

Funding for Early Childhood Education in the State of Florida

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Executive Summary

This paper examines the types of funding available to counties in Florida for financing early childhood education programs for low-income families. It presents the four most common funding sources – the federal and state governments, private philanthropy, dependent local funding, and independent taxing authority – and examines the advantages and disadvantages of relying on each source. While counties can use a combination of funding sources, this paper demonstrates the advantage of establishing a local council with independent taxing authority over relying solely on federal, state, private, and dependent local funding.

Statement of Problem

In Florida, local administrators need a reliable, abundant source of funding to finance quality early childhood education for disadvantaged children. With state law making several options available to counties, the question of which funding source results in the most effective services is one that must be answered in order to help counties make future policy decisions in their efforts to address the ongoing gaps in the provision of early childhood education.

Background

Early childhood education aims to guide children from birth to the age of 5, years in which they undergo crucial steps of development. These childcare sites must extend beyond simple daycares to healthy, nurturing environments that encourage emotional, physical, and mental growth in infants and children. Studies have consistently shown that successes or failures during early learning can significantly affect the rest of a child's life. Yet, many families cannot afford to enroll their children in sufficient programs. While free public K-12 education is universal, nationwide, only half of children in poverty under the age of 4 benefit from publicly funded early childhood education. For children

above the poverty line but below median income, the percentage is even lower.¹ Where services are available, they are more often than not understaffed and substandard. As a result, low-income children with no way to participate in adequate early learning programs begin to fall behind their peers before they even begin school, and this disparity extends into all stages of life. Disadvantaged children who lack access to early childhood education are 60% more likely to never attend college and 70% more likely to be arrested for a violent crime.²

Within its statewide early education initiatives, Florida has the 6th lowest per-child funding rate for infants and the 7th lowest for preschoolers, and ranks 40th on the strength of its licensing requirements for childcare sites.³ While the federal and state government can provide funding and set standards, the administration of services falls to local officials. These services include connecting families with providers, aiding them in affording what they need, and ensuring the quality of the childcare sites in the area. Most of the time, counties lack the resources to perform those tasks successfully, leaving many families with only poor quality options and others with none at all, stuck on waitlists or ineligible for any subsidized programs.

Statement of the State's Interests

Investing in children under the age of 5 means investing in the future of the state of Florida. Language processing skills and vocabulary knowledge acquired during early

¹ Steven W. Barnett and Jason Husted, (2011). *Improving Public Financing for Early Learning Programs*. National Institute for Early Education Research, Policy Brief 23, pg. 1. <http://nieer.org/wp-content/uploads/2016/08/24-1.pdf>

² Mark Shriver, et al, (July 2015). *Innovative Financing for Early Childhood Education: State and Local Options*, Save the Children Action Network: Washington, D.C., pg. 4. <https://www.savethechildrenactionnetwork.org/wp-content/uploads/2016/04/state-local-toolbox-financing-solutions.pdf>

³ Abby Thorman, PhD, et al. (2015). *Early Learning Cost Modeling Analysis: Implications for Florida Policy*, Early Learning Consortium, pg. 2. <http://old.flchild.com/downloads/news/Early%20Learning%20Cost%20Analysis%20Brief.pdf>

childhood directly correlate with success in kindergarten and elementary school.⁴ In turn, success in elementary school determines success in later life. By the age of 5, it can be accurately predicted whether a child will complete high school and college, and in Florida, third graders' reading scores can be used to predict the number of prison beds that will be needed for their generation.⁵ In the long-term, effective provision of early learning services will create a healthier, more prosperous workforce and constituency.

Pre-Existing Policies

Currently, most Florida counties rely on a combination of state, federal, and local private or public dollars to fund early learning services for low-income families. In each county, federal funding is available for Head Start and Early Head Start sites, which are facilitated by non-profit organizations such as Lutheran Services Florida. Children living below the poverty line are eligible to enroll in Early Head Start until the age of 3 and then Head Start from the age of 3 until the age of 5.⁶ However, because of limited funding, only a fraction of low-income children benefit from one of these programs. Nationally, only 20% of disadvantaged preschoolers are enrolled in Head Start, and the initiative is estimated to be \$14 billion short of reaching all children in poverty. In Florida, Head Start reaches only 16% of eligible 4 year-olds and 12% of eligible 3 year-olds, and most sites have too few resources to provide services with high quality.⁷

⁴ Bjorn Carey, (September 25, 2013). "Language Gap Between Rich and Poor Children Begins in Infancy, Stanford Psychologists Find," *Stanford Report*. <http://news.stanford.edu/news/2013/september/toddler-language-gap-091213.html>

⁵ M. Graham and K. Stowell, (2010). *Investing in Florida's Children: Good Policy, Smart Economics*, Auburndale, FL: The Policy Group for Florida's Families and Children, pg. 3.

