

What is a special district?

A special district is a separate local government that delivers a limited number of public services to a geographically limited area (*What's So Special About Special Districts?*). Three special tax districts in the metro Denver area are: SCFD, RTD, and the football stadium district. The SCFD is viewed as a national model of public support for sustaining a culturally rich community.

What is the SCFD Statute?

The statute is the law that was passed by the Colorado legislature and approved by voters in 1988 which guides the SCFD. The statute clearly defines how the sales and use tax can be used, and who can apply for funds. It is the job of the SCFD board of directors and SCFD staff to ensure that statutory criteria are upheld. The statute can be amended, but only voters can change certain aspects.

SCFD statute can be viewed online at:
<http://scfd.org/downloads/statute/SCFDStatute.pdf>

How does SCFD operate?

Board of Directors- The SCFD is governed by a board of 11 directors, one member appointed by the commissioners of 5 of the 7 counties, one by the Denver City Council, one by the Broomfield City Council, and 4 members appointed by the governor.

SCFD Staff- consists of 4.5 employees: an executive director, two program managers, an office manager, and a part-time program assistant. Staff works with all 7 counties and acts as liaisons between the District Board, the county cultural councils, Tier III organizations, and the general public. The statute allocates .75% (or ¾ of 1%) of the revenue collected for administrative operations.

SCFD staff's responsibility is to manage the distribution of funds and to ensure funds are distributed according to statutory requirements and voter intent. SCFD staff and board do not decide how much funding any organization receives.

Tier I: Staff oversees and reviews annual certification process.

Tier II: Staff manages the annual qualification process, which includes workshop trainings and reviewing reports to verify income and attendance numbers to calculate organizations' percentage of funding within the tier. Staff also reviews and summarizes annual certification reports.

Tier III: Staff manages the grant process, and serves as a statutory resource for organizations and cultural councils. Staff attend council meetings, grant review sessions, and grant allocation meetings to ensure that District statutory criteria are met and policy questions answered. Staff also provides workshops for organizations and councils on both grant applications and final reports.

How do organizations obtain funding?

Eligibility- the SCFD statute outlines eligibility criteria for all organizations seeking funding. Upon attaining eligibility an organization can apply/qualify for funding in the following grant cycle. SCFD staff determines eligibility through an in-depth review of each applicant. Applicant organizations must meet and maintain ALL of the following statutory criteria:

1. Qualifying Primary Purpose- The primary purpose of scientific and cultural facilities shall be "**to provide for the enlightenment and entertainment of the public through the production, presentation, exhibition, advancement or preservation of art, music, theatre, dance, zoology, botany, natural history, or cultural history.**"

2. Tax Status Requirement

Must have a **501(c) Letter of Determination issued or reissued within the last five years** or provide evidence of status as an agency of local government whose purpose qualifies for participation.

3. Length of Existence

a.) To qualify for Tier II, an organization must have been in existence, operating and serving the public, for at least 5 years prior to submitting an eligibility application.

b.) To qualify for Tier III, an organization must have been in existence, operating and serving the public as a 501(c)(3), for at least 3 years prior to submitting an eligibility application.

4. The statute does not allow funding of: any agency of the state (includes libraries); educational institutions, schools or educational foundations; radio or television cable broadcasting networks; newspapers or magazines; organizations solely engaged in the acquisition or physical restoration of historic buildings, structures or sites.

5. Financial & Organizational Capacity-

Since 2004, the statute allows for eligibility purposes, to take into consideration, an organization's financial and organizational capacity to expend tax dollars to serve the public and achieve the mission of the organization.*

6. Public Benefit Requirement- Funding must be used to support accessible programs and events with **direct, identifiable and measurable public benefit principally to the residents of the District.**

7. Geographic Requirement- Eligible organizations must:

- a) Have their principal office physically located within the Scientific and Cultural Facilities District
- b) Conduct a majority of their activities within the state of Colorado; and

8. Non-Discrimination Requirements- The organization must have a non-discrimination statement that has been formally approved by its board of directors and is at least as inclusive as the SCFD non-discrimination statement.

THE THREE TIER SYSTEM

SCFD was created with the intent of making scientific & cultural activities accessible to the public.

Tier I

This Tier consists of 5 institutions: Denver Museum of Nature and Science, Denver Zoo, Denver Art Museum, The Denver Center for the Performing Arts, and Denver Botanic Gardens. According to statute these 5 institutions share 65.5% of the annual distribution up to and including \$38 million, and 64% exceeding \$38 million. Tier I organizations must annually report usage of funds to the SCFD board.

Tier II

Organizations qualify for Tier II based on an annual operating income threshold, which is adjusted annually based on the Consumer Price Index. In 2011 there were 25 Tier II organizations. Tier II's share of the SCFD distribution is 21% up to and including \$38 million, and 22% exceeding \$38 million. Funding at Tier II is determined based on an equal weighting of qualifying operating income and paid attendance. Tier II organizations must annually qualify and report to the SCFD board.

Tier III

Tier III receives 13.5% of the SCFD distribution up to and including \$38 million, and 14% exceeding \$38 million. Approximately 275 organizations are funded annually. County cultural councils allocate funding annually through an open grant process. The amount of funds available for distribution in each county is determined by the percentage of total sales and use tax collected in the specific county.

County Cultural Council Members

The county cultural council member is a volunteer position that is appointed by the county commissioners in Adams, Arapahoe, Boulder, Douglas, and Jefferson. In Denver and Broomfield, county cultural council members are appointed by City Council. County cultural council members create the county guidelines, read all grant applications for their specific county (in some counties this number is over 100), attend council meetings, and determine grant awards for organizations. At Tier III, local control is key and each county has the ability to set its own guidelines to best serve county residents.

County Liaisons

All counties have a county liaison, but the level of involvement with SCFD and the county cultural council varies greatly. Typical responsibilities of the county liaison position are administrative; posting meeting schedules and accepting the county copies of the grant applications.



Get to Know Your



Citizens of the
Scientific & Cultural
Facilities District

Making It Possible.

What is SCFD?

The Scientific and Cultural Facilities District (SCFD) is a voter-created special tax district that distributes revenue generated by a 1¢ on \$10 retail sales and use tax to over 300 scientific and cultural organizations in the seven-county metro Denver area. The SCFD was adopted in 1988 by metropolitan voters and has been supporting culture in the metro Denver area ever since. The District consists of Adams, Arapahoe, Boulder, Broomfield, Denver, Douglas (excluding the cities of Castle Rock and Larkspur), and Jefferson Counties. The primary purpose of the SCFD is "to provide for the enlightenment and entertainment of the public through the production, presentation, exhibition, advancement or preservation of art, music, theatre, dance, zoology, botany, natural history, or cultural history."

