

CITY OF OAKLAND MEASURE AA

<h2 style="font-size: 2em; margin: 0;">AA</h2>	Shall the measure amending Oakland's Charter for the purposes of funding services to: expand access to early childhood and preschool education; improve high school and college graduation and career readiness; provide mentoring and college financial assistance; by establishing a \$198, 30-year parcel tax for single family parcels and specified rates for other parcel types, raising approximately \$25,000,000 - 30,000,000 annually, with citizen's oversight, and exemptions for low-income households and others, be adopted?	YES
		NO

CITY ATTORNEY'S BALLOT TITLE AND SUMMARY OF MEASURE AA

The City Attorney has prepared the following title and summary of the chief purpose and points of the proposed measure:

BALLOT TITLE:

Proposed Amendment to the Oakland City Charter Creating the Children's Initiative of 2018 and Approving a Parcel Tax to Fund Early Childhood Education and College Readiness Programs

BALLOT SUMMARY:

This measure would amend the City Charter to add Article XVI, "The Children's Initiative of 2018", and authorize a thirty-year annual special parcel tax. The tax revenue could be used only for the purposes specified in the measure, which include the following:

- 62% would be used to support programs to expand access to and quality of early childcare and education and preschool to increase educational outcomes and reduce educational inequality.
- 31% would be used to reduce disparities in postsecondary education outcomes, and increase college awareness and expectations, college savings, family economic well-being, college and career access, college application, enrollment, admission rates, affordability and graduation rates.
- 7% would be used for oversight and accountability costs including the cost of operating the Citizens' Oversight Commission ("Commission") established by the measure, staffing, operations, audits, implementation planning, outreach and independent third-party evaluations.

This measure creates a new City staff position to serve as the Children's Initiative accountability officer. This measure establishes guidelines for programs funded by tax revenue ("Guidelines") for the first five years. After the first five years, Guidelines would be developed by the accountability officer and approved by the Commission. The Commission would be appointed by the Mayor subject to City Council confirmation, to oversee programs funded by this measure and perform other tasks. The Commission would select a nonprofit or government agency to administer

the funds.

The parcel tax would be imposed through fiscal year ("FY") 2048-2049. The tax for each single-family residential parcel is \$198. For multiple unit residential parcels, the tax is \$135.25 per occupied unit. For non-residential parcels, the tax would vary depending on parcel frontage and square footage, based on the formula specified in the measure. Exemptions from the parcel tax would be available to qualifying low-income households, low-income senior households, and affordable housing projects. The City would provide a rebate of 50% of the tax to qualifying tenants in single-family homes that have been foreclosed upon.

Beginning in FY 2020-2021, and each year thereafter, the City Council could increase the parcel tax by making one of the following findings:

- The cost of living in the immediate San Francisco Bay Area, as determined by the U.S. Department of Labor, has increased, or
- California per capita personal income, as determined by the California Department of Finance, has increased.

The increase in the parcel tax could not exceed the greater of the verified increase in the cost of living in the Bay Area using 2019 as the index year and the California per capita personal income, using FY 2018-2019 as the index year.

Passage of this measure requires approval by two-thirds of the voters who cast ballots. A "yes" vote will approve the parcel tax; a "no" vote will reject the parcel tax.

s/BARBARA J. PARKER
City Attorney

CITY ATTORNEY'S IMPARTIAL ANALYSIS OF MEASURE AA

This measure would amend the Oakland City Charter to add Article XVI, "The Children's Initiative of 2018", and authorize a thirty-year annual parcel tax from fiscal year ("FY") 2019-2020 through FY 2048-2049.

The parcel tax revenue would be used solely to fund three new funds, with the revenue allocated as follows:

- 62% to the Early Education Fund,
- 31% to the Oakland Promise Fund, and
- 7% to the Oversight Accountability and Evaluation Fund.

See the Ballot Summary for details of allowable uses of the revenue in each fund.

This measure would create a new City staff position, funded by the tax revenue, to serve as the accountability officer to oversee the programs funded by the measure. This measure would establish a Citizens' Oversight Commission ("Commission"); the Mayor would appoint members subject to City Council confirmation.

After it receives the accountability officer's recommendation, the Commission would select a nonprofit agency, government agency or City department, as specified in the measure, to administer the funds, and submit its selection to the City Council for approval. The Council must approve or reject the Commission's recommendation. First 5 Alameda County (a County agency) or another public entity would administer the Early Education Fund for the first five years. The measure requires independent financial audits of fund expenditures and external evaluations of the entities administering the funds.

This measure would establish guidelines for the programs funded by the measure; those guidelines cannot be amended for the first five years. After the first five years, the accountability officer would develop the guidelines and the Commission would approve them. The measure would establish additional requirements for the Early Education Fund for the first five years, and thereafter unless the Commission recommends and the City Council decides that they shall no longer apply.

The tax for each single-family residential parcel would be \$198. For multiple unit residential parcels, the tax would be \$135.25 per occupied unit. For non-residential parcels, the tax would vary depending on parcel frontage and square footage based on a formula specified in the measure. For hotels, the tax would depend on the percentage of transient occupancy based on a formula specified in the measure.

Exemptions from the parcel tax would be available to qualifying low-income households, low-income senior households, and affordable housing projects as defined in the measure. The City would provide a rebate of 50% of the tax to qualifying tenants in foreclosed upon single-family homes who paid a passed through parcel tax.

Each year beginning in fiscal year 2020-2021, the City Council, after making certain findings, may increase the parcel tax by the greater of the increase in the Bay Area cost

of living or the increase in California per capita personal income.

This measure was placed on the ballot by a petition signed by the requisite number of voters. This special tax measure requires a two-thirds vote for passage.

s/BARBARA J. PARKER
City Attorney

CITY AUDITOR'S IMPARTIAL ANALYSIS OF MEASURE AA

Summary

This Measure, if adopted by two-thirds of voters, authorizes the City of Oakland to collect an annual parcel tax for a period of thirty (30) years. The use of proceeds would be restricted to the objectives of the Measure: to fund early education and 'Oakland Promise.' The Measure would take effect the day after the vote is declared by Oakland City Council.

The Early Education Fund would provide support to programs expanding access to, or enhancing, early child-care and preschool education.

The Oakland Promise Fund provides support such as mentoring, college savings, and scholarships, to ensure every Oakland public school student graduates high school and college.

The City would designate 62% of revenues collected to the Early Education Fund and 31% to the Oakland Promise Fund. The City estimates 20,000 children would benefit from this funding. The remaining 7% of revenue collected would be deposited into an Oversight, Accountability, and Evaluations Fund.

Financial Impact

The Finance Department estimates approximately \$30 million in revenue would be generated annually. The City would expend approximately \$2.1 million annually to manage the funds and administer the programs.

The parcel taxes as proposed in this Measure are shown here:

Unit Type	Proposed Measure Tax Rate
Single Family Residential	\$198.00
Multiple Unit Residential	\$135.25
Non-Residential	Various rates*

** The tax for Non-Residential Parcels is calculated using both frontage and square footage measurements to determine total single family residential unit equivalents.*

Low-income and senior households, and rental housing owned by nonprofit corporations and nonprofit-controlled partnerships for senior, disabled, and low-income households may request tax exemptions or modifications.

The City would provide a rebate of one half (1/2) of the tax and subsequent increases to tenants in single family homes that have been foreclosed upon who have paid this proposed parcel tax through a pass-through.

The Oakland City Council may increase the parcel tax established by this Measure, each year, beginning in Fiscal Year 2020-21 and thereafter, based on the greater of:

1. An increase in the U. S. Department of Labor San Francisco Bay Area cost of living adjustment, or
2. An increase in the California Department of Finance per capita personal income.

City of Oakland Programs for Youth

The City of Oakland supports various and multiple programs for children and youth. Each year, the City sets aside a portion of its unrestricted General Purpose fund to support programs such as Head Start, which promotes school readiness for children from low income families; and the Kids First! Fund, which provides grants to approximately 150 community-based, non-profits, and Oakland Unified School District programs. In total, the City spends approximately \$36 million each year on such programs that benefit Oakland's youth.

Disclaimer

The Office of the City Auditor has not audited and, as such, has not validated the City of Oakland Finance Department's financial and statistical analysis that supports this Measure. References to this data in our independent analysis represent the best data available at this time.

ARGUMENT IN FAVOR OF MEASURE AA

Measure AA will invest in early childhood education and increase high school and college graduation rates for more than 10,000 Oakland children annually. By voting YES, we will dramatically expand access to quality affordable preschool for children from low-income backgrounds, and increase access to and graduation from 2- or 4- year colleges and trade certificates by providing mentoring and scholarships.

