

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Governmental Operations Committee

BILL: SB 82

INTRODUCER: Senator Fasano

SUBJECT: State Aid to Public Libraries

DATE: January 24, 2008 REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Rhea	Wilson	GO	Fav/1 amendment
2.			CA	
3.			TA	
4.				
5.				
6.				

Please see Section VIII. for Additional Information:

- | | | |
|------------------------------|-------------------------------------|---|
| A. COMMITTEE SUBSTITUTE..... | <input type="checkbox"/> | Statement of Substantial Changes |
| B. AMENDMENTS..... | <input checked="" type="checkbox"/> | Technical amendments were recommended |
| | <input type="checkbox"/> | Amendments were recommended |
| | <input type="checkbox"/> | Significant amendments were recommended |

I. Summary:

The state aid to libraries grant program is comprised of three interrelated grants that are based on local expenditures: (1) operating grants; (2) multicounty grants; and (3) equalization grants. This bill amends the state aid to libraries grants program by revising eligibility criteria for multicounty and equalization grants; revises determinations for and the amount of multicounty base grants; changes the formula for multicounty and equalization grants and limits the amount of equalization grants counties can receive under specified conditions. Additionally, the bill removes a requirement for issuance of warrants to political subdivisions eligible for certain funding.

This bill amends the following sections of the Florida Statutes: 257.172, 257.18, and 257.22.

II. Present Situation:

Chapter 257, F.S., governs public libraries in the state. The Department of State, through the Division of Library and Information Services, administers the act.

Under s. 257.17, F.S., a political subdivision that has been designated by a county or municipality as the single library administrative unit is eligible to receive from the state an annual operating grant of not more than 25 percent of all local funds expended by that political subdivision during the second preceding fiscal year for the operation and maintenance of a library. The state aid to libraries grant program is comprised of three interrelated grants programs: (1) multicounty grants; (2) equalization grants; and (3) operating grants. The funding for each grant area is based upon local expenditures. The grants and criteria are:

- Multicounty grants are awarded to systems of two or more counties that have joined together to provide library service to their residents.
- Equalization grants are awarded to county library systems that also meet the requirements for operating grants that have limited financial resources.
- Operating grants are awarded to any county or municipality that meets basic criteria for professional library service.

State aid has remained at essentially the same level, \$32 million, since FY 2001-02. In FY 2001-02 state aid was matching local expenditures at 9.18 cents per local dollar, but this amount in FY 2006-07 fell to 4.6 cents per local dollar. This is a result of increased local expenditures. The state aid resources have been increasingly going to equalization grants, over the past six years, in part due to the way the grant funds are calculated. The proportion of state aid that goes to equalization grants has increased from 11 percent of total state aid appropriation in FY 2001-01 to almost 28 percent in FY 2006-07. Based on FY 2005-06 funding and the current formula, operating grants total \$20,790,746 or 65 percent; equalization grants total \$8,877,057 or 28 percent; and multicounty grants total \$2,331,439 or 7 percent.

The equalization grant program is established in s. 257.18, F.S. Any county qualifying for an operating grant is eligible to receive an equalization grant when the value of 1 mill adjusted to reflect the average statewide level of assessment is below the median amount for all counties in the state and the per capita local funds expended for library support during the second preceding year is below the average for all counties. The equalization factor is computed by subtracting the value of 1 mill adjusted to reflect the average statewide level of assessment for each county from the average adjusted value of 1 mill for all counties and dividing that amount by the average adjusted value of 1 mill for all counties. An equalization grant is computed by multiplying the equalization factor times the total local funds expended for library support by that county during the second preceding year and adding that amount to the actual total local funds expended for library support by that county during the second preceding year. The result is the adjusted value for the local funds expended for library service. The amount of the equalization grant is equal to 25 cents of the adjusted value of local funds expended for library service.

When the adjusted mill equivalent of actual local funds expended for library support by the county during the second preceding year is above the statewide average adjusted mill equivalent of actual local funds expended by all counties receiving operating grants, the amount of the equalization grant is equal to 50 cents of the adjusted value of local funds expended for library service.

The division is required to calculate equalization grants based on the amount of local funds expended for library service the second preceding year as certified by the appropriate county

officials and information on the level of assessment of property in each county and the taxable value of property in each county as reported by the state agency authorized by law, which shall certify the results of such determination to the division.¹

The equalization grant formula in s. 257.18, F.S., does not limit the percentage of equalization grant funds that can go to a single county, enabling a few counties to receive large grants, and reducing the funds available for operating grants that benefit all qualified libraries. The current formula for equalization grants does not consider a county's ability to levy taxes for library services, only the local funds that are expended. The formula does not have a mechanism for a gradual phase-out for libraries who no longer qualify for the equalization grant, nor does it prevent counties from moving in and out of eligibility.

