

## HOUSE OF REPRESENTATIVES STAFF ANALYSIS

**BILL #:** CS/HB 131 Homelessness

**SPONSOR(S):** Health & Human Services Access Subcommittee; Reed and others

**TIED BILLS:** **IDEN./SIM. BILLS:**

| REFERENCE                                       | ACTION           | ANALYST   | STAFF DIRECTOR or<br>BUDGET/POLICY CHIEF |
|---|------------------|-----------|--|
| 1) Health & Human Services Access Subcommittee  | 10 Y, 0 N, As CS | Batchelor | Schoolfield                              |
| 2) Transportation & Highway Safety Subcommittee |                  |           |  |
| 3) Appropriations Committee                     |                  |           |  |
| 4) Health & Human Services Committee            |                  |           |  |

### SUMMARY ANALYSIS

The bill creates and revises multiple sections of Florida Statutes relating to homelessness. The bill:

- Authorizes the collection of voluntary contributions in the amount of \$1 to be added to motor vehicle registration and drivers license fees, both initial and renewal fees, to aid the homeless.
- Replaces s.414.16, F.S., as it relates to Emergency Financial Assistance Program for Families with s. 414.161, F.S., establishing a homeless prevention grant program to be administered by local homeless continuums of care to provide emergency financial assistance to families facing the loss of their current home due to financial or other crises.
- Limits the amount a lead agency may spend on administrative costs under a Challenge Grant.

The Department of Children and Families estimates a savings of \$170,000 from the replacement of the Emergency Financial Assistance Grant with the Homeless Prevention Grant.

The bill provides an effective date of July 1, 2011.

## FULL ANALYSIS

### I. SUBSTANTIVE ANALYSIS

#### A. EFFECT OF PROPOSED CHANGES:

##### **Background**

The Council on Homelessness (council) and the State Office on Homelessness (office) were created in 2001 within the Department of Children and Family Services (DCF)<sup>1</sup>. The office coordinates state agency responses to homelessness, serves as a single point of contact on homeless issues in the state, and administers state-funded grant programs that support the activities of the 27 local homeless coalitions<sup>2</sup>. The 17-members council is comprised of representatives of state agencies, counties, homeless advocacy organizations, and volunteers.<sup>3</sup> The council's duties include developing policy and advising the office.<sup>4</sup>

The office administers all homelessness grants through lead agencies. The lead agency has the responsibility for continuum of care plans, community based plans that help communities or regions envision, plan and implement comprehensive and long term solutions to the problem of homelessness in the community.<sup>5</sup> Lead agencies are also authorized applicants for the Challenge Grant and the Homeless Housing Assistance Grant. If a grant is awarded; the lead agency becomes the grantee and is responsible for the financial and performance accountability of the agencies funded by the respective grant.<sup>6</sup>

The office administers two federal and three state grant programs to address the problem of homelessness:

##### *The Emergency Shelter Grant*<sup>7</sup>

This is a federal grant program to improve the quality and quantity of emergency shelters and transitional facilities for homeless persons. Funding is available annually and is awarded by DCF through a grant application process. Non-profit agencies and government entities are eligible to apply for the funds.

##### *Homeless Prevention and Rapid Re-Housing Program*<sup>8</sup>

The Homeless Prevention and Rapid Re-Housing Program, is a one-time federal grant program, funded by the American Recovery and Reinvestment Act of 2009, and funds must be used by September 30, 2012. This grant aims to help homeless families move into rental housing, and current renters whose families are facing eviction because of past due rent or utilities.

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<sup>1</sup> Chapter 2001-98, L.O.F

<sup>2</sup> s.420.622(3), F.S.

<sup>3</sup> s.420.622(2), F.S.

<sup>4</sup> *Id*

<sup>5</sup> s. 420.642(2), F.S.

<sup>6</sup> Email from Joe Anson from DCF (HB 131 Questions) dated 2/3/2011 (on file with committee staff)

<sup>7</sup> *Id*

<sup>8</sup> *Id*

### *Emergency Financial Assistance Program*

This is a state grant program to provide support to families, with at least one minor child, who are currently without shelter or face the loss of shelter because of the following:<sup>9</sup>

- Nonpayment of rent or mortgage resulting in eviction or notice of eviction;
- Household disaster, which renders the home uninhabitable;
- Other emergency situations defined in rule.<sup>10</sup>

Families may receive up to \$400 during 1 period of 30 consecutive days in any 12 consecutive months.<sup>11</sup> DCF serves approximately 4,000 families a year under this program and utilizes OPS staff to assess eligibility and process payments.<sup>12</sup> The fiscal year 2010-2011 appropriation for this grant program is \$4,610,380.

