. That is more than tuition at California State University – Monterey Bay.

M. Most existing child care and early learning programs are Monday-Friday, part-day, and/or end before 6:00 p.m. Therefore, they do not meet the needs of many working parents, such as those in shift work, which is common in the agricultural, hospitality, and health industries — all of which are large sectors of employment in Monterey County.

N. Increasing locally-controlled funding for child care and early learning will make a positive difference in the access and availability of safe, affordable, quality child care, meeting the unique needs of the children, parents, community, and economy of Monterey County.

Section 3. Statement of Purpose.

It is the purpose and intent of the People of the County of Monterey in enacting this Ordinance to do all of the following:

A. Provide for dedicated, locally-controlled funding to increase and improve licensed child care so that it is safe, affordable, quality, and supports the unique needs of the children, parents, and businesses of Monterey County.

B. Ensure that all revenue generated under this Ordinance is dedicated solely to increasing and improving safe, affordable, quality child care and early learning opportunities for the children of Monterey County and their parents, and not for any other purpose.

C. Establish the Safe, Affordable, Quality Child Care Citizens Oversight Committee to serve as an advisory body in the implementation of this Ordinance and ensure accountability on behalf of the public.

D. Provide for the creation of a Safe, Affordable, Quality Child Care Program Plan with input from community stakeholders and the Safe, Affordable, Quality Child Care Citizens Oversight Committee in order to guide the implementation of this Ordinance.

E. Adopt a parcel tax for a period of 10 years in order to make more funding available for child care and early learning programs that serve the families and children of Monterey County, in accordance with the authorized expenditures provided for in Section 5.65.050 of this Ordinance.

Section 4. Amendment to the Code of the County of Monterey.

Chapter 5.65 is added to Title 5 of the Code of the County of Monterey, to read as follows:

Chapter 5.65 — SAFE, AFFORDABLE, QUALITY CHILD CARE IN MONTEREY COUNTY ACT

5.65.010 — Definitions.

For purposes of this chapter, the following terms have the following meanings:

A. “Budget Plan” means the annual Safe, Affordable, Quality Child Care Budget and Expenditure Plan developed by the Commission pursuant to Section 5.65.080.

B. “Commission” means the Monterey County Children and Families Commission created pursuant to Section 2.59.030, also known as “First 5 Monterey County.”

C. “Committee” means the Safe, Affordable, Quality Child Care Citizens Oversight Committee created pursuant to Section 5.65.100.

D. “Licensed child care” means child care centers and family child care homes that are licensed by the California Department of Social Services Child Care Licensing Program.

E. “Parcel” means a lot, unit, or plot of real property having identified boundaries and an identified owner and that is documented for property tax purposes and given an assessor’s parcel number by the Assessor-County Clerk-Recorder of the County of Monterey.

F. “Program Plan” means the Safe, Affordable, Quality Child Care Program Plan developed by the Commission pursuant to Section 5.65.070.

G. “Special parcel tax” means the tax imposed by Section 5.65.020.

5.65.020 — Imposition of Special Parcel Tax.

A. Commencing with the first full fiscal year after the enactment of this chapter, an annual special parcel tax in the amount of forty-nine dollars (\$49) is hereby imposed on each parcel located within the County, except as provided in Section 5.65.030.

B. The special parcel tax is imposed as of July 1 of each year and shall be assessed on the person who owned the parcel on that date unless the owner is by law exempt from taxation, in which case the special parcel tax shall be assessed on the holder of the possessory interest in the parcel unless such holder is also by law exempt from taxation.

C. The special parcel tax shall be collected at the same time and in the same manner as ad valorem property taxes.

D. All laws, regulations, and procedures regarding exemptions, due dates, installment payments, corrections, appeals, refunds, late payments, liens, and collections for secured roll ad valorem property taxes in the County shall be applicable to the collection of the special parcel tax.

5.65.030 — Exemptions.

A. Except as provided in Subsection B, parcels shall be exempt from the special parcel tax to the extent that they are fully exempt from ad valorem property taxes under provisions of law that include, but are not limited to, Section 3 of Article XIII of the California Constitution and Article 1 of Chapter 1 of Part 2 of Division 1 of the California Revenue and Taxation Code, or successor statutes.