In Oakland, 20% of residents live below the poverty level, and every year more than 2,000 children are born into poverty. By focusing resources on students from low- income backgrounds, this measure gives us a chance to disrupt poverty. Currently, only 15% of high school freshman will go on to earn college degrees. When 90% of a child's brain develops before age 5, expanding preschool in these critical years ensures that every child in Oakland is on the path to success. That's why we support YES on Oakland Measure AA.

Preschool shouldn't be a luxury, but many Oakland families are forced to dedicate up to 25% of their income on preschool. For many families, even working two jobs isn't enough to afford preschool. That means more children entering kindergarten underprepared.

Measure AA ensures that Oakland has the resources necessary to improve preschool, high school, college, and career readiness for students and sets them up for success. This measure invests in children and makes sure every child achieves their potential, regardless of their family's income.

Oakland will be required to spend this money only on preschool and college access. An independent citizens' oversight commission, mandatory annual audits and external evaluations will ensure that funds are spent properly. It also includes exemptions for low-income residents and seniors, and affordable housing.

Join teachers, health advocates, childcare providers, labor leaders, parents, community leaders, and us in voting YES on Measure AA.

www.YesOnMeasureAA.com

s/BARBARA LEE
Member of Congress

s/LIBBY SCHAAF
Mayor of Oakland

s/GEORGE HOLLAND, SR.
President, NAACP Oakland

s/GARY F. JIMENEZ
Vice President, SEIU 1021

REBUTTAL TO ARGUMENT IN FAVOR OF MEASURE AA

Proponents of Measure AA have absolutely no facts to support their outrageous and unproven claims that passage of the gigantic tax will in fact "increase high school and college graduation rates for 10,000 children."

Unlike other Oakland taxes that support our schools and community college, (we are paying for at least 6 separate ones currently) the money from Measure AA will be managed by individuals selected by the council members with no public oversight. \$30,000,000 a year will be distributed to organizations without accountability or a track record of success.

Why should an Oakland resident, with no children in the schools, or a senior with limited income be forced to pay almost \$200 a year for 30 years for programs that have not even been approved?

Of the endorsers of Measure AA, the majority are not Oakland residents and will not have to pay this tax. They want you to pay. The low income exemption is a scam, written so no one will qualify.

The proponents rushed to get Measure AA on the ballot as they know Oakland schools and Peralta Colleges are proposing additional parcel taxes as well. Every election there new proposals asking for more money, always providing emotional arguments and always saying the money is needed.

Over the past few years our City Government has grown astronomically, with no increase in services or benefits to citizens. By their own admission over \$2,000,000 a year will be spent on "administration." How many scholarships could that fund?

Vote no.

s/GEORGIA W. RICHARDSON
Homeowner

s/GRANT CHAPPELL
Homeowner

ARGUMENT AGAINST MEASURE AA

This is one of the largest parcel tax proposals in Oakland's history.

It was put on the ballot without community input and without a plan on how to spend the \$30,000,000 a year the measure would generate. Lost in the details of the measure is the fact that the money can be used to fund the growing bureaucracy of the city.

We share the wonderful goals of this 15-page ballot measure. Unfortunately, we don't see any realistic steps to reaching them. "Give us the money and we'll figure out how to do it" is not acceptable.

Who controls the estimated \$30 million annually? New, unnamed city employees. But nothing in this measure holds public employees accountable for all this money! A "Citizens' Oversight Commission" is created, but its members would be handpicked by city bureaucrats.

The "Oakland Promise Fund" is full of promises to "increase early college awareness and expectations" and "increase college persistence and graduation rates." How? What exactly is the plan? There is no plan. Over and over we've seen similar taxes raising money with good intentions but without clear programs. Local organizations are promised funding and taxpayers get the bill.

While we share Mayor Libby Schaaf's commitment to address persistent problems with the Oakland schools, this initiative is deeply flawed. Our children deserve better! This measure will last 30 years, long past the term of this Mayor.

Oakland children, born today will be over 30 before this tax expires.

Rather than work with the Council or the School District to prioritize funding for Oakland's children, Schaaf is passing the buck to homeowners without a realistic plan.

Despite the feel good language, this 'Initiative' is nothing but another thinly disguised attempt to raise more money for programs that sound good but yield little results.

Please vote NO!

s/GEORGIA W. RICHARDSON

Property Owner

s/VITO ESPOSITO

Homeowner

s/KAREN FRANCISCO

Homeowner

s/HOMAYOUN GHADERI

Homeowner

s/GRANT CHAPPELL

Homeowner

REBUTTAL TO ARGUMENT AGAINST MEASURE AA

In Oakland, 43% of students enter school kindergarten ready and only 15% earn college degrees. Measure AA increases graduation rates for more than 10,000 children annually, while making college more affordable through scholarships and mentorships.

Our opponents' argument isn't rooted in facts. Over 400 community members participated in drafting this measure. Measure AA includes strict guidelines to ensure funds are spent wisely and exclusively on early education and college access and completion programs, including annual audits, external evaluations, an automatic sunset, and an accountability officer to oversee spending. An independent citizens' oversight commission - not City Council or OUSD - approves funding guidelines regularly, with mandatory representation for homeowners, parents, students, and teachers. Administrative expenses are capped at 7%. Measure AA includes exemptions for low-income households and seniors, and affordable housing.

Over 2,000 Oakland children are born into poverty annually, and only a third of African American, Latino and low-income students enter school kindergarten ready. Measure AA expands quality, affordable preschool for all 4-year-olds from low-income backgrounds and provides children with the financial aid they need to graduate from college. Research shows that early education produces returns on investment of up to \$9 for every dollar spent, including reduced taxpayer costs in welfare and public safety.

Measure AA is endorsed by local teachers and Lt. Gov. Gavin Newsom, Congresswoman Barbara Lee, Mayor Libby Schaaf, Assemblyman Rob Bonta, NAACP Oakland, Latino Education Network, Alameda Labor Council, SEIU 1021, Oakland Parents Together, and many more. Vote YES on Measure AA.

www.YesonMeasureAA.com

s/MICAH WEINBERG

President, Bay Area Council Economic Institute

s/BARBARA LESLIE

Businessperson & Civic Leader

s/CARMINA PORTEA

Oakland Transitional Kindergarten (TK) Teacher

s/ELIZABETH ACOSTA-CROCKER

Parent and Former Preschool Director and Head Teacher

s/GENA LEWIS

Oakland Pediatrician & Medical Director

FULL TEXT OF MEASURE AA

SEC. 1. Title.

This Act shall be known and may be cited as “The Children’s Initiative of 2018.”

SEC. 2. Findings and Declarations.

The People of the City of Oakland hereby find and declare the following:

A. Regardless of the zip code of their birth, the children of Oakland are our future and will provide the leadership, creativity, and productivity to strengthen and sustain the quality of life in our City.

B. Research shows that 90% of a child’s brain develops during the first five years of life, and this critical period is a window of opportunity to lay the foundation for all of the years that follow.

C. Only 43% of assessed Oakland Unified School District (OUSD) students entered school “kindergarten-ready,” and more specifically, while 82% of white students and 82% of children from families making more than \$100,000 entered kindergarten-ready, just 36% of African American students, 29% of Latino students, and 34% of students from families making less than \$35,000 were ready for kindergarten in 2015.

D. Parents and caregivers and support for them are crucial to a child’s development, but many marginalized families, including the working poor, are unable to access quality child care, early education services, particularly in preschool deserts, and post-secondary educational support. The homeless population in Oakland in particular includes hundreds of children who cannot equitably access the educational system.

E. Studies have shown that workforce compensation for early educators is one of the most effective guarantees of quality early education, and low compensation for early educators combined with a lack of outreach to immigrant and newcomer communities drives turnover and hampers the ability to attract and retain skilled educators, which in turn undermines stable, continuous relationships that are essential to children.

F. Kindergarten readiness has a demonstrated impact on success in a child’s early elementary school years, and research suggests that students who are not reading proficiently by 3rd grade are four times less likely to graduate by age 19 than their peers who are proficient readers. Poverty compounds the effect of third grade literacy on high school graduation rates. Students who face poverty and are not proficient readers are 13 times less likely to graduate than proficient readers from wealthier families.

G. Research demonstrates that public investment in quality early education programs produces some of the highest returns on investment, with up to \$8.90 for every public dollar we spend, with reduced costs for special education, welfare, and public safety.

H. Over a lifetime, college graduates will earn up to \$1 million more than those with a high school diploma, and

college graduates are far less likely to suffer from poverty, unemployment, poor health outcomes, or to be involved with the criminal justice system.

I. In 2016, only 51% of OUSD graduates completed the comprehensive course requirements for enrollment in a California state university, including just 33% of African American graduates and 53% of Latino graduates, compared to 71% of white graduates.

J. According to OUSD’s latest data, only 15% of OUSD high school students will have a Bachelor’s degree within 6 years of graduating from high school, and just 19% will have a 2-year college and/or 4-year degree.