III. Effect of Proposed Changes:

The bill amends the state aid to libraries grant program by revising eligibility criteria for multicounty and equalization grants. The bill revises the determination for and amount of multicounty base grants and changes the process for calculating equalization grants.

The criteria used for awarding multicounty library grants found in s. 257.172, F.S., is amended to:

- Restrict multicounty grants to systems that include at least one county that is eligible for an equalization grant (i.e., a county with limited financial resources. This change has no immediate effect because at present all such systems contain at least one eligible county.
- Establish a multicounty base grant of \$50,000 for systems serving two counties, effective July 1, 2008. No additional funds are requested for this purpose; this base grant would come from the state aid program.
- Increase the multicounty base grant for systems serving three or more counties from \$250,000 to \$350,000. No additional funds are requested for this purpose; this base grant would come from the state aid appropriation.

The criteria used for awarding equalization library grants established by s. 257.18, F.S., are modified to:

- Add requirements that award equalization grants only to counties that received an equalization grant in FY 2007-08 and have been continuously eligible since that period.
- Determine the need for an equalization grant by using the county's operating millage or per capita income rather than by using the county's expenditures for library services.
- Establish a three year phase out from the equalization grants for counties that become ineligible.
- Limit the amount of equalization that can go to any single county.
- Limit the portion of state aid that goes to equalization grants, with implementing language that protects those counties most dependent on equalization funding.

¹ For the purposes of this section, s. 257.21, F.S., does not apply. That section provides that any reduction in grants because of insufficient funds must be prorated on the basis of maximum grants allowable.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

FY 2008-2009 STATE AID ESTIMATES									
	2007-08 Final Grants with \$31.99 million appropriation (Not including 4% reduction)			2008-09 Estimated Grants with \$31.99 million appropriation using <i>present</i> formula			2008-2009 Estimated Grants with \$31.99 appropriation using <i>proposed</i> formula		
County	Operating Grant After Proration	Equalization Grant	Total Grant	Operating Grant After Proration	Equalization Grant	Total Grant	Operating Grant After Proration	Equalization Grant	Total Grant
Alachua	499,635		499,635	542,984		542,984	531,039		531,039
Baker	5,198	62,645	67,844	5,146	69,793	74,938	5,032	68,650	73,682
Bay	77,481		77,481	81,618		81,618	79,822		79,822
Bradford	17,669	425,180	442,849	14,920	404,072	418,992	14,592	397,456	412,048
Brevard	697,985		697,985	718,135		718,135	702,338		702,338
Broward	2,517,523		2,517,523	2,469,387		2,469,387	2,415,065		2,415,065
Calhoun	6,229	151,482	157,710	7,031	192,449	199,480	6,876	189,298	196,174
Charlotte	130,981		130,981	124,889		124,889	122,142		122,142
Citrus	110,289		110,289	140,806		140,806	137,709		137,709
Clay	105,971	2,123,553	2,229,524	144,590		144,590	141,410	873,170	1,014,579
Collier	320,886		320,886	279,502		279,502	273,354		273,354
Columbia	26,383	615,787	642,170	28,825	757,202	786,026	28,191	744,803	772,993
Desoto	5,492	64,789	70,281	7,854	104,278	112,133	7,682	102,571	110,252
Dixie	4,589	55,467	60,056	5,425	73,809	79,234	5,306	72,600	77,906
Duval	1,193,413		1,193,413	1,272,826		1,272,826	1,244,826		1,244,826
Escambia	161,609		161,609	181,041		181,041	177,058		177,058
Flagler	38,605		38,605	43,139		43,139	42,190		42,190
Franklin	7,405	83,008	90,413	8,101	102,201	110,301	7,922	100,527	108,450
Gadsden	19,211	457,631	476,842	15,888	425,977	441,865	15,539	419,002	434,541
Gilchrist	3,029	36,611	39,640	3,797	51,655	55,452	3,714	50,810	54,523
Glades	2,566	30,967	33,533	1,453	19,727	21,180	1,421	19,404	20,825

