



The Florida Senate

Interim Project Report 98-51

October 1998

Committee on Ways and Means

Senator Donald C. Sullivan, Chairman

DEVELOP GRANT APPLICATION PROCESS FOR ECONOMIC DEVELOPMENT PROJECTS

SUMMARY

In recent years, local governments and non-profit organizations have exerted greater pressure upon the Florida Legislature to fund projects for which there is no formal established application and review process. This makes it difficult for legislators to make funding decisions, especially when project requests are greater than available resources. Historically, millions of dollars in grants to non-profit corporations and governmental entities have been requested and/or funded in areas which did not qualify for an established on-going grant program.

There is already a process set in statute for the review and prioritization of Historical Preservation, Cultural Facilities, Library Construction, Florida Recreational Assistance Program (FRDAP), and International Trade Grants. Based upon the success of the grant review processes in these areas, it is recommended that this concept be expanded to include several other areas of the state budget:

- 1) Agriculture (Fairs, Agricultural Centers, Livestock Pavilions, and Expositions)
- 2) Multi-use Facilities (Senior Centers, Community Centers, Town Meeting Halls, Etc.)
- 3) Economic Development (Events, Festivals, Projects, Etc.)
- 4) Lake and Water Restoration (Excluding SWIM Projects)
- 5) County Courthouse Renovations/Repairs
- 6) County Health Units

This would require substantive legislation addressing the entities involved, match requirements, criteria, and timelines.

BACKGROUND

Over the past several years, local governments and non-profit institutions have exerted greater pressure upon the Florida Legislature for financial assistance with special projects. For many of these projects, there is no formalized funding process set forth in statute and the Legislature is left to address them on an individual basis, often with incomplete and/or no standardized information. This makes it particularly difficult for legislators, who are required to make funding decisions usually within constrained/limited resources.

METHODOLOGY

There is already a process set in statute for the review and prioritization of Historical Preservation, Cultural Facilities, Library Construction, Florida Recreational Assistance Program (FRDAP), and International Trade Grants. With the exception of the International Trade Grant Program review, which is new this year, these grant processes have worked very well with regard to the appropriations process. Using these established programs as a model, staff went about the task of determining what other areas would be suitable for this type of review.

Staff had discussions with and solicited ideas from staff of various Senate Committees, including Agriculture; Criminal Justice; Children, Families and Seniors; Commerce; Education; Health Care; Judiciary; and Natural Resources. Appropriate agency staff were also included in the project to provide technical assistance and insight from a more detailed, "hands-on" level.

Staff also reviewed proviso language in the 1998-99 General Appropriations Act pertaining to grant review processes for: 1) Festivals; 2) Agricultural Centers, Fairs, Livestock Pavilions, and Multi-use Facilities, and; 3) Economic Development projects. This proviso created committees for the purpose of evaluating

projects funded for FY 1998-99 as well as to review all grant funding requests for FY 1999-2000 and make recommendations in priority order.

Finally, staff reviewed two bills that were filed for the 1998 session that pertained to the review of grants: 1) HB 3931 establishing an Economic Development Grant Program within the Office of Tourism, Trade and Economic Development and; 2) CS/SB 1922 relating to funding for fairs, agricultural centers, pavilions, and multi-use facilities. Neither of these bills became law.

FINDINGS

Several areas have been identified that would lend themselves very well to a grant application process:

- 1) Agriculture (Fairs, Agricultural Centers, Livestock Pavilions, and Expositions)
- 2) Multi-use Facilities (Senior Centers, Community Centers, Town Meeting Halls, Etc.)
- 3) Economic Development (Events, Festivals, Projects, Etc.)
- 4) Lake and Water Restoration (Excluding SWIM Projects)
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- 6) County Health Units

Historically, millions of dollars in grants to non-profit corporations and governmental entities have been requested and/or funded in these areas - grants which did not qualify for an established on-going grant program.

At least four factors need to be addressed for the creation of a grant application and review process:

- 1) The entity to be designated to review, prioritize, and make the initial recommendations for projects, and the entity to make the final recommendation of a project list to the Legislature (may be the same entity);
- 2) Match requirements (if applicable);
- 3) Criteria considerations, and;
- 4) Timing (Application submission, review procedure, and recommendations to the Legislature)

The entities involved in established grant review programs vary from program to program. For example, for the historical and cultural grant programs, established councils (The Florida Arts Council and the

Historic Preservation Council) make the initial recommendation, which is forwarded to the Secretary of State for final approval. For the Florida Recreation Assistance Program, in-house staff makes the preliminary recommendations based upon comprehensive rule guidelines, with the Secretary of the Department of Environmental Protection approving the final list to be submitted to the Governor and Legislature. A seven member grant review panel consisting of members appointed by the Governor and Legislature reviews International Trade Grants and submits its recommendation to the International Trade and Economic Development Board of Enterprise Florida for further review. This board then submits its approved list to the Office of Tourism, Trade, and Economic Development in the Governor's Office for final approval, contingent upon approval and funding by the Legislature.

Match requirements for established grant programs vary considerably. The Cultural Facilities Program requires a \$2 local to \$1 state match. The Historic Preservation Program requires a \$50,000 minimum match by the recipient. The Florida Recreational Assistance Program operates on a sliding scale match basis, with no match required for a \$50,000 or less grant and 50 percent match required for a \$150,000 or greater grant. The Library Construction Program requires the grant recipient to provide a match equal to the grant award.

Criteria for established grant programs are prescribed for the most part in agency rules, and are tailored to meet each type of grant. In some cases, general criteria are specified in statute to provide examples or direction for the rulemaking process. Some of these programs recognize in-kind services and assets (labor, time, materials, real estate, etc.) as part of the match requirement.

To be of use to the Legislature in its decision making duties, a grant cycle must be tailored to meet appropriations timelines. In effect, this means that grant recommendation decisions must be finalized prior to the agency final legislative budget submission date of September 1 for the following fiscal year's budget. The application and review process must begin well in advance of this deadline to allow the respective agency head time to address the recommendations as part of the budget submission. Thus potential grant recipients may be required to submit their request at least a year prior to the time they may actually receive the award.

RECOMMENDATIONS

Based upon the success of the grant review processes currently in place, it is recommended that this concept be expanded to include several other areas of the state budget:

- 1) Agriculture (Fairs, Agricultural Centers, Livestock Pavilions, and Expositions)
- 2) Multi-use Facilities (Senior Centers, Community Centers, Town Meeting Halls, Etc.)
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This would require substantive legislation addressing the entities involved, match requirements, criteria, and timelines.

COMMITTEE(S) INVOLVED IN REPORT *(Contact first committee for more information.)*

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Committee on Agriculture

Committee on Criminal Justice

Committee on Natural Resources

Committee on Children, Families and Seniors

Committee on Health Care

MEMBER OVERSIGHT

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