K. 63.4% of the OUSD class of 2016, including just 54% of African American students and 59% of Latino students, enrolled in 2-year or 4-year colleges the fall after graduating, compared to 79% of White students.

L. Educational achievement is a strong social determinant of health. At age 25, U.S. adults without a high school diploma can expect to die nine years sooner than college graduates. By 2011, the prevalence of diabetes had reached 15 percent for adults without a high school education, compared with seven percent for college graduates.

M. Professionals in many industries have long recognized the value of joining together in professional organizations to facilitate their participation in training opportunities, provide a collective voice to improve their professions, and make it easier for them to jointly provide feedback to policymakers. However, early educators face barriers to participating in professional organizations, including low pay, high turnover, and isolation of the workforce. Facilitating early educators’ participation in professional organizations would help to strengthen and professionalize the workforce, which would in turn improve the quality and stability of early education paid for with city funds, including for city employees.

N. Low- and moderate-income students with as little as \$500 in dedicated savings for post-secondary education are three times more likely to attend college and four times more likely to graduate from college than youth without college savings.

O. All students have the capacity to learn and be successful, but current systems, policies, and norms cumulatively benefit certain populations and disadvantage others, and thus reinforce and perpetuate inequities, such as those related to race, income, wealth, and language background, which ultimately affect educational, health, wealth, and general life outcomes. As a result, the City has a fundamental interest in working across traditional silos to comprehensively support educational equity from a child’s earliest days.

SEC. 3. Purpose and Intent.

In enacting the Children’s Initiative, it is the purpose and intent of the people of the City of Oakland to expand support for children from their earliest years until their successful completion of a two-year college, four-year college, accredited technical degree, and/or certificate. The

Initiative will accomplish this by expanding access to early care and education and high-quality preschool; increasing early college awareness and expectations in children and their families; instilling a college-bound identity in students and a college-going culture in schools; increasing college savings and family economic well-being starting early in a child's life; aligning preschool, TK-12 education, and postsecondary education systems; coordinating federal, state and local funding streams to increase impact; removing barriers to college access in elementary, middle, and high school; increasing college and career awareness and success, access, planning, and eligibility, as well as college eligibility, application, admission, and enrollment rates; making college more affordable, including by expanding access to public and private student financial aid, and direct scholarships to students; increasing college retention, persistence and graduation rates, such as by expanding access to mentoring; and ultimately reducing disparities in both kinder-readiness and college completion, such as those related to income and wealth or for children traditionally underrepresented in higher education.

SEC. 4. The Charter of the City of Oakland is hereby amended by adding Article XVI, to be titled "The Children's Initiative of 2018", to the Appendix of the Charter as follows:

The Children's Initiative of 2018.

SEC. 1600. Definitions.

- (a) "Act" shall mean the Children's Initiative of 2018.
- (b) "Citizens' Oversight Commission" shall mean the Children's Initiative Citizens' Oversight Commission created by Section 1601 of this Act.
- (c) "College" shall mean a not-for-profit post-secondary educational institution, including two-year, four-year accredited career technical educational degrees, and/or certificates.
- (d) "Early Education Fund" shall mean the Oakland Early Education Fund established by Section 1604 of this Act.
- (e) "Early Education Implementation Partner" shall mean the body selected to implement the early education program, either directly or through subcontracts, pursuant to Section 1605 of this Act.
- (f) "First 5 Alameda County" shall mean the independent county agency established by the County of Alameda pursuant to Section 130140 of the California Health and Safety Code.
- (g) "Guidelines" shall mean strategic guidelines developed by the accountability officer and adopted by the Citizens' Oversight Commission every five (5) years for the Early Education and Oakland Promise Funds to outline the priorities for programs supported by the Funds in support of the Purpose and Intent and consistent with the Act.
- (h) "High need" shall mean a child experiencing homelessness, or other criteria as recommended by the accountability officer and approved by the Citizens' Oversight Commission, such as homelessness as broadly defined by the McKinney Vento Homeless Assistance

Act, child abuse or neglect, trauma, interaction with the foster care system, interaction with the criminal-justice system including incarceration or deportation, linguistic isolation, domestic violence, a child or family with disabilities or special needs, or children living in areas of high concentrated poverty, or children facing other similar challenges.

- (i) "Preschool" shall mean a developmentally-appropriate and evidence-based educational program for children prior to kindergarten.
- (j) "Oakland Promise Fund" shall mean the Oakland Promise Fund established by Section 1607 of this Act.
- (k) "Oakland Promise Implementation Partner" shall mean the body selected to implement the Oakland Promise program, either directly or through subcontracts, pursuant to Section 1608 of this Act.
- (l) "Oakland Public School" shall mean a K-12 educational institution in Oakland that is supported with public funds and that is authorized by action of and operated under the oversight of a publicly constituted local or state educational agency.
- (m) "Oversight, Accountability, and Evaluation Fund" shall mean the Oversight, Accountability and Evaluation Fund established by Section 1603 of this Act.
- (n) "Proceeds of the parcel tax" shall mean all revenue derived from the parcel tax imposed by this Act net of Alameda County's cost of collection.

The Children's Initiative Oversight and Accountability.

SEC. 1601. The Children's Initiative Citizens' Oversight Commission.

- (a) **Establishment.** There is hereby established the Children's Initiative Citizens' Oversight Commission.
- (b) **Membership; Appointment Process; Qualifications.** The Citizens' Oversight Commission shall be composed of nine (9) to fifteen (15) members. Members of the Citizens' Oversight Commission shall be appointed by the Mayor and confirmed by the Council pursuant to Section 601 of the Charter. The Mayor shall request recommendations from members of the City Council and the Oakland Unified School District Board of Education and Superintendent at least fourteen (14) days prior to submitting any appointments for confirmation. The composition of the Commission should be reflective of the diversity of Oakland and shall include the following members:
 - (1) At least one (1) member with professional expertise in early childhood education policy;
 - (2) At least one (1) member with professional expertise in, or who is a provider of, early childhood care or education;
 - (3) At least one (1) member with at least two (2) years of experience teaching in early childhood education;
 - (4) At least one (1) member with at least two (2) years of experience teaching TK-12, or who has professional expertise in TK-12 education or college access;
 - (5) At least one (1) member with professional expertise in

college completion, college or university leadership, or support for traditionally underrepresented college students;

(6) At least one (1) member with experience in budgeting, auditing, finance, or early asset building;

(7) At least one (1) member of a union or labor advocacy group who is employed by the City of Oakland Head Start, the Oakland Unified School District, or a participating early care and education provider;

(8) At least one (1) homeowner who is subject to the parcel tax imposed by Section 5 of the Act;

(9) At least one (1) parent, who presently has, or has had within five (5) years from the time of appointment, a child of preschool age who attended a preschool program benefiting from public subsidy, or who was on a waitlist for such a program; and

(10) At least one (1) member who is, or who within five (5) years from the time of appointment was, enrolled in an Oakland public school, or who has graduated from an Oakland public school and enrolled in college within five (5) years from the time of appointment, or who is the first in their immediate family to graduate from College.

(c) **Qualifications; Conflicts.** A majority of the members of the Commission shall be residents of Oakland. The members in paragraphs (7) through (10) must be residents of Oakland. The members set forth in paragraphs (1) through (6) must reside and/or work in Oakland. At least one (1) member in paragraphs (1) or (2) must be an employee of the Oakland Unified School District. One member may satisfy more than one of the requirements set forth in paragraphs (1) through (10) of subdivision (b). Members may not receive income from or serve as an officer, director, or employee of an Implementation Partner.

(d) **Terms.** A member shall serve no more than four (4) full, consecutive terms. A member may be removed for cause pursuant to Section 601 of the Charter, or for the failure to attend three (3) consecutive meetings of the Citizens' Oversight Commission or more than fifty percent (50%) of the meetings in a twelve-month period. For the initial nine (9) appointments only, one-third (1/3) of the members shall be appointed to serve for four (4) years, one-third (1/3) shall be appointed to serve for three (3) years, and one-third (1/3) shall be appointed to serve for two (2) years. Subsequently, all terms shall be for three (3) years.

(e) **Quorum.** A majority of the appointed members of the Commission shall constitute a quorum, but in no case shall a quorum be fewer than five (5) members.

(f) **Compensation.** Members shall serve without compensation, provided that members may request and receive reimbursement for actual transportation and childcare expenses, not to exceed five hundred dollars (\$500) annually.

