Measure I Implementation
Sonoma County Child Care & Children's Health Initiative
FAQs

Q: When will the Measure I sales tax begin to be collected and when will First 5 Sonoma County be able to begin investing the revenue in the community?

A: Initial steps and timeline for Measure I implementation are governed by state law and described in the Measure I language, which will become local ordinance. Once the election is certified, the County of Sonoma must first establish an agreement with the CA Department of Tax & Fee Administration (CDTFA) for countywide tax collection. The Board of Supervisors must establish and appoint the Measure Community Advisory Council and must also include allocation of the estimated annual revenue to First 5 Sonoma County in their FY 2025-26 budget process.

TIMELINE	ACTIVITY
December 3-5, 2024	Sonoma County Election Certification window
December 15, 2024	Effective Date (10 days after certification)
BY January 29, 2025	Board of Supervisors Establishes Measure I Community Advisory Council (within 45 days of Effective Date)
BY March 15, 2025	Board of Supervisors Appoints Measure I Community Advisory Council (within 90 days of Effective)
PRIOR TO March 15, 2025	County contracts with CDTFA (California Department of Tax and Fee Administration) to administer taxation*
March 25, 2025	Operative Date (first day of the first calendar quarter commencing more than 110 days after Effective Date)
February-March, 2025	Development of agreement establishing processes and procedures to transfer Measure I revenue to First 5 Sonoma County, to be expended as per voter intent (First 5, Chief Administrative Officer and Sonoma County Treasurer)
May-June 2025	Board of Supervisors budget process - allocation of Measure I sales tax revenue (minus administration costs) to First 5 Sonoma County
July-September 2025	Funds transferred to First 5 Sonoma County for first two quarters of Measure I tax collection (estimated $15m) to be administered as per voter intent

**contingent on legislative and/or legal resolution of City of Sebastopol in excess of taxation cap*

Q: Why will First 5 Sonoma County administer the tax revenue generated by Sonoma County Measure I?

A: First 5 Sonoma County is named as the "Administering Agency" for Sonoma County Measure I revenue. The First 5 Sonoma County Commission and the agency which it oversees have 25 years

of experience administering public funds to support early childhood development through transparent governance, demonstrated robust administrative capacity and engagement of community stakeholders. Leveraging an existing local organization's proven capacity, aligned mission and established infrastructure to administer the Measure I tax revenue is a fiscally prudent and cost-effective strategy for stewarding the local taxpayer dollars.

The Sonoma County Board of Supervisors established the First 5 Sonoma County Commission in 1998 after California voters approved Proposition 10 and is mandated by Prop. 10 to locally administer a statewide tobacco tax to support optimal early childhood development. The Commission is a 9-member independent board made up of community experts in child health, development, education and policy and includes representatives from County Health and Human Services Departments and a member of the Board of Supervisors. A similar First 5 structure exists in all 58 California counties. Although the Board appoints First 5 Commissioners, the Commission is independent from the County and is the governing body that oversees all First 5 Sonoma County community investments and staff activities.

Q: How will Measure I funding be disbursed and who will make these decisions?

A: Measure I tax revenue will be dispersed in the form of grants, contracts, subsidies and other payment arrangements, primarily to local community-based organizations (501c3 nonprofits), private child care providers and child care center operators and providers. First 5 Sonoma County will utilize its existing administrative infrastructure to engage community partners in strategic prioritizing and decision-making about community investments that will have the greatest positive impacts. The intent and purpose of Measure I is closely aligned with state and local mandates that already drive First 5's strategic priorities and decision-making processes.

In early 2025, the First 5 Commission will launch a strategic planning process, which will include a needs assessment to look at trend data about child well-being, health and development, maternal health and mental health, kindergarten readiness, economic conditions, as well as the capacity of the local child and family serving field of public and nonprofit organizations, including child care.

An 11-member *Measure I Community Advisory Council (CAC)*[1] will be appointed by the Board of Supervisors and will be composed of parents, child care providers, child care system administrators, experts in children's health and development and experts in maternal mental health. The CAC will work with First 5 staff to conduct a robust community engagement process

[1] *Composition of the Measure I Community Advisory Council*

- One (1) administrator of a Child Care Resource & Referral agency
- One (1) administrator from a state or federally subsidized center-based child care program
- Five (5) members representing pediatric and/or perinatal health and/or mental health care systems
- One (1) Home-based licensed Family Child Care provider
- One (1) Center-based ECE teacher
- Two (2) parents or guardians of a child under age 6 at time of appointment, at least one of whom has experience with subsidized child care or wait list

to elevate the voices of parents and child care providers to inform priorities and ensure that investments of Measure I revenue are not only equitable and are aligned with the intent of Sonoma County voters, but have the greatest potential for impact. The CAC will provide recommendations for strategic expenditures directly to the First 5 Commission.

