

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 2001-02 to almost 28 percent in FY 2006-07. Based on FY 2006-07 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.

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.

- Limit the portion of state aid that goes to equalization grants, with implementing language that protects those counties most dependent on equalization funding.

Finally, a requirement that the Chief Financial Officer issue warrants to political subdivisions eligible for certain funding is deleted from s. 257.22, F.S.

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:

The bill does not impact the amount of state funds appropriated, expended, or collected. It does impact the amount of library grants that are awarded to individual local governments. The following chart shows the amount of grants awarded in Fiscal Year 2007/08 and, for comparison purposes, the estimated awards for Fiscal Year 2008/09 using the current and proposed formulas and assuming a total grant appropriation of \$30,719,200 for Fiscal Year 2008/09.

County	2007-08 Final Grants (\$30,719,200 appropriation)				2008-09 Estimated Grants (assumes \$30,719,200 appropriation)							
	Operating Grants after Proration	Multicounty Grants	Equalization Grants	Total Grants	Using Present Formula				Using Proposed Formula			
					Operating Grants after Proration	Multicounty Grants	Equalization Grants	Total Grants	Operating Grant after Proration	Multicounty Grants	Equalization Grant	Total Grant
Alachua	479,650	-	-	479,650	510,063	-	-	510,063	507,251	-	-	507,251
Baker	4,990	-	60,139	65,130	4,834	-	69,793	74,626	4,807	-	65,904	70,711
Bay	74,382	-	-	74,382	76,669	-	-	76,669	76,247	-	-	76,247
Bradford	16,963	-	408,173	425,135	14,015	-	404,072	418,088	13,938	-	381,557	395,495
Brevard	670,066	-	-	670,066	674,595	-	-	674,595	670,876	-	-	670,876
Broward	2,416,822	-	-	2,416,822	2,319,667	-	-	2,319,667	2,306,879	-	-	2,306,879
Calhoun	5,980	-	145,422	151,402	6,605	-	192,449	199,054	6,568	-	181,726	188,294
Charlotte	125,742	-	-	125,742	117,317	-	-	117,317	116,671	-	-	116,671
Citrus	105,877	-	-	105,877	132,269	-	-	132,269	131,540	-	-	131,540
Clay	101,732	-	2,038,611	2,140,343	135,824	-	-	135,824	135,075	-	838,241	973,316