B. In addition to the exemptions described in Subsection A, the following exemptions shall apply to the special parcel tax:

1. A parcel that qualifies for any portion of a property tax exemption under Section 205.5 of the California Revenue and Taxation Code, or a successor statute, shall be fully exempt from the special parcel tax.

2. A parcel that constitutes land used as described in Section 56016 of the California Government Code, as that section read on January 1, 2022, shall be fully exempt from the special parcel tax.

3. A parcel on which a licensed family child care home is located and operating shall be exempt from the special parcel tax.

C. The Board of Supervisors is authorized to establish additional exemptions from the special parcel tax by ordinance, including procedures to apply for an exemption, based on such criteria as the Board may determine.

5.65.040 — Creation of Special Fund.

There is hereby established in the County Treasury a special fund entitled the “Monterey County Caring for Children Fund” to be maintained by the County. Proceeds of the special parcel tax, together with any interest and penalties thereon, shall be collected each fiscal year and deposited into the fund. Revenue in the fund shall be used exclusively to carry out the purposes of this chapter, as further described in Section 5.65.050.

5.65.050 — Authorized Expenditures.

A. Revenue in the fund created pursuant to Section 5.65.040 shall be appropriated by the Board of Supervisors and allocated to the Commission and shall be expended only for the purposes identified in this section.

B. The proceeds of the special parcel tax shall be expended to increase and improve licensed child care in Monterey County in accordance with the Program Plan created pursuant to Section 5.65.070. Authorized expenditures shall include those for the following purposes:

1. Improving the safety and quality of licensed child care and early learning programs to stabilize families and enable children and their parents to thrive in child care settings, including to prevent child abuse, provide behavioral and mental health support, and support children experiencing or at-risk of experiencing homelessness.

2. Increasing the availability of, and access to, licensed child care and early learning by the following means:

a. Construction and acquisition of licensed child care centers, and the renovation and maintenance of all types of licensed child care facilities (center-based and home-based licensed care), in accordance with priorities established in the Program Plan.

b. Expansion of the hours and days during which child care facilities offer services.

3. Attracting, retaining, training, and ensuring the availability of highly qualified early education teachers and child care workers by the following means:

a. Financial assistance and related support for permitting, credentialing, training, and professional development for the public and private child care workforce, with an emphasis on ensuring high-quality child care learning environments and workforce stability.

b. Financial assistance and related support for providers of child care and early learning for licensing and general operations to help reduce the cost of child care for families, including, but not limited to, support for recruitment and retention of staff.

4. Administrative costs incurred to implement and administer this chapter. Authorized administrative expenditures shall include reimbursement of the County for the reasonable costs of maintaining the special fund established pursuant to Section 5.65.040 and for the reasonable costs of collecting and administering the special parcel tax. Expenditures for administrative costs shall not exceed 10% of the proceeds of the special parcel tax.

C. The proceeds of the special parcel tax shall only be used to increase and improve licensed child care and early learning, and to leverage other available funding sources. However, if federal, state, or non-County funding was committed for the purpose of providing such services and subsequently ceases to be provided and is not replaced by other federal, state, or non-County funding committed for that same purpose, then the proceeds of the special parcel tax may be expended to the extent necessary for such services to continue.

5.65.060 — Administering Agency.

A. The Monterey County Children and Families Commission shall be the administering agency responsible for developing, implementing, and administering all of the programs, projects, and services provided under this chapter.

B. The Commission's responsibilities as the administering agency shall include all of the following:

1. Developing the Program Plan pursuant to Section 5.65.070.
2. Developing the Budget Plan pursuant to Section 5.65.080 and allocating funding pursuant to the Budget Plan.
3. Developing, administering, and overseeing the implementation of all programs, projects, and services provided under this chapter.

4. Awarding funding pursuant to the requirements of this chapter and the contracting requirements in law applicable to the Commission.

5. Conducting the program evaluation pursuant to Section 5.65.090.

6. Providing staffing support for the Committee created pursuant to Section 5.65.100.

7. Administering this chapter in a manner that promotes transparency, public accountability, and good fiscal stewardship of public resources, including reserving funds to address anticipated fluctuations in revenue and planned expenditures.