(g) **Responsibilities.** It shall be the responsibility of the Citizens' Oversight Commission to:

(1) Approve subsequent five-year Guidelines for the Early Education and Oakland Promise Funds after the expiration of the initial five-year Guidelines, which are set forth in

Sections 1606 and 1609 of this Act;

(2) Review the analysis and recommendations of the accountability officer for the selection of Implementation Partners, approve or reject the recommendation for the selection of Implementation Partners for the Early Education and Oakland Promise Funds, ensure that the selection is consistent with the Act, and once approved, submit the final selection to the Oakland City Council for its adoption without amendment;

(3) After considering the recommendation of the accountability officer, approve any extensions of the term of an Implementation Partner, by a majority vote, or any termination of an Implementation Partner for reasons as specified in Sections 1605 and 1608, by a two-thirds (2/3) vote, if extension or termination would further the purposes of the Act;

(4) Review and approve the results of annual independent financial audits of each of the Funds;

(5) Review the performance appraisals of the implementation of the Early Education and Oakland Promise programs presented by the accountability officer;

(6) Review the external evaluations of the implementation of the Early Education and Oakland Promise programs presented by the accountability officer; and

(7) Perform such other functions and duties as may be prescribed by the City Administrator.

SEC. 1602. The Children's Initiative Accountability Officer.

(a) **Establishment.** A position that serves as accountability officer for the Children's Initiative is hereby established at a classification and at a salary scale commensurate with the duties of the position, as determined by the City Administrator. The City Administrator or his/her designee shall hire for the position, in consultation with the Superintendent of the Oakland Unified School District and shall oversee the work of the accountability officer for the Children's Initiative. The City Administrator may appoint an interim Children's Initiative accountability officer to carry out the duties set forth in subdivision (b) until such time as a permanent appointment is made or if the position is vacant.

(b) **Responsibilities.** The accountability officer shall be responsible for:

(1) Overseeing the Early Education and Oakland Promise programs and ensuring that the programs further the Purpose and Intent of the Act, supporting and providing recommendations to the Citizens' Oversight Commission, and bringing any required items to City Council;

(2) Preparing subsequent five-year Guidelines for the Early Education and Oakland Promise Funds after the expiration of the initial five-year Guidelines set forth in Sections 1606 and 1609. The subsequent five-year Guidelines shall be created through an assessment of the local context and needs, as well as national evidence-based best practices in the field, and shall identify metrics for each program to assess the achievement of outcomes central to the identified

goals in support of the statement of Purpose and Intent and consistent with the Act;

(3) Leading the selection process and contracting for the Early Education and Oakland Promise Implementation Partners, consistent with the Act, making a recommendation to the Citizens' Oversight Commission for the selection of the Implementation Partners, and developing the scope of services, including performance standards and mechanisms for monitoring and reporting progress to the Citizens' Oversight Commission at least every two (2) years;

(4) Ensuring that independent financial audits of expenditures from the Funds for the implementation of the Early Education and Oakland Promise programs are conducted, and presenting the audits to the Citizens' Oversight Commission;

(5) Monitoring the performance of the Implementation Partners through a formal performance appraisal, consistent with the metrics established in the five-year Guidelines and scope of services for the Implementation Partners, and reporting at least once every two (2) years regarding the Implementation Partners' performance to the Citizens' Oversight Commission;

(6) Overseeing a rigorous and reliable external evaluation or evaluations of the Implementation Partners' performance, including the selection of external evaluation partners or the utilization of existing external evaluations as applicable, and presenting the results of such evaluations to the Citizens' Oversight Commission;

(7) Carrying out such other duties as may be delegated by the City Administrator; and

(8) Providing or coordinating training for members of the Citizens' Oversight Commission.

SEC. 1603. Funding for Oversight, Accountability, and Evaluation.

(a) **The Fund.** There is hereby established the Oakland Children's Initiative Oversight, Accountability, and Evaluation Fund.

(b) **Revenue.** For each fiscal year, seven percent (7%) of the proceeds of the parcel tax imposed pursuant to Section 5 of this Act shall be deposited in the Children's Initiative Oversight, Accountability, and Evaluation Fund, and shall be appropriated, together with any interest that accrues thereon, for the purposes specified in subdivision (c) of this Section.

(c) **Eligible Uses.** Moneys in the Children's Initiative Oversight, Accountability and Evaluation Fund shall be used to support the oversight and accountability costs of the Citizens' Oversight Commission, including but not limited to the costs of Commission and accountability staff, operations and meetings, financial management, audits, strategic and implementation planning, and communications and outreach. At least one-third (1/3) of the moneys deposited in the Oversight, Accountability and Evaluation Fund shall be appropriated for independent third-party evaluations.

(d) **Transfer to Program Funds.** To the extent that at

the end of each two-year (2) budget period, any unspent and unencumbered or undesignated funds remain in the Oversight, Accountability, and Evaluation Fund, fifty percent (50%) of the funds remaining shall be transferred to the Early Education Fund and shall be available for appropriation to achieve the goals of the Early Education Fund, twenty-five percent (25%) shall be transferred to the Oakland Promise Fund and shall be available for appropriation to achieve the goals of the Oakland Promise Fund, and twenty-five percent (25%) shall remain in the Oversight, Accountability and Evaluation Fund as a reserve for the eligible uses set forth in subdivision (c) of this Section.

The Oakland Early Education Program.

SEC. 1604. Early Education Fund.

(a) **The Account.** There is hereby established the Oakland Early Education Fund.

(b) **Revenue.** For each fiscal year, sixty-two percent (62%) of the proceeds of the parcel tax imposed pursuant to Section 5 of this Act shall be deposited in the Early Education Fund, and shall be appropriated, together with any interest that accrues thereon, for the purposes specified in subdivision (c) of this Section.

(c) **Eligible Uses.** Moneys in the Early Education Fund shall be used to support programs to expand access to, or to enhance the quality of, early care and education and preschool for children who reside in Oakland or whose parents resided in Oakland at the time of their enrollment in such programs, including the collection and maintenance of data to enable evaluation over time and family support services, in order to increase educational outcomes, such as kinder-readiness, and to reduce educational inequality, such as by disparities related to income and wealth or for children traditionally underrepresented in higher education, as further specified in the five-year Guidelines.

(d) Non-Supplantation.

(1) Moneys in the Early Education Fund shall only be used to expand access to, or enhance the quality of, early care and education, provided, however, that if federal, state, non-City, or restricted Oakland Unified School District funding was committed for the purpose of providing such services and subsequently ceases to be provided and is not replaced by other federal, state, non-City, or restricted Oakland Unified School District funding committed for that same purpose, then moneys in the Early Education Fund may be expended to the extent necessary for such services to continue.

(2) Moneys in the Early Education Fund shall not be used for K-12 school day services except for the purpose of expanding transitional kindergarten eligibility to additional four-year old children.

SEC. 1605. Early Education Implementation Partner.

(a) **Selection.** The Early Education Implementation Partner shall be selected pursuant to paragraph (1) of subdivision (b) of Section 1606, and pursuant to subdivision (b) of this Section or through a request for proposals. If the requirement in paragraph (1) of subdivision (b) of Section

1606 is deemed not to apply pursuant to subdivision (c) of Section 1606, then the accountability officer shall recommend, and the Citizens' Oversight Commission shall select an Early Education Implementation Partner pursuant to a request for proposals or pursuant to subdivision (b) of this Section. The Early Education Implementation Partner shall meet the following minimum criteria:

(1) The Implementation Partner must have a mission consistent with the purposes of the Early Education Fund and the capability to implement all of the Guidelines of the Early Education Fund, through direct provision or through partnership agreements;

(2) The Implementation Partner must have expertise in early education or a record of successfully implementing programs or services for children age zero to five; and

(3) At the time of application and while acting as Early Education Implementation Partner, the Implementation Partner must not be a private preschool provider in the City of Oakland.

(b) Alternative Selection Process.

(1) The accountability officer may recommend First 5 Alameda County as the Early Education Implementation Partner to the Citizens' Oversight Commission, without issuing a request for proposals, provided that:

(A) The voters of Alameda County have approved a tax to fund child care and early education in June 2018 and that First 5 Alameda County is the entity selected to implement the child care and early education programs; and

(B) First 5 Alameda County is willing, and has the capacity, to serve as the Early Education Implementation Partner.

(2) The accountability officer may recommend administering the program through a City of Oakland department, which shall serve as the Early Education Implementation Partner, without issuing a request for proposals.

(c) Term of the Early Education Implementation Partner.

(1) The initial Early Education Implementation Partner shall act as the Early Education Implementation Partner for a period of five (5) years with an opportunity for renewal for additional terms of up to five (5) years, provided that it remains in good standing and continues to carry out the requirements specified in this Act and is not terminated prior to the expiration of its term pursuant to paragraph (2).

(2) The accountability officer may recommend, and the Citizens' Oversight Commission may approve, by a vote of two-thirds (2/3) of its members, the termination of the Early Education Implementation Partner before the expiration of the Early Education Implementation Partner's term, if the Early Education Implementation Partner breaches its agreement with the City, is unwilling or unable to carry out the purposes of this Act, or engages in gross negligence, fraud, or unlawful activity. In the event of termination, the accountability officer shall recommend an Early Education Implementation Partner in accordance with this Section to serve until the expiration of the then-current five-year Guidelines.