### *Housing Assistance Grants*

This state grant program provides homeless housing assistance grants up to \$750,000 annually to lead agencies to acquire, construct, or rehabilitate transitional or permanent housing units for homeless persons.<sup>13</sup> Administrative costs are capped at 5% of the funds awarded.<sup>14</sup> The fiscal year 2010-2011 appropriation for this grant program is \$3,250,000.

### *Challenge Grant*

The challenge grant is a state program which includes grants of up to \$500,000 to lead agencies who have developed and implemented a local homeless assistance continuum of care plan to provide services including outreach, emergency shelter, support services, and permanent shelter in the area.<sup>15</sup> The state currently has 28 local homeless Continuum of Care planning areas that receive state aid in grant assistance. Currently, state law does not provide for a limit on or use of grant funds for grant administration costs incurred by lead agencies. The fiscal year 2010-2011 appropriation for this grant program is \$2,031,354.

### **Housing First**

The 2009 Legislature established the Housing First Method in s. 420.6275, F.S., to address the long term needs of homeless individuals and families.<sup>16</sup> Solutions to homelessness in both the public and private sectors have primarily been focused on providing individuals and families experiencing homelessness with housing.<sup>17</sup> While emergency shelter may provide access to services for individuals and families in crisis, it often fails to address long-term needs.<sup>18</sup> The “housing first” approach is premised on the belief that vulnerable and at-risk individuals and families who are homeless are more responsive to interventions and social services support after they are in their own housing, rather than while living in temporary/transitional facilities or housing programs.<sup>19</sup>

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<sup>9</sup> s.414.16, F.S.

<sup>10</sup> s.414.16(1), F.S.

<sup>11</sup> 65A-33.011, F.A.C

<sup>12</sup> Staff Analysis (HB 131), Department of Children and Families. (On file with committee staff).

<sup>13</sup> s.420.622(5), F.S.

<sup>14</sup> s. 420.62295)(f), F.S.

<sup>15</sup> s. 420.622(4), F.S.

<sup>16</sup> HB 597 (2009)

<sup>17</sup> s. 420.6275(1)(b), F.S.

<sup>18</sup> *Id*

<sup>19</sup> Beyond Shelter. Founded in 1998. The mission of Beyond Shelter is to develop systematic approaches to combat poverty and homelessness among families with children and enhance family economic security and well-being.

## **Voluntary Checkoffs**

Voluntary checkoffs provide the opportunity for citizens to make a voluntary donation by checking a box on a form when registering a vehicle or applying for a drivers license. Current statute provides that an organization must seek authorization from the Department of Highway Safety and Motor Vehicles (DHSMV) prior to establishing a voluntary contribution check off. Organizations must submit the request to DHSMV, pay an application fee and submit a marketing strategy prior to seeking Legislative authorization for the creation of a new voluntary contribution fee on motor vehicle registration applications.<sup>20</sup>

Additionally, current statute provides that an organization must seek authorization from the Department of Highway Safety and Motor Vehicles (DHSMV) prior to establishing a voluntary contribution check off. Organizations must submit the request to DHSMV, pay an application fee and submit a marketing strategy prior to seeking Legislative authorization for the creation of a new voluntary contribution fee on driver's license applications.<sup>21</sup>

The Department of Highway Safety and Motor Vehicles must discontinue the check-off if less than \$25,000 has been contributed by the end of the fifth year, or if less than \$25,000 is contributed during any subsequent 5-year period.<sup>22</sup>

## **Effect of Proposed Changes**

The bill authorizes the collection of voluntary contributions in the amount of \$1.00 to be added to the motor vehicle and drivers license fees - initial and renewal fees - to aid the homeless. The bill does not require the voluntary contributions be subject to the check-off procedures and limitations of s. 320.023, F.S., and s. 322.081, F.S. Funds will be placed in a grants and donations trust fund for use by the office to supplement Challenge Grants and Homeless Housing Assistance Grants and to provide information on homelessness to the public. The effect of this change is estimated to generate an additional \$20,000 a year.<sup>23</sup>