C. The Commission shall have the authority, as necessary, to reduce expenditures and the levels of service provided for in the Program Plan or the Budget Plan in order to respond to any reductions in revenue from the special parcel tax.

D. When feasible, the Commission's planning and budgeting processes in furtherance of this chapter shall be integrated into the Commission's existing strategic planning cycle in order to leverage, and avoid duplication of, existing administrative efforts.

5.65.070 — Program Plan.

A. The Commission shall develop a Safe, Affordable, Quality Child Care Program Plan, to be updated in three-year increments, for the purpose of guiding the execution of this chapter.

B. In developing and updating the Program Plan, the Commission shall collaborate with the Committee created pursuant to Section 5.65.100, and other community stakeholders, and shall consider the most recent version of each of the following:

1. The Monterey County Child Care Planning Council's Needs Assessment report, as submitted to the California Department of Education, and the Council's strategic plan.

2. The master plan for child care and early learning facilities developed through the Early Childhood Development Initiative of the Monterey County Children's Council (Bright Beginnings).

3. The Monterey County School System Readiness Report.

4. Other relevant reports and data on the needs of young children and their families, including, but not limited to, education and child development data, homelessness data, foster care data, and other relevant data sources.

5. Other relevant reports and data on the need for child care facilities, a child care workforce, and general economic development.

C. The Program Plan shall satisfy all of the following:

1. The Program Plan shall be designed to increase and improve licensed child care by means of authorized expenditures described in Section 5.65.050.

2. The Program Plan shall be designed to meet the respective needs of regions throughout the County, with an emphasis on supporting regions of the County underserved by licensed child care facilities and programs, particularly underserved rural areas, and underserved age groups. When feasible, the adaptive reuse of existing government properties shall be pursued.

3. The Program Plan shall describe specific criteria for assessing a region or age group that is underserved and for assigning priorities for specific types of projects, programs, or services, and shall further describe the specific requirements for each project, program, or service prioritized.

4. The Program Plan shall align with and respond to emerging developments in state and federal early care and education programs, policy, and research.

D. The Program Plan shall be reviewed on an annual basis and any updates to the 3-year plan shall be approved by the Commission and by the Board of Supervisors.

5.65.080 — Budget Plan.

A. For each fiscal year, the Commission shall develop a Safe, Affordable, Quality Child Care Budget and Expenditure Plan for the purpose of guiding budgeting and expenditures under this chapter. The Budget Plan shall account for budgeting and expenditures for the immediate fiscal year and shall make budget and expenditure projections for each of the three succeeding fiscal years.

B. In developing the annual Budget Plan, the Commission shall collaborate with the Committee created pursuant to Section 5.65.100 and other community stakeholders.

C. The annual Budget Plan shall be approved by the Commission and by the Board of Supervisors.

5.65.090 — Program Evaluation.

A. The Commission, with input from the Committee created pursuant to Section 5.65.100, shall develop strategies for collecting data for all of the following purposes:

1. To facilitate program evaluation with respect to the purposes of this chapter, consistent with Sections 5.65.050 and 5.65.070.

2. To inform program design and decision making in connection with updates to the Program Plan.

3. To further program transparency.

B. Prior to each 3-year update of the Program Plan, the Commission shall conduct a program evaluation to assess the effectiveness of investments made pursuant to this chapter and to inform the Program Plan update. The evaluation may be conducted by an external evaluator with input from the Committee created pursuant to Section 5.65.100. The findings of each evaluation shall be provided to the Board of Supervisors and other relevant stakeholders as determined by the Commission.

C. Consistent with the data collection strategies developed pursuant to this section, entities that are selected to receive funding under this chapter shall be required to provide specified data to the Commission as part of any initial application or subsequent evaluation process. Requested data may include, but not be limited to, data relating to operating budgets, employees, compensation, retention, training, and compliance with relevant laws.

5.65.100 — Citizens Oversight Committee.

A. The Safe, Affordable, Quality Child Care Citizens Oversight Committee is hereby established to serve as an advisory body in the implementation of this chapter.

