

**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 Children, Families, and Elder Affairs Committee

BILL: SB 1130

INTRODUCER: Senator Storms

SUBJECT: Homelessness

DATE: January 18, 2012      REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Preston	Farmer	CF	<b>Pre-meeting</b>
2.	_____	_____	TR	_____
3.	_____	_____	BC	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

**I. Summary:**

The bill creates and revises multiple sections of Florida Statutes relating to homelessness. Specifically the bill contains the following provisions:

- Authorizes the collection of voluntary contributions in the amount of \$1 to be added to motor vehicle registration and driver’s license fees, both initial and renewal fees, to aid the homeless;
- Exempts the Department of Children and Family Services (DCF or department) and/or the State Office on Homelessness from the required \$10,000 application fee;
- Replaces the current emergency assistance program with newly created homeless prevention grants;
- Limits the amount a lead agency may spend on administrative costs under a Challenge Grant; and
- Removes the requirement that a background check and any necessary rehabilitation relating to an addiction must be completed to be eligible for services under Housing First.

This bill substantially amends ss. 320.02, 322.08, 322.18, 420.622, 420.625, 420.6275, creates s. 414.161, and repeals s. 414.16, of the Florida Statutes:

**II. Present Situation:**

**Background**

*The Council on Homelessness and the State Office on Homelessness*

The Council on Homelessness (council) and the State Office on Homelessness (office) were created in 2001 within the department.<sup>1</sup> The 17-member council is comprised of representatives of state agencies, counties, homeless advocacy organizations, and volunteers.<sup>2</sup> The council's duties include developing policy and advising the office.<sup>3</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>4</sup> The office administers all homelessness grants through lead agencies. The lead agency has the responsibility for continuum of care 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.

### ***Emergency Financial Assistance Program***

This state grant program provides 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>6</sup>

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

Families may receive up to \$400 during 1 period of 30 consecutive days in any 12 consecutive months.<sup>7</sup> DCF serves approximately 2,000 families a year under this program and utilizes OPS staff to assess eligibility and process payments.<sup>8</sup>

### ***Homeless 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>9</sup> Administrative costs are capped at 5% of the funds awarded.<sup>10</sup>

### ***Challenge Grant***

This state grant program 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>11</sup> The

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

<sup>2</sup> s. 420.622, F.S.

<sup>3</sup> *Id.*

<sup>4</sup> *Id.*

<sup>5</sup> s. 420.642, F.S.

<sup>6</sup> s. 414.16, F.S.

<sup>7</sup> 65A-33.011, F.A.C.

<sup>8</sup> Department of Children and Family Services. Staff Analysis and Economic Impact. SB 1130. November 2, 2011.

<sup>9</sup> s. 420.622, F.S.

<sup>10</sup> *Id.*

<sup>11</sup> *Id.*

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.

### ***Housing First***

For much of the past 20 years, solutions to homelessness in both the public and private sectors have focused on providing individuals and families experiencing homelessness with emergency shelter and/or transitional housing. While emergency shelter may provide access to services for individuals and families in crisis, it often fails to address long-term needs. In addition, emergency shelters and transitional programs rarely assist individuals and families in overcoming the barriers they face in accessing permanent housing, such as poor credit and eviction histories, unemployment, and lack of move-in funds. For those individuals and families who do find permanent housing, the vast majority require a range of supportive services if they are to become and remain stable.<sup>12</sup>

As states and communities continue to search for solutions to the problem of homelessness, an increasing number are looking at a methodology known as Housing First. “Housing First” or “rapid re-housing” is an alternative to the current system of emergency shelter/transitional housing. The methodology 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>13</sup>

### ***Voluntary Contributions***

The voluntary contributions process provides the opportunity for citizens to make a voluntary donation by checking a box on a form when registering a vehicle or renewing a registration, as well as applying for a driver’s license or replacement.<sup>14</sup>

An organization that desires to have a voluntary contribution on a form issued by the Department of Highway Safety and Motor Vehicles (DHSMV) must be specifically authorized by Florida Statutes. Section 320.023, F.S., establishes requirements for organizations seeking authorization to establish a voluntary contribution on motor vehicle registration application forms, and s. 322.081, F.S., establishes similar requirements for driver’s license applications. Both sections require the following:

- A request for the particular voluntary contribution being sought, describing the proposed voluntary contribution in general terms;

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<sup>12</sup> Beyond Shelter. Founded in 1988, the mission of Beyond Shelter is to develop systemic approaches to combat poverty and homelessness among families with children and enhance family economic security and well-being. Retrieved January 14, 2012 from [http://www.beyondshelter.org/aaa\\_initiatives/ending\\_homelessness.shtml](http://www.beyondshelter.org/aaa_initiatives/ending_homelessness.shtml).

