

ASSESSING FUNDING MECHANISMS WORKSHEET Worksheet 3-1

LOCAL FUNDING SOURCE	REQUIRES NC GENERAL ASSEMBLY APPROVAL OR A CHANGE IN LAW	LOCAL VOTER APPROVAL NEEDED	REVENUE LIMITS	QUESTIONS TO CONSIDER
Municipal or County Budget Item			Must be renewed each year as part of the budget cycle	Are we prepared to go back to the budget process each year to maintain the investment?
Bond		X	Available only for long-term capital investments, not day-to-day government operations	<p>Since bonds are for capital investments, are there any capital investments that would be needed if the municipality or county invested in early learning?</p> <p>Do we have the political relationships and power to get an early childhood investment on the ballot for a referendum?</p> <p>Do we have the resources to support a campaign to encourage public support for the referendum?</p>
Sales Tax		X	Local sales tax is limited to between 2% and 2.75%.	<p>Does our community generate enough sales tax revenue?</p> <p>Since a sales tax represents a greater share of the income of low- and middle-income taxpayers, is this the best approach?</p> <p>Do we have the political relationships and power to get an early childhood investment on the ballot for a referendum?</p> <p>Do we have the resources to support a campaign to encourage public support for the referendum?</p>
Property Tax	Unclear. Refer to property tax in this section for further details.			<p>Is the real estate wealth in the community such that it can support needed investments?</p> <p>What property tax rate would be required?</p>
Occupancy Tax	X		NCGA sets the occupancy tax rate	<p>Does our community have enough tourism to generate occupancy taxes?</p> <p>What occupancy tax rate would be required?</p> <p>Do we have the political relationships and power to gain support from our county to support the use of occupancy tax for early childhood rather than only for tourism?</p>
Fees	X			<p>What types/amount of fees could generate the necessary investment in early learning?</p> <p>Do we have the political relationships and power to gain support from our community and the NC General Assembly to allow the allocation of fees for early learning?</p>
Special Tax District	X			<p>Is the real estate wealth in the community such that it can support needed investments?</p> <p>What tax rate would be required?</p> <p>How do we determine the special taxing district(s)?</p>
Tax Credits	X			Can we gain support for tax credits from economic development leaders in our community?
Social Impact Bonds ²⁰	X			<p>Do we have a set of foundations or venture capitalists that are engaged in early childhood issues that could be interested in investing?</p> <p>Does the proposed intervention focus on prevention?</p> <p>Do we have agencies that are prepared to define, measure and deliver the outcomes?</p> <p>Can the outcomes be observed in three to eight years?</p>

LOCAL FUNDING SOURCE	OPPORTUNITIES FOR THIS OPTION FOR YOUR COMMUNITY	CHALLENGES FOR THIS OPTION FOR YOUR COMMUNITY
Municipal or County Budget Item		
Bond		
Sales Tax		
Property Tax		
Occupancy Tax		
Fees		
Special Tax District		
Tax Credits		
Social Impact Bonds		