

**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 Committee on Appropriations

**BILL:** CS/SB 402

**INTRODUCER:** Rules Committee and Senator Joyner

**SUBJECT:** Homelessness

**DATE:** April 19, 2013      **REVISED:** \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Hendon	Hendon	CF	<b>Favorable</b>
2.	Everette	Eichin	TR	<b>Fav/1 amendment</b>
3.	Hendon	Phelps	RC	<b>Fav/CS</b>
4.	Brown	Hansen	AP	<b>Favorable</b>
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

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

A. COMMITTEE SUBSTITUTE.....  Statement of Substantial Changes

B. AMENDMENTS.....  Technical amendments were recommended

Amendments were recommended

Significant amendments were recommended

**I. Summary:**

CS/SB 402 allows for a voluntary contribution to support grants to assist the homeless. Specifically, the bill:

- Authorizes the Department of Highway Safety and Motor Vehicles (DHSMV) to collect a voluntary contribution of \$1 through motor vehicle registration and driver license fees, both initial and renewal fees, to aid the homeless;
- Exempts the Department of Children and Families (DCF) and/or the State Office on Homelessness from the required \$10,000 to process the application;
- Replaces the current emergency assistance program with a newly-created homeless prevention grant program; and
- Limits the amount a lead agency may spend on administrative costs under a Challenge Grant.

The bill has a negative fiscal impact to the DHSMV's Highway Safety Operating Trust Fund which can be absorbed within existing resources.

The bill has an effective date of October 1, 2013.

The bill substantially amends the following sections of the Florida Statutes: 320.02, 322.08, 322.18, 420.622, and 420.625.

The bill creates section 414.161, Florida Statutes.

The bill repeals section 414.16, Florida Statutes.

## II. Present Situation:

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

The Council on Homelessness (council) and the State Office on Homelessness (SOH) were created in 2001 within the DCF.<sup>1</sup> The council comprises 17 representatives of state agencies, counties, homeless advocacy organizations, and volunteers.<sup>2</sup> The council is to develop policy and advise the SOH.<sup>3</sup>

The SOH 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 SOH 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.<sup>5</sup> Lead agencies are also authorized applicants for the Challenge Grant and the Homeless Housing Assistance Grant.

### **Emergency Financial Assistance (EFA) Program**

The EFA is a grant program that provides support to families, with at least one minor child, currently without shelter or facing 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 that renders the home uninhabitable; or
- Other emergency situations defined in rule.

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

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<sup>1</sup> Chapter 2001-98, Laws of Fla.

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

<sup>3</sup> Id.

<sup>4</sup> Id.

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

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

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

<sup>8</sup> Department of Children and Families Services, *Staff Analysis and Economic Impact. SB 1130* (Nov. 2, 2011) (On file with the Senate Committee on Children, Families, and Elder Affairs.)

## 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 five percent of the funds awarded.<sup>10</sup>

## Challenge Grant

This program provides grants of up to \$500,000 to lead agencies who have developed and implemented a local homeless assistance continuum of care plan. The plan must detail how outreach, emergency shelter, support services, and permanent shelter will be provided in the area.<sup>11</sup> The state currently has 28 local homeless continuum of care planning areas that receive state grants. Currently, state law does not provide for a limit on the use of grant funds for administrative costs incurred by lead agencies.

## Voluntary Contributions

The voluntary contributions process provides the opportunity for citizens to make a donation by checking a box on a form when registering a vehicle or renewing a registration, as well as applying for a new replacement or driver license.<sup>12</sup>

An organization that desires to receive a voluntary contribution must be specifically authorized by Florida Statutes. Section 320.023, F.S., establishes requirements for organizations seeking to establish a voluntary contribution on motor vehicle registration application forms, and s. 322.081, F.S., establishes similar requirements for driver license applications. Both sections require the following:

- A request for the voluntary contribution being sought, describing the voluntary contribution in general terms.
- An application fee, not to exceed \$10,000, to defray the DHSMV's cost for reviewing the application and developing the voluntary contribution check off, if authorized. State funds may not be used to pay the application fee.
- A marketing strategy outlining short-term and long-term marketing plans for the contribution and a financial analysis outlining the anticipated revenues and the planned expenditures of the revenues to be derived from the contributions.

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

Chapter 2010-223, L.O.F., provides that the DHSMV may not establish new voluntary contributions on the motor vehicle registration application form under s. 320.023, F.S., or the

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

<sup>10</sup> Id.

<sup>11</sup> Id.

<sup>12</sup> Currently, Section 320.02(8)(14) and (15), F.S.; Section 320.08047, F.S., and Section 328.72(11) and (16), F.S., provide motor vehicle registration applicants with 20 options for voluntary contributions. Section 322.08(7), F.S., provides driver license applicants with 15 options for voluntary contributions.

driver license application form under s. 322.081, F.S., between July 1, 2010, and July 1, 2013. However, DHSMV may establish a voluntary contribution for an organization that has:

- Submitted a request to the DHSMV before May 1, 2010, to establish a voluntary contribution on a motor vehicle registration application under s. 320.023, F.S., or a driver 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>13</sup>

### III. Effect of Proposed Changes:

#### Voluntary Contributions

**Sections 1, 2, and 3** of the bill authorize the collection of voluntary contributions in the amount of \$1 to be added to the motor vehicle and driver license fees — initial and renewal fees — to aid the homeless. The bill does not require that 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 the Grants and Donations Trust Fund within the DCF for use by the SOH 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 license application forms until July 1, 2013.<sup>14</sup> According to the DHSMV, neither the DCF nor the SOH has met the moratorium requirements set above.<sup>15</sup>

#### Grant Programs

**Sections 4 through 7** of the bill repeal provisions relating to the Emergency Assistance Program and replace 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 on Homelessness 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 which have implemented a local homeless assistance plan for their areas. The grants are capped at \$300,000 and may be used to assist families facing the loss of their current home in paying past due rent and mortgage payments, past due utility bills, and case management. Program administrative costs are capped at three percent of the grant award.

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<sup>13</sup> Chapter 210-223, Laws of Fla.

<sup>14</sup> This bill, however, circumvents the moratorium requirements in Sections 320.023 and 322.081, F.S.

<sup>15</sup> Department of Highway Safety and Motor Vehicles. *Agency Bill Analysis SB 1130*. (November 15, 2011.) (On file with the Senate Committee on Children, Families, and Elder Affairs.)

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

**Section 8** provides for an effective date of October 1, 2013.

**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:

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

B. Private Sector Impact:

None.

C. Government Sector Impact:

The DHSMV estimates that the costs to redesign the application forms associated with a motor vehicle registration/renewal transaction and the issuance of an original, replacement, or renewal of a driver license/identification card under the bill are \$65,600 for the 2013-2014 fiscal year. Additionally, the bill exempts the sponsoring organization from paying the required \$10,000 application fee normally required for each of the motor vehicle registration and driver license/identification card applications. These costs can be absorbed within existing resources via the DHSMV's Highway Safety Operating Trust Fund.

**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.)

**CS/SB 402 by Rules Committee on April 9, 2013:**  
Changed the bill’s effective date to October 1, 2013.

- B. **Amendments:**

None.

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This Senate Bill Analysis does not reflect the intent or official position of the bill’s introducer or the Florida Senate.

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