B. The Committee shall consist of 15 members who shall all be residents of the County of Monterey. The members of the Committee shall be appointed by the Board of Supervisors from among candidates recommended by the Commission through an application process, and shall consist of the following:

1. Five members representing the needs of parents and children, one each residing in each of the five Monterey County supervisorial districts.

2. Five members representing the needs of the local licensed child care community, who may include, but are not limited to, the following:

a. Child care providers who work at child care centers, family child care homes, or preschools.

b. Representatives from the Monterey County Child Care Planning Council, a Monterey County child care resource and referral agency, local community colleges, California State University – Monterey Bay, or the Monterey County Office of Education.

3. Two members representing organized labor, each from different industries that may include, but are not limited to, the child care, hospitality, and agricultural industries.

4. Two members representing the local business and economic development sectors, each from different organizations that may include, but are not limited to, a major employer, a chamber of commerce, and a trade association.

5. One member representing a taxpayers' association.

C. The Board of Supervisors may appoint for each member of the Committee an alternate who may attend meetings of the Committee in the principal member's absence. Each alternate shall fulfill the same category of representation as the principal member, as described in Subsection B.

D. Members of the Committee shall serve three-year terms, with the exception of the first class of members, five of whom shall serve a one-year term, five of whom shall serve a two-year term, and five of whom shall serve a three-year term, as determined by the Board of Supervisors. Thereafter, all terms shall be for three years. Members may be reappointed without limitation.

E. The members of the Committee shall be appointed and shall commence convening within six months of the effective date of this chapter. Upon convening, the Committee shall adopt bylaws governing its organization, operation, and procedures, consistent with this chapter.

F. The Committee shall be responsible for making recommendations designed to protect the rights and interests of child care providers, constituent children and families receiving services under this chapter, and taxpayers. In carrying out that responsibility, the Committee shall do all of the following:

1. Evaluate whether expenditures of the proceeds of the special parcel tax are consistent with Section 5.65.050.

2. Evaluate whether the goals and objectives identified in the Program Plan developed by the Commission are being met as projects and programs are implemented under this chapter.

3. Make recommendations to the Commission with respect to the formulation of the Program Plan and the Budget Plan and with respect to any proposals for changing program priorities.

4. Review and comment on program delivery schedules.

5. Evaluate the reasonableness of administrative costs.

6. Review the audit reports prepared pursuant to Section 5.65.110 and review other financial information regarding expenditures made under this chapter, which shall be made available to the Committee upon request.

7. Prepare an annual report regarding the execution of this chapter, which shall be submitted to the Commission and made available for public review.

5.65.110 — Audits.

Pursuant to Section 50075.3 of the California Government Code, the Auditor-Controller shall file an annual report with the Board of Supervisors describing both of the following:

A. The amount of funds collected and expended pursuant to this chapter.

B. The status of any project required or authorized to be funded pursuant to Section 5.65.050.

5.65.120 — Employment Status.

The provisions of this chapter are not intended to alter the independent business owner status of any existing child care or other early childhood service provider or create an employment relationship between any child care provider, early educator, or license-exempt provider and the County or the Commission.

5.65.130 — Repeal of Chapter.

This chapter shall remain in effect only until the end of the 10th fiscal year for which the special parcel tax is imposed and as of that date is repealed by operation of this section, unless a later enacted ordinance adopted by the voters that is enacted prior to the repeal of this chapter deletes or extends that repeal date.

Section 5. Amendment of Ordinance.

Except for amendments that would change the amount of the special parcel tax imposed by this Ordinance, change the authorized uses of revenue generated by the special parcel tax, change the administering agency for reasons other than failure of performance, or extend the period for which the special parcel tax may be imposed, the Board of Supervisors may amend this Ordinance without submitting the amendment to the voters for approval, provided that the amendment is consistent with and furthers the purposes of this Ordinance as enacted by the voters.

Section 6. Severability.

If any provision of this Ordinance or the application thereof to any person or circumstance is held invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect any other provisions or applications. To that end, the provisions of this Ordinance are declared to be severable. It is the intent of the voters that this Ordinance would have been enacted regardless of whether any invalid provision had been included or any invalid application had been made.