⁶ "Florida Head Start Program," *Benefit.gov*. <https://www.benefits.gov/benefits/benefit-details/1904>

⁷ Leslie Postal, (December 14, 2016). "Most Florida Kids Fail to Get Head Start, Study Finds," *Orlando Sentinel*. <http://www.orlandosentinel.com/features/education/os-head-start-florida-enrollment-quality-20161213-story.html>

State dollars for early education go to Florida's School Readiness and Voluntary Pre-K (VPK) initiatives, and each county has its own Early Learning Coalition, a non-profit organization responsible for managing these state-funded programs at the local level.⁸ VPK stems from a 2005 constitutional amendment that mandates that the state of Florida make Pre-Kindergarten available to all children by the age of 4. While VPK has succeeded in reaching 68% of Florida's 4 year-olds, it is poorly funded. With low standards for teacher qualifications, high staff-child ratios, and low per-child spending, it is adequate in its reach but questionable in its effectiveness.⁹ Similarly, the School Readiness program, which offers low-income families financial assistance for childcare, aids over 200,000 families but struggles to provide them with quality options. School Readiness pays an average of \$5,000 per child annually to a childcare provider, while the average private annual payment is close to \$10,000. Accordingly, accepting School Readiness children overstretches and burdens childcare sites, and most high standard providers refuse to serve more than a handful.¹⁰

Because of these limitations in funding, local programs are often created to supplement VPK, School Readiness, and Head Start, but those programs require a separate, local source of financing. In some areas, that support has been found in the private sector, with counties benefiting from large amounts of philanthropy. The city of Sarasota in particular is notable for its ability to rely almost solely on charitable funding, with a steady stream of investment in early childhood education coming from its large upper-income retired community.¹¹ Other counties, however, have turned instead to an

⁸ "Coalitions," *Office of Early Learning*. <http://www.floridaearlylearning.com/coalitions.aspx>

⁹ Barnett, pg. 22.

¹⁰ Thorman, pg. 4.

¹¹ Dr. Brittany Birken, (June 29, 2017). Personal Interview.

earmarked portion of local taxes or a special ad valorem property tax established by referendum. Florida is the only state with a law allowing counties to create these special taxing districts solely for children’s services. Nine counties have created such districts, and eight of them have been granted independent taxing authority by voters, allowing them to tax without involving any other jurisdiction, including the county government. These eight counties are Broward, Hillsborough, Martin, Miami-Dade, Okeechobee, Palm Beach, Pinellas, and St. Lucie.¹² Each of these counties has an autonomous Children’s Services Council that levies the tax and creates programs financed entirely by its revenue. Depending on the county, the tax costs the average homeowner between \$25 and \$80 a year, raising millions for educational services.¹³ The impact of this revenue can be massive, with staff at the Children’s Services Council in Palm Beach County expressing confidence that all their county’s needs can be met with the amount of funding the tax makes available for early childhood education.¹⁴

The process of creating a Children’s Services Council with independent taxing authority begins with a county needs assessment. Based on that assessment, gaps in services are identified, and those gaps shape the future priorities of the council. The most pressing needs identified are not always in the area of early childhood education, and as a result, most of the eight Children’s Services Councils focus primarily on other areas, particularly after-school care for school-aged children. All of them, however, concentrate to some extent on early learning. Palm Beach County dedicates the most attention to

¹² Division of Community Development, (2017). “Official List of Special Districts Online,” *Florida Department of Economic Opportunity*.

