



Legislative Fiscal Bureau

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May 7, 2024

TO: Members
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: Children and Families: Request under s. 13.101(3) to Fund National Reading Program Grants -- Agenda Item V

On April 22, 2024, the Department of Children and Families (DCF) requested that the Committee transfer \$500,000 GPR in 2023-24 and \$500,000 GPR in 2024-25 from the Committee's program supplements appropriation to a DCF appropriation to fund national reading program grants.

BACKGROUND

2023 Act 19 (the 2023-25 budget act) created an annual, GPR-supported appropriation in DCF [s. 20.437 (1) (em)] to support national reading program grants. However, the Act provided no funding for DCF to fund grants. Instead, Act 19 reserved \$500,000 GPR in 2023-24 and 2024-25 in the Joint Finance Committee's supplemental appropriation [s. 20.865(4) (a)] for this purpose. Subsequent legislation (2023 Act 191) was enacted March 22, 2024, to establish the grant program.

Act 191 requires DCF to award grants of up to \$10,000 from s. 20.437 (1) (em) to nonprofit organizations for the provision of books to young children. A nonprofit organization is eligible for a grant as reimbursement for up to 50% of the costs it incurs in purchasing books in partnership with a national reading program to provide age-appropriate books to children from birth to age five at no cost, and regardless of their family income. According to DCF, qualifying nonprofit organizations could include various entities, such as community literacy groups, school districts, family resource centers, and the United Way.

Act 191 defined "national reading program" to mean a national program that has been in existence since at least 2003 and that mails age appropriate books to children from birth to age five at no cost and regardless of their family income. An example of such a national program would be Dolly Parton's Imagination Library.

ANALYSIS

In the letter submitted to the Committee, DCF requested a transfer of \$500,000 GPR in each of 2023-24 and 2024-25 from s. 20.865(4)(a) to the appropriation under s. 20.437(1)(em) to fund the national reading grant program. DCF anticipates distributing 45 to 50 awards to nonprofit organizations of \$10,000 each year.

DCF stated that it would use up to 5% of the funds, or \$25,000 annually, for administrative costs to develop and deliver the grant program in the Division of Early Care and Education (DECE). DCF indicates that DECE administration is primarily funded by the federal Child Care and Development Block Grant, which cannot be used for the purposes of a national reading grant program. Most administrative expenses are anticipated to be related to agency staff salary, fringe, and allocated per-position costs.

The Department's request is consistent with the Legislature's intent, as expressed in Act 19 and Act 191, to provide \$500,000 GPR annually, beginning in 2023-24, to support age-appropriate books to children from birth to age five at no cost to families, and regardless of family income. For this reason, the Committee could approve the DCF request (Alternative 1).

Alternatively, since there are two months left in state fiscal year 2023-24 and DCF will require time to establish the grant program, review grant applications, and award grants, the Committee could decide to provide annual funding for grants beginning in 2024-25, rather than in 2023-24. Under this option, \$500,000 GPR budgeted in the Committee's supplemental appropriation in 2023-24 would lapse to the general fund at the end of the 2023-25 biennium. (The Committee's GPR-supported program supplements appropriation is a biennial, rather than an annual appropriation, so unexpended moneys budgeted for supplements lapse to the general fund at the end of the second year of the biennium.)

Finally, Act 191 states that, "The department shall establish a program to under to award grants, from the appropriation under s. 20.437(1)(em), to nonprofit organizations for the provision of books to young children." Act 191 does not provide for administrative funding for the program; nor does the Department mention this in its fiscal note to the SB 707, which was enacted as Act 191. Given, this, the Committee could deny the Department's request of \$25,000 annually for administrative funding (Alternative 3), If no administrative funding were provided, the Department would need to operate the program from its existing resources.

ALTERNATIVES

1. Approve the Department's request to transfer \$500,000 GPR in 2023-24 and \$500,000 in 2024-25 from the Committee's program supplements appropriation under s. 20.865(4)(a) to the DCF appropriation under s. 20.437(1)(em) in 2023-24 and 2024-25 to fund national reading program grants to nonprofit organizations.

2. Transfer \$500,000 GPR in 2024-25 from the Committee's program supplements appropriation under s. 20.865(4)(a) to the DCF appropriation under s. 20.437(1)(em) in 2024-25 to

fund national reading program grants to nonprofit organizations. Lapse \$500,000 GPR from the Committee's program supplements appropriation to the general fund in 2024-25.

3. Under either alternative 1 or 2, do not provide administrative funding for the program. All funding would be used solely for grants.

Prepared by: John Gentry