The bill repeals s.414.16, F.S., relating to the Emergency Assistance Program and replaces it with a Homelessness Prevention Grant Program under s.414.161, F.S. The new program will be administered by the Office on Homelessness at DCF, with the concurrence of the Council on Homelessness. The office may provide prevention grants through contracts with local lead agencies for homeless assistance continuums of care. The bill specifies the grant application process and certain preferences for applicants who can leverage additional funds and demonstrate effective programs. Eligibility for the grant program is limited to lead agencies who have implemented a local homeless assistance plan for their area. The grants are capped at \$300,000 and may be used to assist families facing the loss of their current home to pay past due rent and mortgage payments, past due utility bills, and case management. Program administrative costs are capped at 3 percent of the grant award.

The bill caps administrative costs for lead agencies administering Challenge Grants at 8 percent. Challenge Grant awards are up to \$500,000 per lead agency.

The bill amends s.420.6275, F.S. as it relates to the Housing First Methodology, deleting the requirement for the homeless individual or household to complete a background check and any rehabilitation services for alcoholism or substance abuse as a condition of permanent housing. The Housing First Methodology seeks to place the homeless individual into permanent housing as quickly as possible.

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<sup>20</sup> s. 320.023, F.S.

<sup>21</sup> s. 322.081, F.S.

<sup>22</sup> s.320.023 (4)(a), F.S and s. 322.081(4)(a), F.S.

<sup>23</sup> Staff Analysis (HB 131), Department of Children and Families. (On file with committee staff).

**B. SECTION DIRECTORY:**

**Section 1:** Amends s. 320.02, F.S, relating to registration required; application for registration; forms.

**Section 2:** Amends s. 322.08, F.S, relating to application for license; requirements for license and identification card forms.

**Section 3:** Amends s. 322.18, F.S, relating to original applications, licenses, and renewals; expiration of licenses; delinquent licenses.

**Section 4:** Creates s. 414.161, F.S, relating to Homelessness Prevention Grants Program.

**Section 5:** Amends s. 420.622, F.S, relating to State Office on Homelessness; Council on Homelessness.

**Section 6:** Amends s. 420.625, F.S, relating to Grant in aid program.

**Section 7:** Amends s. 420.6275, F.S, relating to the Housing First Methodology.

**Section 8:** Repeals s. 414.16, F.S., relating to the Emergency assistance program.

**Section 9:** Provides an effective date of July 1, 2011

**II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT**

**A. FISCAL IMPACT ON STATE GOVERNMENT:**

1. Revenues:

It is expected that the voluntary contributions will increase revenues for aid to the homeless. However, an exact amount is not known. DCF estimates revenue of approximately \$20,000 a year, based on the history of other voluntary contributions.<sup>24</sup>

2. Expenditures:

None.

**B. FISCAL IMPACT ON LOCAL GOVERNMENTS:**

1. Revenues:

None.

2. Expenditures:

None.

**C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:**

None.

**D. FISCAL COMMENTS:**

DCF estimates \$170,000 will be saved and 5 OPS positions will be eliminated by replacing the Emergency Assistance Program with the Homelessness Prevention Program.<sup>25</sup>

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<sup>24</sup> Staff Analysis (HB 131), Department of Children and Families. (On file with committee staff).

<sup>25</sup> Email from Joe Anson from DCF (HB 131 Questions) dated 2/3/2011 (on file with committee staff)

### **III. COMMENTS**

#### **A. CONSTITUTIONAL ISSUES:**

1. Applicability of Municipality/County Mandates Provision:

Not applicable. This bill does not appear to affect county or municipal governments.

2. Other:

#### **B. RULE-MAKING AUTHORITY:**

None

#### **C. DRAFTING ISSUES OR OTHER COMMENTS:**

### **IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES**

On April 5, 2011, the Health and Human Services Access Subcommittee adopted one amendment to House Bill 131.

The amendment is a technical amendment, replacing the word "it" on line 145 with the Department of Children and Family Services.

The bill was reportedly favorably as a Committee Substitute. This analysis reflects the committee substitute.