<https://dca.deo.myflorida.com/fhcd/sdip/officialistdeo/sumfunctionlist.cfm>

¹³ “Overview: About CSCs,” *Florida Children’s Council*. <http://flchildrenscouncil.org/about-cscs/overview/>

¹⁴ Shelley Parker, (March 9, 2017). Personal Interview.

early childhood education, with approximately 72% of the funds raised by its Children's Service Council being spent on children under the age of 5.¹⁵

Once the needs assessment has been completed, voters must approve the creation of the Children's Services Council and its power to levy an ad valorem property tax. Public support for these measures has been variable. Most recently, in 2014, voters in both Palm Beach and Broward were faced with the choice of renewing their Council's taxing authority, and both measures passed easily. In Palm Beach County, nearly 85% of local voters chose to renew their Council's taxing authority,¹⁶ while in Broward, 68% of voters supported the measure.¹⁷ In other counties, however, ballot measures seeking to establish special taxing districts have failed. In Miami, the referendum to establish a Children's Services Council initially failed, possibly because a narrative had been created in the media that the tax would take from all to give to a few.¹⁸ Counties seeking to establish independent taxing authority need to devise a strategy to rally public support, which should include a push through the media, in order to ensure the passage of the referendum.

Duval is the only county that has a Children's Services Council that lacks independent authority to tax, relying instead on an earmarked portion of local property taxes. Rather than going to the voters for long-term approval, dependent districts receive funding at the discretion of the county government. Accordingly, the Children's Services Council of Duval County must reapply for funding every year. As part of that procedure,

¹⁵ Lisa Williams-Taylor, (June 21, 2017). Personal Interview.

¹⁶ Sarah Bucher, (November 21, 2014). "General Election Results 11/4/2014," *Palm Beach County Supervisor of Elections*. <http://www.pbcelections.org/ERSummary.aspx?eid=139>

¹⁷ Dr. Brenda C. Snipes, (February 4, 2016). "2014 General Election." *Broward County Supervisor of Elections*. <http://enr.electionsfl.org/BRO/1396/Summary/>

¹⁸ Birken, Interview.

it must annually demonstrate the outcomes of its programs and the progress it has made in addressing disparities, meeting the criteria set by the county government.¹⁹

Policy Options

In summary, to ensure that all families have access to early childhood education, counties in Florida have four options. They can:

1. Rely primarily on programs funded by the state and federal government.
2. Rely primarily on private philanthropy to finance services.
3. Establish an independent special taxing district dedicated to education and use the Children's Services Council to create programs for early learning.
4. Establish a dependent special district that uses a portion of local property taxes for early learning programs.

Advantages and Disadvantages of Policy Options

- **Option No. 1**
 - **Advantages** State and federal funds are the easiest for counties to access, requiring no extra work of applications or lobbying. They are readily available for all counties to utilize, and initiatives like VPK, School Readiness, and Head Start have established guidelines and structures that are easy to follow.
 - **Disadvantages** State and federal funds are usually limited, leading to programs that lack quality and reach too few children. They also come with a significant amount of regulations that can restrict the ability of local providers to adapt to the needs of their clients. Because of the distance between the distributor of the funding and the childcare sites, providers have little

¹⁹ Birken, Interview.

flexibility or autonomy, and may be unable to help families in need who do not meet the set eligibility requirements.²⁰

- **Option No. 2**

- **Advantages** Sites relying on private charity are more likely to have all the resources they require, since they have a greater ability to make their needs known to their financial backer. Privately funded programs also generally have more autonomy and fewer restrictions than government funded programs, allowing providers to adapt to their clients' needs.
- **Disadvantages** Relying on private funders means that each early learning site in a county is likely being run by a different entity. This separation creates a system with less coordination between services, risking duplication of effort and preventing clients from receiving the full spectrum of what is available to them. Private funding may also not be evenly distributed, available in some areas of a county but scarce in others.

- **Option No. 3**

- **Advantages** An independent special taxing district yields abundant funding for early learning programs, increasing providers' ability to offer high quality services. Being in control of the funding also means that local policymakers have complete autonomy and flexibility in running programs. When a gap or need is identified, it can be immediately addressed with a new initiative or a change in an old one, without any approval process or requirements to adhere

²⁰ Parker, Interview.

to.²¹ Since all locally funded services are coordinated by one entity, the Children's Services Council, there is no risk of duplication. Instead, a one-stop-shop of services and resources can be created for families.

- **Disadvantages** Gaining periodic approval from the voters requires extensive legwork and technical assistance – time and manpower that a county may not have.²² In addition, the creation of a tax could discourage donations, disrupting services in areas that previously relied substantially on private funding.