<sup>13</sup> *Id.*

<sup>14</sup> Currently, s. 320.02(8)(14) and (15), F.S., 320.08047, F.S., and 328.72(11) and (16), F.S., provide motor vehicle registration applicants with an opportunity to make voluntary contributions to twenty choices. Section. 322.08(7), F.S., provides driver license applicants with an opportunity to make voluntary contributions to fifteen choices.

- An application fee, not to exceed \$10,000 to defray the department's cost for reviewing the application and developing the voluntary contribution checkoff, if authorized. State funds may not be used to pay the application fee; and
- A marketing strategy outlining short-term and long-term marketing plans for the requested voluntary contribution and a financial analysis outlining the anticipated revenues and the planned expenditures of the revenues to be derived from the voluntary contribution.

This information must be submitted to the Department at least 90 days before the convening of the next regular session of the Legislature.

Chapter 2010-223, Laws of Florida, provides that the DHSMV may not establish any new voluntary contributions on the motor vehicle registration application form under s. 320.023, F.S., or the driver's license application form under s. 322.081, F.S., between July 1, 2010, and July 1, 2013. However, the DHSMV may establish a voluntary contribution for an organization that has:

- Submitted a request to the department before May 1, 2010, to establish a voluntary contribution on a motor vehicle registration application under s. 320.023, F.S., or a driver's license application under s. 322.081, F.S.; and
- Submitted a valid financial analysis, marketing strategy, and application fee before September 1, 2010; or
- Filed a bill during the 2010 Legislative Session to establish a voluntary contribution and have met the requirements of s. 320.023 or s.322.081, F.S.<sup>15</sup>

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

#### **Voluntary Contributions**

The bill authorizes the collection of voluntary contributions in the amount of \$1.00 to be added to the motor vehicle and driver's license fees - initial and renewal fees - to aid the homeless. The bill does not require the voluntary contributions be subject to the procedures and limitations of ss. 320.023, F.S., and 322.081, F.S., including payment of the application fee. 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.

There is currently a moratorium on the establishment of any new voluntary contributions on motor vehicle registration application and driver's license application forms which does not end until July 1, 2013. According to the DHSMV, neither the Department of Children and Family Services or the State Office of Homelessness has met the moratorium requirements set above.<sup>16</sup>

#### **Grant Programs**

<sup>15</sup> Ch. 2010-223, L.O.F.

<sup>16</sup> Department of Highway Safety and Motor Vehicles. Agency Bill Analysis. SB 1130. November 15, 2011.

The bill repeals provisions relating to the Emergency Assistance Program and replaces it with a Homelessness Prevention Grant Program. 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 may be up to \$500,000 per lead agency.

### **Housing First**

The bill removes the requirement that a background check and any necessary rehabilitation relating to an addiction must be completed to be eligible for services under a Housing First program.

## **IV. Constitutional Issues:**

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

None.

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

None.

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

None.

### **D. Other Constitutional Issues:**

## **V. Fiscal Impact Statement:**

### **A. Tax/Fee Issues:**

None.

### **B. Private Sector Impact:**

**C. Government Sector Impact:**

According to DCF, the voluntary contributions from motor vehicle registrations and renewals, and original or renewal driver's licenses could provide an estimated \$20,000.

According to the DHSMV, the cost to the department to redesign the application form for motor vehicle registration and renewal is approximately \$10,000 and the cost to redesign the application form for driver's licenses is also \$10,000. Generally, the impact is offset by the \$10,000 application fee that the organization is required to pay per ss. 320.023 and 322.080, F.S.. However, this bill is written to exempt the sponsoring organization from paying the required \$10,000 application fee. Consequently, the Department would have to absorb the costs associated with implementing this voluntary contribution.

Therefore, the DHSMV would realize a \$20,000 fiscal impact associated with implementing the provisions of the bill relating to voluntary contributions.

**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:**

None.