(3) At the expiration of the first five-year period, the accountability officer may recommend, based on the Early Education Implementation Partner's performance, that the Citizens' Oversight Commission renew the contract for an additional term of up to five (5) years, issue a request for proposals for an Early Education Implementation Partner, or if the requirement in paragraph (1) of subdivision (b) of Section 1606 is deemed not to apply, select an Early Education Implementation Partner in accordance with subdivision (a) or (b) of this Section for a period of up to five years. The terms of the Early Education Implementation Partner shall be aligned with the five-year Guidelines and there shall be no limit on the number of years an Implementation Partner may serve.

(c) Requirements for the Early Education Implementation Partner. The City Administrator shall have the authority to enter into a contract with the Implementation Partner that includes legally required terms and terms deemed to be in furtherance of the Purpose and Intent of this Act, such as but not limited to the following:

(1) Performance metrics and benchmarks;

(2) Plans for consultation or engagement with experts, community members, and program beneficiaries;

(3) Annual independent financial audits;

(4) Data sharing agreements including disaggregation by race and income of program beneficiaries; and

(5) Accounting practices that securely segregate Fund revenues and expenditures in order to ensure appropriate accounting of receipts and expenditures.

SEC. 1606. The First Five Years of the Early Education Fund.

(a) Early Education Guidelines for the First Five Years. For the first five (5) years following the appointment of a quorum of the Citizens' Oversight Commission, in order to expedite implementation and ensure the people of Oakland begin to feel the benefit of the approval of the Act, the Guidelines for the Early Education Fund, which are based upon an assessment of the local context and needs and national evidence-based best practices in the field, shall be as follows and shall not be amended:

(1) Increase overall attainment and reduce socioeconomic and/or other demographic disparities, in child educational outcomes, such as kinder-readiness, and provide family support services, to achieve the following outcomes prioritized as follows, such that plans to fund a lower priority outcome may only be implemented if the Early Education Implementation Partner has determined that the next highest priority goal is reasonably achievable within the five-year period:

(A) Make available free or affordable and high-quality early education and/or preschool for four-year old children from low-income families, such as those who make less than eighty-five-percent (85%) of the state median income, with a priority on serving the children of families with the lowest incomes and/or those who are in high need, while also supporting such families who need family, friend, and

neighbor care.

(B) Increase the availability of free or affordable and high-quality early education and/or preschool for three-year-old children from low-income families, with a priority on serving the children of families with the lowest incomes or those who are in high need, while also supporting such families who need family, friend, and neighbor care.

(C) Increase the affordability and/or quality of preschool for all four-year-old children, with a priority on serving the children of families with the lowest incomes or those in highest need, while also supporting such families who need family, friend and neighbor care.

(D) Increase the affordability and/or quality of preschool for three-year-old children, with a priority on serving the children of families with the lowest incomes or those in highest need, while also supporting such families who need family, friend and neighbor care.

(E) Increase the availability and/or quality of child development support services for children and families from low-income backgrounds with children from birth through age three, while also supporting such families who need family, friend, and neighbor care.

(2) Provide for a rigorous external evaluation of the impact of the early education programs, such as on child outcomes data including kindergarten-readiness, that will facilitate assessment of whether the early education programs are achieving the goals of the Act and provide information on how to mitigate disparities, such as those by wealth and income or for children in high-need.

(3) Ensure that professional development and coaching are generally available for educators, and that participating center-based preschool programs generally are able to do the following within a reasonable timeframe:

(A) Achieve a baseline rating of at least three (3) or higher on the regional Quality Rating and Improvement System (QRIS), or a successor system;

(B) Utilize a developmentally-appropriate curriculum aligned with California Department of Education standards, and in addition that is also evidence-based and/or has demonstrated success in improving preparation for kindergarten;

(C) Conduct formative assessments to shape instruction; and

(D) Participate in valid, regular, and reliable assessments of early education quality in order to foster continuous improvement and to reduce disparities, such as those by income and wealth, in child outcomes.

(4) Ensure that funding streams from federal, state and local sources, including Head Start, are coordinated to reduce the administrative burden of program beneficiaries in accessing services, and to ensure that existing high-quality early education programs are not made financially unviable.

(5) Give priority consideration to expanding higher quality programs and/or facilities for children who are in the highest need, from the lowest-income backgrounds, live in areas of high unmet early education need, and/or who

are traditionally underserved, as resources allow, which could include enhanced services, such as bilingual or dual-language instruction, supports to enhance cultural competency, or a higher rating on the QRIS or a successor system.

(b) Additional Requirements for the Early Education Fund for the First Five Years.

(1) Administration by a Public Agency.

The Alameda County Children and Families First Commission, known as First 5 Alameda County, or another public entity, will be selected by the Citizens' Oversight Commission to be the Early Education Implementation Partner and to administer the program.

(2) Expanding Existing Public Services.

First funding priority shall be given to public agencies to expand public programs in all areas of the City that meet a baseline quality level and can accommodate more children using empty classrooms and/or filling vacancies, particularly programs at Oakland Unified School District and City of Oakland Head Start. This could include converting part-day OUSD preschool to full-day OUSD preschool at OUSD sites, hiring additional OUSD staff, or expanding the hours of service to better meet the needs of working families, subject to capacity limitations determined by OUSD and City of Oakland Head Start in consultation with the Implementation Partner. After OUSD and Head Start sites have reached agreement with the Implementation Partner on ensuring funding to reach capacity as outlined above, the Early Education Fund may contract with private nonprofit agencies that show a commitment to and interest in serving low income children, and adhere to the privatization requirements set forth in paragraphs (3) and (4) of this subdivision.

(3) Private Contractor Requirements.

(A) Maintenance of Wage Standards: All contracted nonprofit agencies receiving Fund dollars must pay all employees at least fifteen dollars (\$15) per hour, to be adjusted annually by the San Francisco-Oakland-San Jose Consumer Price Index (CPI). This is the minimum wage irrespective of whether the contracted nonprofit agency offers benefits and no reduction in total compensation that existed prior to the contract should occur.

(B) All contracted agencies must present as a part of the contracting process: (i) a list of current employees with employee names and job classifications, on a biannual basis. The contractor will also provide length of continuous employment of those employees provided that employer tracks length of employment; (ii) the annual rate of current staff turnover for early educators and teaching assistants; (iii) the number of hours of training planned for each employee in subject matters directly related to providing services to state residents and clients; (iv) a self-certification which requires the contractor report whether the contractor has or has not violated any applicable federal, state or local rules, regulations or laws, including laws governing employee safety and health, labor relations and other employment requirements, and any citations, court findings

or administrative findings for violations of such federal, state or local rules, regulations or laws. In the case where a contractor has violated aforementioned laws or regulations, contractor must disclose the date, enforcement agency, the rule, law or regulation involved and any additional information the contractor may wish to submit; and (v) any collective bargaining agreements or personnel policies covering the employees who provide services.

(C) (i) Union Neutrality: Moneys from the Early Education Fund shall not be used to support or oppose unionization, including but not limited to, preparation and distribution of materials which advocate for or against unionization; hiring or consulting legal counsel or other consultants to advise the contractor about how to assist, promote or deter union organizing or how to impede a union which represents the contractor's employees from fulfilling its representational responsibilities; holding meetings to influence employees about unionization; planning or conducting activities by supervisors to assist, promote, or deter union activities; or defending against unfair labor practice charges brought by federal or state enforcement agencies.

(ii) Contractors are prohibited from retaliating against early educators for participating in or contributing to a professional organization. Violation of this provision shall constitute an immediate breach of contract.

(4) Worker Organization and Payroll Deduction.

(A) The Early Education Implementation Partner will regularly convene organizations representing parents and/or early educators, as appropriate, to receive input on program development and implementation. They will collaborate with parent and early educator organizations and providers and other stakeholders to disseminate information in public meetings or other means, such as pamphlets, to families, child care providers and early educators and others about initiative-funded programs and to support robust involvement in Guideline components.

(B) Funding agreements with participating child care and early education programs paid for with Early Education Fund dollars will require these programs to honor their early educator employees' written, voluntary requests to contribute part of their pay via payroll deduction to a professional organization of their choosing. Funding agreements will require the participating child care and early education program operators to notify early educators about the programs' contractual obligation to honor their written request to contribute.

(C) Early educators will be informed about their rights under this program during an orientation. The Early Education Implementation Partner or a contracted third party will convene regular in-person orientation sessions for family child care center providers and their assistants, family, friend and neighbor providers, and center early educator employees who work in programs receiving funding from the initiative. These staff at participating programs will be required to attend an informational orientation session within a certain period of time after programs are contracted to participate in initiative funded components. For agencies who are unable to document full participation

of staff, information may be shared in alternative formats on a case-by-case-basis. Effort will be made to ensure that this information will include program overview, quality and other guidelines, and information on other city-related resources and programs will not deter participation in these initiative-funded activities. These information sessions shall also include presentations by qualified professional early childhood education organizations and other stakeholders with goals, missions, or resources related to the initiative's goals, including training and professional development at which qualified professional organizations will be invited to participate. Attendance sheets for orientation sessions and qualifying staff rosters will be made available twice per year upon request in order to allow professional organizations to monitor participation.