- **Option No. 4**

- **Advantages** Though it has slightly less autonomy, a dependent special district has most of the same advantages as an independent district. Additionally, the procedure of applying for funds each year means that the Council must periodically examine its outcomes and progress, which can be a positive process of self-analysis that increases the quality of services.
- **Disadvantages** Though they do not have to go to voters for approval, Children's Services Councils in dependent districts face perhaps even more work and uncertainty in the process of re-applying for funds at the beginning of each fiscal year. There is always the possibility that local priorities will change and the Council will lose its funding. Furthermore, unlike with independent Children's Services Councils, any extra funds that are not used

²¹ Parker, Interview.

²² Birken, Interview.

by the end of the year are returned to the county and spent in other policy areas, rather than kept back to be spent on education the next year.²³

Recommendation

Counties should strongly consider Policy Option 3, creating a special taxing district with independent authority to gain funds for early childhood education. While levying this special ad valorem property tax, counties can continue to receive federal, state, and private dollars for early learning, but they should make a strategic decision to utilize their taxing authority as the primary source of funding for a multitude of new initiatives. Relying on a local source of funding has several decisive advantages. Enjoying full autonomy and flexibility, policymakers can carefully evaluate needs and craft programs specifically to address them. With no mandatory requirements or “one size fits all model,” staff at the Children’s Services Council can work with families on a case-by-case basis, adapting services to their situations as necessary. In addition, the central authority of the Children’s Services Council means that its staff can keep the big picture in mind and are able to offer both providers and families information about all the services available in the county. In short, establishing a special taxing district for early childhood education would vastly expand a county’s resources while enhancing its ability to provide high quality services.

While creating a dependent special district for early learning would have most of this same effect, the burden of seeking approval every year and the possibility of being restricted by the county government makes independent taxing authority preferable.

Gaining passage of a referendum that grants this independent authority to a Children’s Services Council can be a difficult process, but counties can ask for technical assistance

²³ Birken, Interview.

from the Florida Children's Council, the umbrella organization that oversees Children's Services Councils from the state level.²⁴ If a referendum fails, a county can establish a dependent special district instead, but should try again for independent authority in the next election cycle. Broward County has already made this transition from dependent to independent status, with positive results. The eight counties that already have Children's Services Councils with independent taxing authority are making progress in addressing inequities in early childhood education, and it is strongly recommended that other counties follow their example.

Annotated Bibliography

Barnett, W. Steven, and Jason Husted. (2011). *Improving Public Financing for Early Learning Programs*. National Institute for Early Education Research. Policy Brief 23. <http://nieer.org/wp-content/uploads/2016/08/24-1.pdf>

This paper is part of a series of briefs developed by the National Institute for Early Education Research at Rutgers University. It outlines national public funding levels for early education and details several state subsidies and programs, including Florida's VPK initiative.

Birken, Dr. Brittany. (2017, June 29). Personal Interview.

Dr. Brittany Birken is the CEO of the Florida Children's Council, the umbrella organization that oversees counties' Children's Services Councils. She has worked extensively in establishing early education programs across the state and currently aids counties in creating and maintaining Children's Services Councils.

²⁴ Birken, Interview.

Bucher, Sarah. (November 21, 2014). "General Election Results 11/4/2014," *Palm Beach County Supervisor of Elections*. <http://www.pbcelections.org/ERSummary.aspx?eid=139>

The Palm Beach County Supervisor of Elections provides an online catalog of election results, detailing the number of votes cast on each measure. This entry shows results from the General Election on November 4, 2014, which included the measure to renew the independent taxing authority of Palm Beach County's special taxing district.

Carey, Bjorn. (September 25, 2013). "Language Gap Between Rich and Poor Children Begins in Infancy, Stanford Psychologists Find." *Stanford Report*.

<http://news.stanford.edu/news/2013/september/toddler-language-gap-091213.html>

This report outlines the conclusion of a group of Stanford psychologists that examined the language development of low-income children. Their research found that differences emerge between disadvantaged children and their peers from infancy.

"Coalitions." *Office of Early Learning*.

<http://www.floridaearlylearning.com/coalitions.aspx>

The website of the Office of Early Learning, a branch of the Florida Department of Education, details the state network of Early Learning Coalitions and the procedures they follow. It describes the School Readiness and VPK initiatives, which a county's Early Learning Coalition is responsible for administering.