It is expected that the first grants and contracts to fund services, programs and benefits as per the intent of Measure I will be executed starting in late 2025 (see implementation timeline on page 1). After the initial five-year strategic plan is finalized and approved by the First 5 Sonoma County Commission and presented to the Board of Supervisors, an annual expenditure plan, as developed by the Commission with the CAC's recommendations, will be provided to the community and the Board.

First 5 Sonoma County has already begun the planning process by convening an ad hoc workgroup with local child care system experts, including the Child Care Planning Council and both Child Care Resource & Referral organizations in Sonoma County (Community Child Care Council – 4Cs and River to Coast Children's Services), to identify opportunities, avoidable risks and unintended consequences of increasing supports to the child care system, which currently is in a state of major disruption and flux. The workgroup is studying the local workforce compensation landscape and child care provider wage boost models in other communities and tracking ongoing policy change, all of which have strong implications for the Measure I Community Advisory Council's work during the first several years of implementation.

Q: Will there be a limit to the administrative costs to administer the Measure I revenue?

A: Yes, the First 5 Sonoma County Commission has had an administrative cost policy in place since 1999, capping administrative costs at 15%. The Commission has never exceeded this 15% administrative cap in its 25-year history of grantmaking. An annual report of all expenditures, including administrative costs, have been and will continue to be reported to the state First 5 Commission annually.

The administrative cost for Measure I funding will *also* be subject to the Commission's 15% cap, but is expected to be lower than 15%, given the economy of scale that will be realized with a more robust revenue stream. Leveraging First 5's much smaller but not insignificant state tobacco tax revenue will also help to ensure that the administrative cost of administering Measure I revenue remains as low as possible.

Q: Will First 5 Sonoma County's administration of the Measure I funding be audited?

A: Yes, an annual external audit has been conducted and reported by First 5 Sonoma County to the state First 5 Commission annually since 1999. The First 5 Sonoma County Commission has never had a negative audit finding in its 25 years of existence. The annual external audit is a requirement of the Measure I ordinance and an annual report of any significant findings will be provided to the public.

Recent audit reports are available to the public on First 5 Sonoma County's website, http://www.first5sonomacounty.org .

Q: What are eligible areas of expenditure of Measure I sales tax revenue?

A: Measure I is specific regarding the purpose and intent of the tax revenue but allows some flexibility with regard to specific strategies to achieve those purposes. As per the language in the ballot measure*, "proceeds from the Tax shall be used exclusively to increase access to high-quality child care, preschool, and early education services to benefit low- and middle-income children and families in Sonoma County; to improve wages and compensation for family child care providers and early educators who provide those services; to maintain and protect the availability and accessibility of local health and mental health care services that are specific to the unique needs of infants, toddlers and pediatric patients; and to support the efficient administration of Tax proceeds."*

Sixty percent of the annual revenue, after administrative costs, is to be spent on strengthening the early childhood education and childcare system. Strategic investments may include maintenance, repairs and improvements to existing child care facilities and the development of new child care facilities; equipment and improvements to include the quality of child care and early learning facilities; stipends, grants or subsidies that increase the wages of the lowest paid child care and early learning providers; paid apprenticeships and other workforce supports that incentivize new early learning professionals to enter and stay in the field; investments that support increased quality of child care and early learning environments, such as professional development, coaching, network building; and other strategies that support the overall strength of the system of child care and early learning.

Forty percent of the revenue, after administrative costs, is to be spent on improving systems that support children's health and well-being. A broad array of strategies may be prioritized and recommended, including home visiting; parent education, coaching and leadership supports; screening and treatment for maternal/perinatal mental health; supports to families to navigate health care and social support systems, such as case management, family resource centers, community health worker and *promotora* services, and technology that supports referral and linkage to programs and services that support optimal health and development of children; counseling and a broad array of culturally responsive supports for child and family social-emotional well-being; and, other investments that support the health and well-being of young children.

Q: What other restrictions are there for administration and expenditures of Measure I funding?

A: Measure I requires that children who have been impacted by family homelessness "and/or other trauma" must be prioritized for programs and services funded by the measure. This would include children in families receiving shelter and transitional housing services and unhoused children whose families may be living in vehicles or other unsafe and unstable conditions. "Other trauma" impacting young children include child maltreatment; parental mental health,

substance abuse and other disorders; parental incarceration; environmental disasters; community violence; and, other adverse childhood experiences (ACEs).

The measure also requires that low and middle-income families shall be prioritized with regard to increasing access to affordable and high quality child care.