FY 2008-2009 STATE AID ESTIMATES									
						Estimates using base equalization of \$8,877,057			
2007-08 Final Grants with \$31.99 million appropriation <i>(Not including 4% reduction)</i>			2008-09 Estimated Grants with \$31.99 million appropriation using present formula			2008-2009 Estimated Grants with \$31.99 appropriation using proposed formula			
County	Operating Grant After Proration	Equalization Grant	Total Grant	Operating Grant After Proration	Equalization Grant	Total Grant	Operating Grant After Proration	Equalization Grant	Total Grant
Gulf	6,132	70,966	77,098	6,190	80,631	86,821	6,054	79,310	85,364
Hamilton	8,844	213,335	222,179	7,805	211,895	219,700	7,633	208,425	216,058
Hardee	7,604	90,292	97,896	7,341	98,102	105,443	7,179	96,496	103,675
Hendry	22,933	264,950	287,883	23,146	300,976	324,123	22,637	296,048	318,685
Hernando	103,109	990,761	1,093,870	99,027	1,070,960	1,169,987	96,849	873,170	970,018
Highlands	40,428	433,182	473,610	27,802	335,285	363,087	27,190	329,795	356,985
Hillsborough	1,506,300		1,506,300	1,394,680		1,394,680	1,364,000		1,364,000
Holmes	3,821	46,403	50,223	5,061	138,364	143,424	4,950	136,098	141,047
Indian River	167,960		167,960	163,007		163,007	159,421		159,421
Jackson	12,819	152,671	165,490	11,267	151,025	162,291	11,019	148,552	159,570
Jefferson	5,437	131,711	137,148	5,398	73,598	78,996	5,280	72,392	77,672
Lafayette	5,398	131,573	136,971	5,197	142,584	147,782	5,083	140,250	145,333
Lake	291,147		291,147	316,843		316,843	309,873		309,873
Lee	1,087,058		1,087,058	1,027,168		1,027,168	1,004,572		1,004,572
Leon	241,712		241,712	233,071		233,071	227,944		227,944
Levy	7,876	91,944	99,820	7,777	102,176	109,953	7,606	100,503	108,109
Liberty	2,592	63,181	65,773	2,947	80,845	83,792	2,882	79,521	82,403
Madison	8,892	214,786	223,678	7,623	207,265	214,888	7,456	203,871	211,326
Manatee	252,931		252,931	263,060		263,060	257,273		257,273
Marion	232,650		232,650	285,608		285,608	279,325		279,325
Martin	204,172		204,172	158,164		158,164	154,685		154,685
Miami-Dade	2,142,968		2,142,968	2,892,419		2,892,419	2,828,791		2,828,791
Monroe	105,494		105,494	105,280		105,280	102,964		102,964
Nassau	46,881	484,295	531,176	40,123	466,505	506,628	39,240	476,365	515,605
Okaloosa	140,031		140,031	158,281		158,281	154,799		154,799
Okeechobee	11,217	130,708	141,925	13,713	179,853	193,567	13,412	176,908	190,320
Orange	1,142,801		1,142,801	1,436,597		1,436,597	1,404,995		1,404,995
Osceola	290,100		290,100	310,428		310,428	303,599		303,599
Palm Beach	1,267,309		1,267,309	1,368,642		1,368,642	1,338,535		1,338,535
Pasco	277,469		277,469	287,519		287,519	281,195		281,195
Pinellas	1,149,113		1,149,113	1,107,513		1,107,513	1,083,150		1,083,150
Polk	351,640		351,640	388,026		388,026	379,490		379,490
Putnam	22,047	248,790	270,838	30,729	390,275	421,003	30,053	383,884	413,937
Saint Johns	173,408		173,408	185,971		185,971	181,880		181,880
Saint Lucie	177,024		177,024	176,918		176,918	173,026		173,026
Santa Rosa	76,679	759,349	836,029	94,003	1,047,741	1,141,744	91,935	873,170	965,105
Sarasota	421,563		421,563	411,115		411,115	402,071		402,071
Seminole	226,472		226,472	251,765		251,765	246,226		246,226
Sumter	44,073	485,257	529,330	43,292	536,473	579,765	42,340	527,688	570,028
Suwannee	16,353	387,898	404,250	14,158	188,989	203,147	13,846	185,894	199,741
Taylor	10,675	127,306	137,981	10,288	138,085	148,373	10,062	135,824	145,885
Union	4,125	100,533	104,657	3,550	97,382	100,932	3,472	95,787	99,259
Volusia	550,088		550,088	705,157		705,157	689,645		689,645
Wakulla	9,028	107,181	116,209	10,163	135,806	145,969	9,940	133,582	143,522
Walton	31,194		31,194	36,830		36,830	36,020		36,020
Washington	6,813	81,631	88,444	6,425	86,653	93,079	6,284	85,234	91,518

(Information provided by Department of State)

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Additional Information:

A. Committee Substitute – Statement of Substantial Changes:

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

B. Amendments:

Barcode 739382 by Governmental Operations on January 24, 2008:

The amendment corrects a technical error in the bill with the cap on the amount for equalization grants and clarifies how to factor in the cap of \$8.8 million when it does not fully fund equalization grants.