Division of Community Development. (2017). "Official List of Special Districts Online."
Florida Department of Economic Opportunity.

<https://dca.deo.myflorida.com/fhcd/sdip/officialistdeo/sumfunctionlist.cfm>

Florida's Department of Economic Opportunity maintains an official list of Florida's special districts and their purposes. The list, which is regularly updated, also states whether each district has dependent or independent taxing authority.

"Florida Head Start Program." *Benefits.gov.* <https://www.benefits.gov/benefits/benefit-details/1904>

Benefits.gov is a U.S. e-government initiative that is the official source of information about government benefits. Its pages on Head Start and Early Head Start in Florida detail the programs' mission, eligibility requirements, and application process.

Florida Statutes, Title IX § 125.901 (2017).

http://www.leg.state.fl.us/Statutes/index.cfm?App_mode=Display_Statute&Search_String=&URL=0100-0199/0125/Sections/0125.901.html

Title XI, Chapter 125 of the 2017 Florida Statutes deals with county organizations and intergovernmental relations. 125.901 lays out the structure and function of the Children's Services Councils, listing its capabilities and restrictions. The statute can be read in full on the Florida Legislature's official website.

Graham, M. & Stowell, K. (2010). *Investing in Florida's Children: Good Policy, Smart Economics*, Auburndale, FL: The Policy Group for Florida's Families and Children.

This paper, written by fellows at an independent non-profit research group, presents the economic arguments for investing in early childhood education. It describes the impact of strong early learning programs on public health, crime rates, and economic productivity in the long-term.

“Overview: About CSCs.” *Florida Children's Council*.

<http://flchildrenscouncil.org/about-cscs/overview/>

The Florida Children's Council is the umbrella organization that aids and monitors each county's Children's Services Council. Its website provides the history of these councils, as well as information about their current work and structure.

Parker, Shelley. (March 9, 2017). Personal Interview.

Shelley Parker is a program officer with the Children's Services Council of Palm Beach County. Having worked with programs funded by state, federal, or private dollars as well as with programs financed by Palm Beach's independent taxing district, she was able to describe the effects of each funding source on the structure and efficacy of the programs.

Postal, Leslie. (2016). "Most Florida Kids Fail to Get Head Start, Study Finds." *Orlando Sentinel*. <http://www.orlandosentinel.com/features/education/os-head-start-florida-enrollment-quality-20161213-story.html>

This article in the Orlando Sentinel outlines the finding of a 2016 report on the state of Head Start in Florida. It recounts the study's determination that Head Start fails to reach enough pre-school children and places this finding in the context of Head Start's progress in other states.

Shriver, Mark, et al. (2015). *Innovative Financing for Early Childhood Education: State and Local Options*. Save the Children Action Network: Washington, D.C.
<https://www.savethechildrenactionnetwork.org/wp-content/uploads/2016/04/state-local-toolbox-financing-solutions.pdf>

This paper was published by Save the Children Action Network, the US branch of an international NGO that lobbies for children's rights. It issues an urgent call for more early education funding in the US and provides a glimpse into how different states raise money, which includes bonds, tax credits, and tax deductions.

Snipes, Dr. Brenda C. (February 4, 2016). "2014 General Election." *Broward County Supervisor of Elections*. <http://enr.electionsfl.org/BRO/1396/Summary/>

The Broward County Supervisor of Elections maintains an online catalog of election results. This webpage shows the electoral data from the November 4, 2014 election, when Broward County voters renewed their Children's Services Council's independent taxing authority.

Thorman, Abby, PhD, et al. (2015) *Early Learning Cost Modeling Analysis: Implications for Florida Policy*. Early Learning Consortium.

<http://old.flchild.com/downloads/news/Early%20Learning%20Cost%20Analysis%20Brief.pdf>

This policy brief, developed by four experts on early childhood education in partnership with the Early Learning Consortium, examines the quality of childcare services in relation to the amount of public funding given to each child. The paper shows the effect that low payment rates from programs like VPK and School Readiness have on private childcare providers.

Williams-Taylor, Lisa. (2017, June 21). Personal Interview.

Lisa Williams-Taylor is the CEO of the Children's Services Council of Palm Beach County and is directly involved in coordinating and distributing funding for early learning services in the county. She was able to provide information about the history and functioning of Palm Beach County's independent special taxing district, as well as its coordination with other funding sources.