County	2007-08 Final Grants (\$30,719,200 appropriation)				2008-09 Estimated Grants (assumes \$30,719,200 appropriation)								
	Operating Grants after Proration	Multicounty Grants	Equalization Grants	Total Grants	Using Present Formula				Using Proposed Formula				
					Operating Grants after Proration	Multicounty Grants	Equalization Grants	Total Grants	Operating Grant after Proration	Multicounty Grants	Equalization Grant	Total Grant	
Collier	308,051	-	-	308,051	262,556	-	-	262,556	261,108	-	-	-	261,108
Columbia	25,328	-	591,155	616,483	27,077	-	757,202	784,279	26,928	-	715,009	-	741,937
Desoto	5,273	-	62,197	67,470	7,378	-	104,278	111,656	7,337	-	98,468	-	105,805
Dixie	4,405	-	53,248	57,653	5,096	-	73,809	78,905	5,068	-	69,696	-	74,764
Duval	1,145,676	-	-	1,145,676	1,195,654	-	-	1,195,654	1,189,063	-	-	-	1,189,063
Escambia	155,145	-	-	155,145	170,064	-	-	170,064	169,127	-	-	-	169,127
Flagler	37,060	-	-	37,060	40,524	-	-	40,524	40,300	-	-	-	40,300
Franklin	7,109	-	79,687	86,796	7,609	-	102,201	109,810	7,568	-	96,506	-	104,073
Gadsden	18,443	-	439,326	457,769	14,925	-	425,977	440,902	14,843	-	402,241	-	417,084
Gilchrist	2,908	-	35,147	38,055	3,567	-	51,655	55,222	3,547	-	48,777	-	52,324
Glades	2,464	-	29,728	32,192	1,365	-	19,727	21,092	1,357	-	18,628	-	19,985
Gulf	5,886	-	68,127	74,014	5,815	-	80,631	86,445	5,783	-	76,138	-	81,920
Hamilton	8,490	-	204,802	213,292	7,332	-	211,895	219,227	7,291	-	200,088	-	207,379
Hardee	7,300	-	86,680	93,980	6,896	-	98,102	104,998	6,858	-	92,636	-	99,493
Hendry	22,016	-	254,352	276,368	21,743	-	300,976	322,719	21,623	-	284,205	-	305,828
Hernando	98,984	-	951,130	1,050,115	93,023	-	1,070,960	1,163,983	92,510	-	838,241	-	930,751
Highlands	38,811	-	415,855	454,665	26,116	-	335,285	361,401	25,972	-	316,602	-	342,575
Hillsborough	1,446,048	-	-	1,446,048	1,310,120	-	-	1,310,120	1,302,898	-	-	-	1,302,898
Holmes	3,668	-	44,546	48,214	4,754	-	138,364	143,118	4,728	-	130,654	-	135,382
Indian River	161,242	-	-	161,242	153,123	-	-	153,123	152,279	-	-	-	152,279
Jackson	12,306	-	146,564	158,871	10,584	-	151,025	161,608	10,525	-	142,609	-	153,134
Jefferson	5,219	-	126,443	131,662	5,071	-	73,598	78,669	5,043	-	69,497	-	74,540
Lafayette	5,182	-	126,310	131,492	4,882	-	142,584	147,467	4,855	-	134,639	-	139,495
Lake	279,501	-	-	279,501	297,633	-	-	297,633	295,992	-	-	-	295,992
Lee	1,043,576	-	-	1,043,576	964,890	-	-	964,890	959,571	-	-	-	959,571
Leon	232,044	-	-	232,044	218,940	-	-	218,940	217,733	-	-	-	217,733
Levy	7,561	-	88,266	95,827	7,305	-	102,176	109,481	7,265	-	96,483	-	103,748
Liberty	2,488	-	60,654	63,142	2,768	-	80,845	83,613	2,753	-	76,340	-	79,093
Madison	8,536	-	206,195	214,731	7,161	-	207,265	214,426	7,122	-	195,715	-	202,837
Manatee	242,814	-	-	242,814	247,110	-	-	247,110	245,748	-	-	-	245,748
Marion	223,344	-	-	223,344	268,291	-	-	268,291	266,812	-	-	-	266,812
Martin	196,005	-	-	196,005	148,574	-	-	148,574	147,755	-	-	-	147,755
Miami-Dade	2,057,249	-	-	2,057,249	2,717,051	-	-	2,717,051	2,702,073	-	-	-	2,702,073
Monroe	101,274	-	-	101,274	98,897	-	-	98,897	98,351	-	-	-	98,351
Nassau	45,005	-	464,924	509,929	37,690	-	466,505	504,196	37,483	-	457,309	-	494,792
Okaloosa	134,430	-	-	134,430	148,684	-	-	148,684	147,865	-	-	-	147,865
Okeechobee	10,768	-	125,480	136,248	12,882	-	179,853	192,735	12,811	-	169,832	-	182,643
Orange	1,097,089	-	-	1,097,089	1,349,496	-	-	1,349,496	1,342,056	-	-	-	1,342,056
Osceola	278,496	-	-	278,496	291,607	-	-	291,607	289,999	-	-	-	289,999
Palm Beach	1,216,617	-	-	1,216,617	1,285,661	-	-	1,285,661	1,278,574	-	-	-	1,278,574
Pasco	266,370	-	-	266,370	270,087	-	-	270,087	268,598	-	-	-	268,598
Pinellas	1,103,149	-	-	1,103,149	1,040,364	-	-	1,040,364	1,034,629	-	-	-	1,034,629
Polk	337,574	-	-	337,574	364,500	-	-	364,500	362,491	-	-	-	362,491
Putnam	21,165	-	238,839	260,004	28,866	-	390,275	419,140	28,706	-	368,528	-	397,234
Saint Johns	166,471	-	-	166,471	174,695	-	-	174,695	173,732	-	-	-	173,732
Saint Lucie	169,943	-	-	169,943	166,191	-	-	166,191	165,275	-	-	-	165,275
Santa Rosa	73,612	-	728,975	802,587	88,304	-	1,047,741	1,136,044	87,817	-	838,241	-	926,058
Sarasota	404,701	-	-	404,701	386,189	-	-	386,189	384,060	-	-	-	384,060
Seminole	217,413	-	-	217,413	236,500	-	-	236,500	235,196	-	-	-	235,196
Sumter	42,310	-	465,847	508,157	40,667	-	536,473	577,140	40,443	-	506,580	-	547,023
Suwannee	15,699	-	372,382	388,080	13,299	-	188,989	202,288	13,226	-	178,458	-	191,684
Taylor	10,248	-	122,214	132,462	9,664	-	138,085	147,749	9,611	-	130,390	-	140,001
Union	3,960	-	96,512	100,471	3,335	-	97,382	100,717	3,316	-	91,956	-	95,272
Volusia	528,085	-	-	528,085	662,403	-	-	662,403	658,752	-	-	-	658,752
Wakulla	8,667	-	102,894	111,561	9,547	-	135,806	145,353	9,495	-	128,238	-	137,733
Walton	29,946	-	-	29,946	34,597	-	-	34,597	34,407	-	-	-	34,407
Washington	6,540	-	78,366	84,906	6,036	-	86,653	92,689	6,003	-	81,825	-	87,827
Various Municipalities	790,114	-	-	790,114	815,027	-	-	815,027	810,534	-	-	-	810,534
Multicounty	-	2,298,092	-	2,298,092	-	2,424,526	-	2,424,526	-	2,474,526	-	-	2,474,526
Totals	18,901,982	2,298,092	9,519,190	30,719,264	19,832,044	2,424,526	8,462,631	30,719,200	19,722,717	2,474,526	8,521,957	-	30,719,200
% of Total	62%	7%	31%	100%	65%	8%	28%	100%	64%	8%	28%	-	100%