(D) Professional organizations will be required to meet minimum criteria, including nonprofit status, connecting early educators to professional development and training opportunities, and improving the ability of early educators to advocate for improvement to the child care system.

(c) Applicability of Requirements After Five Years.

(1) The requirements set forth in subdivision (b) of this Section shall remain in effect for a minimum of five (5) years, and shall remain in effect thereafter unless the Citizens' Oversight Commission recommends, and the City Council approves, deeming that any of the requirements set forth in subdivision (b) shall not apply.

(2) Prior to the Citizens' Oversight Commission's consideration of funding guidelines for each five-year period, the Early Education Implementation Partner shall convene a meeting of stakeholders, including organizations representing parents and early educators, to assess whether the requirements set forth in subdivision (b) are serving the purposes of the Act and to consider whether the requirements should be deemed not to apply for the purposes of the next five-year funding period. The Early Education Implementation Partner shall present any recommendations that the requirements should be deemed not to apply that it considers necessary to further the purposes of the Act to the Citizens' Oversight Commission for its consideration, and if the Citizens' Oversight Commission recommends adoption of any recommendations, the recommendations shall be presented to the City Council for approval so that the changes are in place for the next five-year period. In addition, upon a finding of a fiscal emergency by the Citizens' Oversight Commission, the Early Education Implementation Partner shall follow the process outlined above and present any recommendations that the requirements should be deemed not to apply that it considers necessary to address the fiscal crisis to the Citizens' Oversight Commission for its consideration, and if the Citizens' Oversight Commission recommends adoption of any recommendations, they shall be presented to the City Council for approval.

(3) Notwithstanding paragraph (1) of this subdivision, the requirement in subparagraph (A) of paragraph (3) of subdivision (b) of this Section that all contracted nonprofit agencies receiving Fund dollars pay all employees at least fifteen dollars (\$15) per hour may not be amended. In

addition, if, in any fiscal year, the percentage increase in the San Francisco-Oakland-San Jose Consumer Price Index (CPI) is greater than the percentage increase in the proceeds of the parcel tax, or if the proceeds of the parcel tax decline, the requirements in subparagraph (A) of paragraph (3) of subdivision (b) of this Section that the minimum wage be adjusted annually by the San Francisco-Oakland-San Jose Consumer Price Index (CPI) and that no reduction in total compensation occur shall not apply for that fiscal year.

(4) When considering whether the requirement set forth in paragraph (2) of subdivision (b) of this Section should be deemed not to apply, the Citizens' Oversight Commission and the City Council shall consider the ability and the capacity of public agencies to serve the early care and education needs of children age three and below in determining whether the funding priority is consistent with achieving the purposes and intent of the Act.

The Oakland Promise Program.

SEC. 1607. The Oakland Promise Fund.

(a) **The Account.** There is hereby established the Oakland Promise Fund.

(b) **Revenue.** For each fiscal year, thirty-one (31%) of the proceeds of the parcel tax imposed pursuant to Section 5 of this Act shall be deposited in the Oakland Promise Fund, and shall be appropriated, together with any interest that accrues thereon, for the purposes specified in subdivision (c) of this Section.

(c) **Eligible Uses.** Moneys in the Oakland Promise Fund shall be used exclusively to achieve the following public purposes for Oakland residents and children who attend Oakland Public Schools, as further specified by the five-year Guidelines, and including the collection and maintenance of data to enable evaluation over time:

(1) Increase early college awareness and expectations in children and their families, such as by instilling a college-bound identity in students and college-going culture in schools;

(2) Increase college savings and/or family economic well-being starting early in a child's life;

(3) Increase college- and/or career- access, such as by increasing awareness, preparedness, planning, and/or eligibility;

(4) Increase college enrollment rates, and application and/or admission rates;

(5) Increase college affordability, such as by expanding access to public and private student financial aid, and direct scholarships to students for tuition, room and board, and/or other college expenses;

(6) Increase college persistence and graduation rates, such as by expanding access to mentoring; and

(7) Reduce disparities in post-secondary education outcomes for students traditionally underrepresented in post-secondary education.

SEC. 1608. Oakland Promise Implementation Partner.

(a) **Selection.** The accountability officer shall recommend and the Citizens' Oversight Commission shall approve the Oakland Promise Implementation Partner pursuant to a request for proposals. The Implementation Partner must meet the following minimum criteria:

(1) The Implementation Partner must be an Oakland-based non-profit organization in good standing or a government agency, or an entity, project, or program within such a body;

(2) The Implementation Partner must be a non-profit organization, government agency, or an entity, project or program within such a body, with a mission consistent with the purposes of the Oakland Promise Fund and the capability to implement all of the Guidelines, including the initial Guidelines set forth in Section 1609, and the eligible uses of the Oakland Promise Fund, as set forth in paragraphs (1) through (7) of subdivision (c) of Section 1607, through direct provision or through partnership agreements;

(3) The Implementation Partner must have the capability to successfully implement, either directly or through subcontracts, evidence-based programs or services for children from birth through college graduation and experience serving populations reflective of the diversity of Oakland, in service of all Oakland Promise Fund eligible uses as set forth in paragraphs (1) through (7) of subdivision (c) of Section 1607;

(4) The Implementation Partner must have the ability to leverage other funding sources, such as private philanthropy, grants, and/or an endowment or quasi-endowment, to achieve the purposes of the Oakland Promise Fund; and

(5) The Implementation Partner must have the ability to enable the external evaluation of programs, demonstrated through means such as having an existing data-evaluation system or an existing relationship with a credible external evaluator.

(b) Term of the Oakland Promise Implementation Partner.

(1) The initial Oakland Promise Implementation Partner shall act as the Oakland Promise Implementation Partner for a period of five (5) years with opportunity for renewal for additional terms of up to five (5) years, provided that it remains in good standing and continues to carry out the requirements specified in this Act and is not terminated prior to the expiration of its term pursuant to paragraph (2) of this subdivision.

(2) The accountability officer may recommend, and Citizens' Oversight Commission may approve, by a vote of two-thirds (2/3) of its members, the termination of the Oakland Promise Implementation Partner before the expiration of the Oakland Promise Implementation Partner's term, if the Oakland Promise Implementation Partner breaches its agreement with the City, is unwilling or unable to carry out the purposes of this Act, or engages in gross negligence, fraud, or unlawful activity. In the event of termination, the accountability officer shall recommend a new Oakland Promise Implementation Partner in accordance with subdivision (a) of this Section to serve until the expiration of the then-current five-year Guidelines.

(3) At the expiration of the first five-year period, the accountability officer may recommend, based on the Oakland Promise Implementation Partner's performance, that the Citizens' Oversight Commission renew the contract for additional terms of up to five (5) years, without issuing a request for proposals. In the event an existing contract is not extended, the Oakland Promise Implementation Partner shall be selected in accordance with subdivision (a) of this Section for a period of up to five years. The terms of the Oakland Promise Implementation Partner shall be aligned with the five-year Guidelines and there shall be no limit on the number of years an implementation partner may serve. In any event, the Oakland Promise Implementation Partner must be selected pursuant to a request for proposals at least once every ten (10) years, and the Oakland Promise Implementation Partner selected pursuant to the decennial request for proposals shall act as the Oakland Promise Implementation Partner for a period of five years, unless terminated pursuant to paragraph (2) of this subdivision.

(c) Requirements for the Oakland Promise Implementation Partner. The City Administrator shall have the authority to enter into a contract with the Implementation Partner that includes legally required terms and terms deemed to be in furtherance of the purposes of this Act, such as but not limited to the following:

- (1) Performance metrics and benchmarks;
- (2) Plans for consultation or engagement with experts, community members, and program beneficiaries;
- (3) Annual independent financial audits;
- (4) Data sharing agreements including disaggregation by race and income of program beneficiaries;
- (5) Accounting practices that securely segregate Fund revenues and expenditures in order to ensure appropriate accounting of receipts and expenditures; and
- (6) Ensuring that students who receive a financial benefit through a program funded by the initiative are not deprived of that financial benefit for as long as they are eligible to participate in the program, even if the program is discontinued.

SEC 1609. Oakland Promise Guidelines for the First Five Years.

For the first five (5) years following the appointment of a quorum of the Oversight Commission, in order to expedite implementation and ensure the people of Oakland begin to feel the benefit of the approval of the Act, the Guidelines for programs supported by the Oakland Promise Fund, which are based upon an assessment of the local context and needs and national evidence-based best practices in the field, shall be, consistent with the public purposes expressed in the Act, as follows and shall not be amended:

(a) Reduce socioeconomic and/or demographic disparities, such as those related to wealth and income, for children from an early age, in College readiness, access, affordability, applications, enrollment, retention and completion, particularly for students in high-need or who are traditionally underrepresented in post-secondary education.

