STATE-ENABLING LEGISLATION FOR CHILDREN'S SPECIAL TAXING DISTRICTS

DEFINING OUR TERMS

Local dedicated funding stream: we use this term to refer to funding streams that are 1) generated from local revenue, whether that's a local sales tax, developer fee, budget set-aside, or something else; 2) are generated from public revenue; and 3) are dedicated to a limited purpose, in this case, child and youth services.

Special taxing district: also known as special district governments, special purpose districts, children's services districts, etc., are independent, quasi-governmental bodies endowed with the authority to levy taxes within a specific geographic area for a specific purpose. Of the 38,000 special taxing districts nationwide (that together levy $200 billion annually), only 9 are dedicated to children's services (the others are dedicated to a range of purposes including mosquito control, airport authority, and regional zoo support).

State-enabling legislation: we use this term to refer to legislation at the state level that gives local communities the authority to levy and/or dedicate funding to child and youth services. For example, a state might have legislation that allows cities to levy tobacco taxes for a dedicated purpose.

In this document we're referring to state-enabling legislation that gives localities (either alone or together) the authority to create a special taxing district dedicated to child and youth services. It's important to note that this legislation does not establish any districts or levy funding; individual districts must be established by local or regional voter approval.

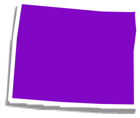
CURRENT LEGISLATION

State-enabling legislation for children's special taxing districts was first passed by the Florida legislature in 1986. Since then, Colorado has passed similar legislation (in 2019) and another enabling bill (SB 543) is currently moving through the Oregon legislature (as of May 2019). More on each piece of legislation can be found below.

FLORIDA

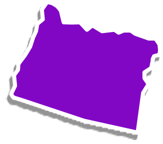
Legislation passed: 1986
Statute: "Each county may by ordinance create an independent special district, as defined in ss. 189.012 and 200.001(8)(e) to provide funding for children's services throughout the county in accordance with this subsection."
Enables: establishment of single-county Children's Services Councils with authority to levy of up to 0.5 mills property tax
Requirements: appointed board, quarterly financial reports, annual programmatic reports, audits, etc.
FULL FLORIDA STATUTE HERE

COLORADO



Legislation passed: April 3, 2019
Statute: "The bill authorizes the creation of early childhood development service districts (districts) to provide services for children from birth through 8 years of age."
Enables: geographic areas not currently defined by an existing political boundary to form districts with the authority to levy sales and use and property tax for the delivery of early childhood services
Requirements: a service plan that includes a description of the services to be provided and persons eligible, quality assurance measures, a financial plan, a map of district boundaries, etc.
FULL COLORADO LEGISLATION HERE

OREGON



Current position of legislation: On house floor as of May, 2019.
Statute: "Authorizes children's service districts to levy property taxes to fund programs that offer children's services. Defines "children's services" as services that support children's total health and well-being provided outside of school hours to individuals not more than 18 years of age."
Enables: an elected children's services district board to levy property taxes to pay the cost of children's services within the boundaries of a single- or multi-county regional district
FULL PROPOSED OREGON BILL HERE

LESSONS LEARNED

In May, 2019, the Children's Funding Project held a virtual discussion with experts involved in the Florida, Colorado, and Oregon efforts to share lessons learned from efforts to pass state-enabling legislation and answer questions to support potential replication in other states:

What messages support enabling legislation in your state?

Colorado (CO): Prior to the passage of HB19-1052, existing state legislation authorized regional early childhood councils (ECCs) to provide services, and several of these councils were collaborating on a regional level to expand access to high quality childcare. However, these councils lacked taxing authority and would have had to pass a series of taxes in different localities in order to fund their work. HB10-1052 authorized the creation of regional taxing districts to allow for similar multi-jurisdictional collaboration (though these new districts are not required to include an ECC).

We testified about the importance of local control and regional solutions rather than early childhood specifically, as legislators were more interested in the mechanism. We stressed the importance of empowering local tax payers and voters to decide what level of investment they felt appropriate for their community, regardless of state investments.

Florida (FL): Funding from Children's Services Councils (CSCs) is sustainable (because we don't rely on legislative allocation or grant funding year-to-year), flexible (CSCs adjust their priorities to be responsive to the needs of their communities), and highly accountable (they must meet the same requirements as other local government entities). Coming out of the recession, 7 CSC's went through the reauthorization process. All seven passed, with an average of 80% voter approval.

What were the messages of those opposing the legislation, and how did you counter them?

CO: The opposition did not want new taxes, so we emphasized that the bill itself did not increase any taxes and that voters would have to approve any related tax increases. We also took steps to secure respected Republican sponsors of the bill.

Oregon (OR): Our legislature is concerned about compression (in Oregon, when taxes on a property from various local authorities exceed $10 per $1,000, the tax is "compressed" and each taxing government may receive less than planned). However, the anticipated impact of children's services districts on compression is minimal. It was also important for us to have many different partners testify about the reasons this is important to them. (You can read the Children's Funding Project's testimony here!)

What do children's special districts fund?

CO: We wrote the definition of early childhood developmental services to be broad so that communities could tailor the services their districts funded to their individual needs.

FL: Just over half of children in Florida live in a special district with an independent CSC. Florida CSC's provide services tailored to their locality, including child care quality improvement and tuition subsidies, maternal and infant health support, nutrition programs, mental health services, drug and violence prevention, literacy and youth development programs, etc.

OR: Our legislation defines children's services as "services that support children's total health and well-being provided outside of school hours to individuals not more than 18 years of age."

Thanks to Cody Belzley, Matt Guse, Alisa Jones, Senator Chuck Riley, and Katie Riley for sharing their expertise and experience with this state-enabling legislation.