The following chart shows the amount of grants that would have been awarded in Fiscal Year 2007/08 and, for comparison purposes, the estimated awards for Fiscal Year 2008/09 using the current and proposed formulas and assuming a total grant appropriation of \$31,999,233 for both fiscal years.

County	2007-08 Original Grants (\$31,999,233 appropriation)				2008-09 Estimated Grants (assumes \$31,999,233 appropriation)								
	Operating Grants after Proration	Multicounty Grants	Equalization Grants	Total Grants	Using Present Formula				Using Proposed Formula				
					Operating Grants after Proration	Multicounty Grants	Equalization Grants	Total Grants	Operating Grant after Proration	Multicounty Grants	Equalization Grant	Total Grant	
Alachua	499,635	-	-	499,635	542,984	-	-	542,984	531,039	-	-	-	531,039

County	2007-08 Original Grants (\$31,999,233 appropriation)				2008-09 Estimated Grants (assumes \$31,999,233 appropriation)							
	Operating Grants after Proration	Multicounty Grants	Equalization Grants	Total Grants	Using Present Formula				Using Proposed Formula			
					Operating Grants after Proration	Multicounty Grants	Equalization Grants	Total Grants	Operating Grant after Proration	Multicounty Grants	Equalization Grant	Total Grant
Baker	5,198	-	62,645	67,843	5,146	-	69,793	74,939	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	157,711	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	1,014,580
Collier	320,886	-	-	320,886	279,502	-	-	279,502	273,354	-	-	273,354
Columbia	26,383	-	615,787	642,170	28,825	-	757,202	786,027	28,191	-	744,803	772,994
Desoto	5,492	-	64,789	70,281	7,854	-	104,278	112,132	7,682	-	102,571	110,253
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	110,302	7,922	-	100,527	108,449
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	54,524
Glades	2,566	-	30,967	33,533	1,453	-	19,727	21,180	1,421	-	19,404	20,825
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	-	300,975	324,121	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	970,019
Highlands	40,429	-	433,182	473,611	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	50,224	5,061	-	138,364	143,425	4,950	-	136,098	141,048
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	162,292	11,019	-	148,552	159,571
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	147,781	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	211,327
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	193,566	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	270,837	30,729	-	390,275	421,004	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	836,028	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	404,251	14,158	-	188,989	203,147	13,846	-	185,894	199,740
Taylor	10,675	-	127,306	137,981	10,288	-	138,085	148,373	10,062	-	135,824	145,886
Union	4,125	-	100,533	104,658	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	93,078	6,284	-	85,234	91,518
Various Municipalities	823,034	-	-	823,034	867,632	-	-	867,632	848,545	-	-	848,545
Multicounty	-	2,393,846	-	2,393,846	-	2,424,526	-	2,424,526	-	2,474,526	-	2,474,526
Totals	19,689,564	2,393,846	9,915,823	31,999,233	21,112,076	2,424,526	8,462,630	31,999,232	20,647,654	2,474,526	8,877,058	31,999,238
% of Total	62%	7%	31%	100%	66%	8%	26%	100%	65%	8%	28%	100%

(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.)

The Committee Substitute includes the amendment that was adopted by the Governmental Operations Committee on January 24, 2008, removing refer to the 2007/08 fiscal year and correcting a technical error related to the cap of equalization grants. It also clarifies how to factor in the cap of \$8.8 million when it does not fully fund equalization grants.

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.