(b) Increase early College savings and asset building for families with children ranging in age from zero to grade five, such as through the creation and seeding of college savings accounts and the provision of financial coaching and supports to families.

(c) Increase the expectations and resources to attend College among children and families of all socioeconomic backgrounds in Oakland public schools, with a priority for students from low-income backgrounds and/or traditionally underrepresented in College, through strategies, such as increasing school-based programming that builds the college-bound identity of students and a college-going culture in elementary, middle, and high schools.

(d) Increase College awareness, application, and eligibility, as measured by increases in completing courses required for College enrollment, such as those required by the University of California, and in College acceptance rates of Oakland Public School students, through means such as providing College access services that are integrated into schools.

(e) Increase College affordability, including by expanding access to public and private student financial aid, such as by increasing FAFSA or Dream Act Application completion rates, increasing the direct provision of College scholarships including multi-year last dollar scholarships, and partnering with educational institutions in order to provide institution-specific scholarships and to reduce tuition, room and board, and/or other college expenses.

(f) Increase College admission, matriculation, and enrollment rates, such as increasing the percent of students who enroll in College in the fall directly following high school graduation through a focus on the above strategies.

(g) Increase full-time College persistence rates for students enrolled in College, especially persistence between their first and second year of enrollment, through means such as mentoring, peer advising, and on-campus supports.

(h) Increase the number of Oakland students graduating from College within six (6) years of high school graduation.

SEC. 5. Parcel Tax

SEC. 5.1. Definitions.

For purposes of Section 5 only, the following terms shall be defined as set forth below:

(a) "Building" shall mean any structure having a roof supported by columns or by walls and designed for the shelter or housing of any person, chattel or property of any kind. The word "Building" includes the word "structure."

(b) "City" shall mean the City of Oakland, California.

(c) "Family" shall mean one (1) or more persons related by blood, marriage, domestic partnership, or adoption, legal guardianship, who are living together in a single residential unit and maintaining a common household. Family shall also mean all unrelated persons who live together in a single Residential Unit and maintain a common household.

(d) "Hotel" shall be as defined by Oakland Municipal Code Section 4.24.020.

(e) “Multiple Residential Unit Parcel” shall mean a parcel zoned for a Building, or those portions thereof, that accommodates or is intended to contain two (2) or more residential units, whether or not developed.

(f) “Non-Residential” shall mean all parcels that are not classified by this Act as Single Family Residential or Multiple Residential Unit Parcels, and shall include, but not be limited to, parcels for industrial, commercial and institutional improvements, whether or not developed.

(g) “Occupancy” shall be as defined by Oakland Municipal Code Section 4.24.020.

(h) “Operator” shall be as defined by Oakland Municipal Code Section 4.24.020.

(i) “Owner” shall mean the Person having title to real estate as shown on the most current official assessment role of the Alameda County Assessor.

(j) “Parcel” shall mean a unit of real estate in the City of Oakland as shown on the most current official assessment role of the Alameda County Assessor.

(k) “Person” shall mean an individual, firm, partnership, joint venture, association, social club, fraternal organization, joint stock company, corporation, estate, trust, business trust, receiver, trustee, syndicate, or any other group or combination acting as a unit.

(l) “Possessory Interest” as it applies to property owned by any agency of the government of the United States, the State of California, or any political subdivision thereof, shall mean possession of, claim to, or right to the possession of, land or Improvements and shall include any exclusive right to the use of such land or Improvements.

(m) “Residential Unit” shall mean a Building or portion of a Building designed for or occupied exclusively by one Family.

(n) “Single Family Residential Parcel” shall mean a parcel zoned for single-family residences, whether or not developed.

(o) “Transient” shall mean any individual who exercises Occupancy of a Hotel or is entitled to Occupancy by reason of concession, permit, right of access, license or other agreement for a period of thirty (30) consecutive calendar days or less, counting portions of calendar days as full days. Any individual so occupying space in a Hotel shall be deemed to be a Transient until the period of thirty (30) consecutive days has elapsed.

SEC. 5.2. Imposition of Parcel Tax

For each year beginning in fiscal year 2019-2020 and ending in 2048-49, there is hereby imposed a special tax on all Owners of parcels in the City of Oakland for the privilege of using municipal services and the availability of such services. The tax imposed by this Section shall be assessed on the Owner unless the Owner is by law exempt from taxation, in which case, the tax imposed shall be assessed to the holder of any Possessory Interest in such parcel, unless such holder is also by law exempt from taxation. The tax is imposed as of July 1 of each year on the person who owned

the parcel on that date. The tax shall be collected at the same time, by the same officials, and pursuant to the same procedures as the one percent (1%) property tax imposed pursuant to Article XIII A of the California Constitution.

The tax hereby imposed shall be set as follows subject to adjustment as provided in Section 5.4 of this Act:

(a) For owners of all Single Family Residential Parcels, the tax shall be at the annual rate of one hundred ninety-eight dollars (\$198) per Parcel.

(b) For owners of all Multiple Residential Unit Parcels, the tax shall be at the annual rate of one hundred thirty-five dollars and twenty-five cents (\$135.25) per occupied Residential Unit.

(c) The tax for Non-Residential Parcels is calculated using both frontage and square footage measurements to determine total single family residential unit equivalents (SFE). A frontage of eighty (80) feet for a commercial institutional parcel, for example, is equal to one (1) single family residential unit equivalent. (See matrix.) An area of six thousand four hundred (6,400) square feet for the commercial institutional parcel is equal to one (1) single family residential unit equivalent. For tall buildings (more than five (5) stories), the single family residential unit equivalent computation also includes one (1) single family residential unit equivalent for every five thousand (5,000) square feet of net rentable area. The tax is the annual rate one hundred ninety-eight dollars (\$198) multiplied by the total number of single family residential unit equivalents (determined by the frontage and square footage).

LAND USE CATEGORY	FRONTAGE	AREA (SF)	BUILDING AREA (SF)
Commercial/ Institutional	80	6,400	N/A
Industrial	100	10,000	N/A
Public Utility	1,000	100,000	N/A
Golf Course	500	100,000	N/A
Quarry	1,000	250,000	N/A
Tall Buildings > 5 stories	80	6,400	5,000

Example: assessment calculation for a Commercial Institutional Parcel with a Frontage of one hundred sixty (160) feet and an Area of 12,800 square feet:

$$\begin{aligned}
 \text{Frontage} & 160 \text{ feet} \div 80 = 2 \text{ SFE} \\
 \text{Area} & 12,800 \text{ square feet} \div 6,400 = 2 \text{ SFE} \\
 & 2 \text{ SFE} + 2 \text{ SFE} = 4 \text{ SFE} \\
 & 4 \text{ SFE} \times \$198 = \$792 \text{ tax}
 \end{aligned}$$

(e) The tax imposed by this Act shall be imposed on each Hotel within the City as follows:

(1) **Residential Hotels.** Rooms in a Hotel occupied by individuals who were not Transients for eighty percent (80%) or more of the previous fiscal year shall be deemed Residential Units and the parcel on which they are located shall be subject to the Parcel tax imposed on Multiple Residential Unit Parcels. The remainder of the Building shall be subject to the applicable tax computed in accordance with the single family residential unit equivalent formula

set forth in Section 5.2(c) of this Act.

(2) **Transient Hotels.** Notwithstanding paragraph (1) of this subdivision, if 80% or more of the Operator's gross receipts for the previous Fiscal Year were reported as rent received from Transients on a return filed by the Operator in compliance with Section 4.24.010 of the Oakland Municipal Code (commonly known as the Uniform Transient Occupancy Tax of the City of Oakland), such Hotel shall be deemed a Transient Hotel. The entire Building shall be deemed a Non-Residential Parcel, categorized as commercial/institutional, and shall be subject to the applicable tax computed in accordance with the single family residential unit equivalent formula set forth in Section 5.2(c) of this Act, and the parcel tax imposed on Multiple Residential Units shall not apply.

SEC. 5.3. Exemptions.

(a) **Low income household exemption.** The following is exempt from this tax: an Owner of a Single Family Residential Unit (1) who resides in such unit and (2) whose combined family income, from all sources for the previous year, is at or below the income level qualifying as sixty percent (60%) of area median income for a Family of such size under Section 8 of the United States Housing Act of 1937 (42 U.S.C.A. Sections 1437 et. seq.), or successor legislation, for such year. The Director of Finance shall set forth procedures for annual applications from Owners for the exemption, which may require information such as federal income tax returns and W-2 forms of owner occupants eligible for the exemption, or procedures for an alternative process.

