

**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.)

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Prepared By: The Professional Staff of the Appropriations Committee on Transportation, Tourism, and Economic Development

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BILL: CS/SB 726

INTRODUCER: Governmental Oversight and Accountability Committee and Senator Rodriguez

SUBJECT: Library Cooperative Funding

DATE: March 20, 2023

REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Limones-Borja</u>	<u>McVaney</u>	<u>GO</u>	<u>Fav/CS</u>
2.	<u>Wells</u>	<u>Jerrett</u>	<u>ATD</u>	<u>Pre-meeting</u>
3.	_____	_____	<u>AP</u>	_____

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**Please see Section IX. for Additional Information:**

COMMITTEE SUBSTITUTE - Substantial Changes

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**I. Summary:**

CS/SB 726 removes the cap of \$400,000 for the annual grant to the library cooperatives for the purpose of sharing library resources.

The bill is not expected to impact state or local government revenues and expenditures.

The bill takes effect July 1, 2023.

**II. Present Situation:**

**The Division of Library and Information Services**

The Division of Library and Information Services (Division) was created within the Department of State (Department). The Division was designated as the state library administrative agency.<sup>1</sup> The Division is responsible for collecting, preserving, and providing public access to the published history of Florida.<sup>2</sup>

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<sup>1</sup> Section 257.12, F.S.

<sup>2</sup> Department of State, *About the State Library of Florida*, available at <https://dos.myflorida.com/library-archives/about-us/about-the-state-library-of-florida/> (Last visited Mar. 11, 2023).

### ***Allocation of State Funds***

State funds allocated to libraries must be expended only for library purposes in the manner prescribed by the Division. The Division must establish operating standards under which libraries and library cooperatives will be eligible to receive state funds<sup>3</sup> The Division is required to certify to the Chief Financial Officer the amount of funds paid to each county, municipality, special district, or special tax district on or before December 1 of each year.<sup>4</sup>

### **Library Cooperative Programs**

The Interstate Library Compact<sup>5</sup> provides that any two or more state library agencies may undertake and conduct joint or cooperative library programs. The legislative intent of the library cooperatives program is to:

- Meet the needs of state residents which cannot be met independently by local libraries;
- Build upon the strength of local libraries and to augment their resources with regional and statewide services;
- Maintain local autonomy and to make cooperation in regional or statewide activities voluntary; and
- Recognize programs of cooperation undertaken by libraries and provide for state financial assistance to encourage library cooperative development.<sup>6</sup>

The administrative unit of a library cooperative is eligible to receive an annual grant (i.e., a library cooperative grant) from the state of not more than \$400,000 for the purpose of sharing library resources. The grant is based upon an annually updated 5 year, long-range plan. The plan must include a description of how the cooperative will share technology and be submitted to the Division.<sup>7</sup> A resource sharing needs assessment must also be completed. The assessment must include:

- A description of the needs;
- Rationale for addressing or not addressing items on the assessment;
- Information on the activities to be completed during the grant cycle; and
- A timeline of all the proposed activities.<sup>8</sup>

The assessment coupled with the long-range plan must determine which resource sharing needs the library cooperative will address during the grant cycle.

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<sup>3</sup> Sections 257.15 and 257.41(2), F.S. Section 257.41(2), F.S., further providing that the division must issue a certificate to each library cooperative that meets the standards and rules established.

<sup>4</sup> Section 257.22, F.S.

<sup>5</sup> Section 257.28, F.S.

<sup>6</sup> Section 257.40, F.S.

<sup>7</sup> Section 257.42, F.S.

<sup>8</sup> Florida Department of State, Division of Library and Information Services, *Library Cooperative Grant Guidelines*, available at <https://files.floridados.gov/media/705355/cooperative-grant-guidelines-2022-2023.pdf> (Last visited Mar. 11, 2023).

Florida's five Library Cooperative Grant Program service areas are shown on the following map:<sup>9</sup>



### ***Grant Awards and Local Cash Match***

The total amount available to fund the Library Cooperative Grant Program depends on the amount appropriated by the Legislature. In recent years, the Legislature has appropriated \$2 million annually for library cooperative grants. This means each cooperative received the maximum \$400,000 grant. There is no administrative rule regarding equal distribution of funds among the library cooperatives. If the Legislature appropriates less than the amount requested by the Division, the amount appropriated will be prorated equally among the approved grantees.<sup>10</sup> The administrative unit of a library cooperative is eligible to receive an annual grant as specified in law and must provide local cash matching funds equal to 10 percent of the grant award. If a library cooperative does not show sufficient funds from local sources to meet the requirement of a 10 percent cash match in its grant application, the Division will reduce the grant to a level that will enable the library cooperative to meet the requirement.<sup>11</sup>

### ***Grant Agreement***

A grant agreement must be signed by both the grant recipient's governing body and the Division. Grant applications that are funded and any change requests will become a part of the grant agreement between the Division and the Grantee. Submission of a change request may necessitate an amendment to the grant agreement. No grant funds will be released before the grant agreement is executed between the Division and the grantee.

### ***Grant Payments***

Grant awards will be paid in five payments. Payments will be made upon satisfactory completion of the deliverables specified in the grant agreement. Payment requests and supporting documentation must be submitted on the Department Grants System. Any grant compliance

<sup>9</sup> Department of State, *Library Cooperative Grants*, available at <https://dos.myflorida.com/library-archives/library-development/funding/cooperative/> (Last visited Mar. 11, 2023).

<sup>10</sup> Section 257.21, F.S.

<sup>11</sup> See supra note 10.

issues must be resolved before a grant award agreement may be executed and before grant payments for any Department grant may be released.<sup>12</sup>

### ***Use of Grant Funds***

All grant and the local matching funds must be spent on resource sharing activities. Specifically the funds may be used for:

- Resource sharing activities;
- Consultation in relation to resource sharing;
- Facilitation in relation to resource sharing;
- Technology related to resource sharing;
- Training; and
- Operational costs.<sup>13</sup>

### **III. Effect of Proposed Changes:**

**Section 1** amends s. 257.42, F.S., to remove the \$400,000 cap on an annual library cooperative grant. Thus, if the Legislature appropriates more than \$2 million, the department will be able to allocate amounts over the current \$400,000 threshold.

**Section 2** provides the bill takes effect July 1, 2023.

### **IV. Constitutional Issues:**

#### **A. Municipality/County Mandates Restrictions:**

Not applicable. The mandate restrictions do not apply because the bill does not require counties and municipalities to spend funds, reduce counties' or municipalities' ability to raise revenue, or reduce the percentage of state tax shared with counties and municipalities.

#### **B. Public Records/Open Meetings Issues:**

None.

#### **C. Trust Funds Restrictions:**

None.

#### **D. State Tax or Fee Increases:**

None.

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<sup>12</sup> See supra note 10.

<sup>13</sup> See supra note 8.

E. Other Constitutional Issues:

None identified.

**V. Fiscal Impact Statement:**

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

A library cooperative will be permitted to receive a grant in excess of \$400,000.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

**VIII. Statutes Affected:**

This bill substantially amends section 257.42 of the Florida Statutes.

**IX. Additional Information:**

A. Committee Substitute – Statement of Substantial Changes:

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

**CS by Governmental Oversight and Accountability on March 7, 2023:**

The committee substitute retains the current law language referring to library cooperatives as grants, rather than appropriations. The CS removes the cap on the amount a library cooperative may receive as a grant.

B. Amendments:

None.