(b) **Senior household exemption.** The following is exempt from this tax: an Owner of a single family residential unit (1) who resides in such unit, (2) who is sixty-five (65) years of age or older and (3) whose combined family income, from all sources for the previous year, is at or below the income level qualifying as eighty percent (80%) of area median income for a Family of such size under Section 8 of the United States Housing Act of 1937 (42 U.S.C.A. Sections 1437 et. seq.), or successor legislation, for such year. The Director of Finance shall set forth procedures for annual applications from Owners for the exemption, which may require information such as federal income tax returns and W-2 forms of owner occupants eligible for the exemption, or procedures for an alternative process.

(c) **Exemption for affordable housing projects.** Rental housing owned by nonprofit corporations and nonprofit-controlled partnerships for senior, disabled, and low-income households that are exempt from ad valorem property tax pursuant California Revenue and Taxation Code Sections 214(f), (g) and (h) are exempt from this tax.

(d) **Rebate to tenants in foreclosed single family homes.** The City will provide a rebate of one-half (1/2) of the tax and subsequent increases thereto to tenants in single family homes that have been foreclosed upon who have paid a passed through Parcel Tax. To qualify for this rebate, a tenant must: (1) have lived in the unit before foreclosure proceedings commenced; and (2) be at or below the income level qualifying as sixty percent (60%) of area median

income for a Family of such size under Section 8 of the United States Housing Act of 1937 (42 U.S.C.A. Sections 1437 et. seq.), or successor legislation, for such year. The City will provide this rebate for every month that the tax was applied and the tenant occupied the unit. The City will provide this rebate at the end of each year, or when the tenant vacates the unit, whichever is earlier. The City Administrator will promulgate regulations to effectuate this subdivision.

(e) Real property owned by a religious organization or school that is exempt from property taxes under California law is exempt from this tax. To qualify for this exemption, each religious organization or school seeking such exemption shall submit such information required to determine eligibility for such exemption.

SEC. 5.4. Reduction in Tax Rate; Rate Adjustment.

Beginning in the Fiscal Year 2020-2021, and each year thereafter, the City Council may increase the tax imposed hereby only upon making one of the following findings:

(a) That the cost of living in the immediate San Francisco Bay Area, as determined by the twelve-month (12) month Annual Percentage Change in the Consumer Price Index (CPI) for all items in the San Francisco Bay Area as published by the U.S. Department of Labor Statistics, has increased; or

(b) That the fiscal year change in California per capita personal income, as determined by the California State Department of Finance and shown in the Price Factor and Population Information Report issued each May, has increased.

The increase of the tax imposed hereby shall not exceed the verified increase in either (1) the cost of living in the immediate San Francisco Bay Area, using 2019 as the index year, or (2) California per capita personal income, using Fiscal Year 2018-2019 as the index year, whichever is greater.

SEC. 5.5. Duties of the Director of Finance; Notice of Decisions.

It shall be the duty of the Director of the Finance to collect and receive all taxes imposed by this Act. The Director of Finance is charged with the enforcement of this Act and may adopt rules and regulations relating to such enforcement.

SEC. 5.6. Examination of Books, Records, Witnesses; Penalties.

The Director of Finance or the Director of Finance's designee is hereby authorized to examine assessment rolls, property tax records, records of the Alameda County Recorder and any other records of the County of Alameda deemed necessary in order to determine ownership of Parcels and computation of the tax imposed by this Act.

The Director of Finance or the Director of Finance's designee is hereby authorized to examine the books, papers and records of any person subject to the tax imposed by this Act, including any person who claims an exemption, for the purpose of verifying the accuracy of any petition, claim or return filed and to ascertain the tax due. The Director of

Finance, or the Director of Finance's designee is hereby authorized to examine any person, under oath, for the purpose of verifying the accuracy of any petition, claim or return filed or to ascertain the tax due under this Act and for this purpose may compel the production of books, papers and records, whether as parties or witnesses, whenever the Director of Finance believes such persons have knowledge of such matters. The refusal of such examination by any person subject to the tax shall be deemed a violation of this Act and of the Oakland Municipal Code and subject to any and all remedies specified therein.

SEC. 5.7. Collection of Tax; Interest and Penalties.

The tax shall be delinquent if the City does not receive it on or before the delinquency date set forth in the notice mailed to the Owner's address as shown on the most current assessment roll of the Alameda County Tax Collector; and the tax shall be collected in such a manner as the City Council may decide. The City may place delinquencies on a subsequent tax bill.

A one-time penalty at a rate set by the City Council, which in no event shall exceed twenty-five percent (25%) of the tax due per fiscal year, is hereby imposed by this Act on all taxpayers who fail to timely pay the tax provided by this Act. In addition, the City Council may assess interest at the rate of one percent (1%) per month on the unpaid tax and the penalty thereon.

Every penalty imposed and such interest as accrues under the provisions of this Act shall become a part of the tax herein required to be paid.

The City may authorize the County of Alameda to collect the taxes imposed by this Act in conjunction with and at the same time and in the same manner as the County collects property taxes for the City. If the City elects to authorize the County of Alameda to collect the tax, penalties and interest shall be those applicable to the nonpayment of property taxes.

SEC. 5.8. Collection of Unpaid Taxes.

The amount of any tax, penalty, and interest imposed under the provisions of this Act shall be deemed a debt to the City. Any person owing money under the provisions of this Act shall be liable to an action brought in the name of the City for the recovery for such amount.

SEC. 5.9. Refund of Tax, Penalty, or Interest Paid More than Once, or Erroneously or Illegally Collected.

Whenever the amount of any tax, penalty, or interest imposed by this Act has been paid more than once, or has been erroneously or illegally collected or received by the City it may be refunded provided a verified written claim for refund, stating the specific ground upon which such claim is founded, is received by the Director of Finance within one (1) year of the date of payment. The claim shall be filed by the person who paid the tax or such person's guardian, conservator, or the executor of her or his estate. No representative claim may be filed on behalf of a taxpayers or a class of taxpayers. The claim shall be reviewed by the Director of Finance and shall be made on forms provided

by the Director of Finance. If the claim is approved by the Director of Finance, the excess amount collected or paid may be refunded or may be credited against any amounts then due and payable from the person from whom it was collected or by whom paid, and the balance may be refunded to such person, or such person's administrators or executors. Filing a claim shall be a condition precedent to legal action against the City for a refund of the tax.

SEC. 6. Savings Clause.

If any provision, sentence, clause, Section or part of this Act is found to be unconstitutional, illegal or invalid, such unconstitutionality, illegality, or invalidity shall affect only such provision, sentence, clause, Section or part of this Act and shall not affect or Act any of the remaining provisions, sentences, clauses, Sections or parts of this ordinance. It is hereby declared to be the intention of the city, that the City would have adopted this Act had such unconstitutional, illegal or invalid provision, sentence, clause Section or part thereof not been included herein.

If any tax or surcharge imposed by this Act is found to be unconstitutional, illegal or invalid, the amounts, services, programs and personnel required to be funded from such taxes and surcharges shall be reduced proportionately by any revenues lost due to such unconstitutionality, illegality or invalidity.

SEC. 7. Regulations.

The City Administrator is hereby authorized to promulgate such regulations as he or she shall deem necessary in order to implement the provisions of this Act.

SEC. 8. Amendment.

This Act may not be amended by action of the City Council without voter approval.

SEC. 9. Challenge to Tax.

Any action to challenge the taxes imposed by this ordinance shall be brought pursuant to Government Code section 50077.5 and Code of Civil Procedure section 860 et seq.

SEC. 10. Severability.

If any provision of this Act, or part of this Act, or the application of any provision or part to any person or circumstances, is for any reason held to be invalid, the remaining provisions, or applications of provisions, shall not be affected, but shall remain in full force and effect, and to this end the provisions of this measure are severable. If a court were to find in a final, unreviewable judgment that the exclusion of one or more entities or activities from the applicability of the Act renders the Act unconstitutional, those exceptions should be severed and the Act should be made applicable to the entities or activities formerly exempt from the Act. It is the intent of the voters that this Act would have been enacted regardless of whether any invalid provision had been included or any invalid application had been made.

SEC. 11. Conflicting Initiatives.

(a) In the event that this measure and another measure addressing the educational development and potential of

Oakland children and youth shall appear on the same City ballot, the provisions of the other measure or measures shall be deemed to be in conflict with this measure. In the event that this measure receives a greater number of affirmative votes than a measure deemed to be in conflict with it, the provisions of this measure shall prevail in their entirety, and the other measure or measures shall be null and void.

(b) If this measure is approved by the voters but superseded by law by any other conflicting measure approved by voters at the same election, and the conflicting ballot measure is later held invalid, this measure shall be self-executing and given full force and effect.

SEC. 12. Liberal Construction.

This Act shall be liberally construed to effectuate its purposes.

SEC. 13. Effective Date.

This Act shall take effect the day after the election at which it is adopted.