

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 Appropriations Subcommittee on Transportation, Tourism, and Economic Development

BILL: SB 1610

INTRODUCER: Senator Montford and others

SUBJECT: Emergency Mitigation and Response

DATE: April 15, 2019 REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Proctor	Miller	IS	Favorable
2.	McAuliffe	Hrdlicka	ATD	Pre-meeting
3.			AP	

I. Summary:

SB 1610 is a bill relating to emergency mitigation and response. The bill:

- Creates a Hurricane Michael Recovery Task Force to review local, state and federal activities related to disaster response, recovery, and mitigation and to make recommendations to the legislature regarding additional assistance needs;
- Requires the Division of Emergency Management (DEM) to conduct an after-action report on shelter operations during Hurricane Michael;
- Requires the DEM to contract to conduct a statewide study for communities' needs for emergency operations centers;
- Creates the Hurricane Housing Recovery Program within the Florida Housing Finance Corporation (FHFC) to respond to housing needs after hurricanes;
- Directs the Department of Economic Opportunity (DEO) to include a shelter retrofit or repair program as a portion of any mitigation funds received from the federal Department of Housing and Urban Development (HUD);
- Directs the DEO to include single family housing recovery programs in any funding from HUD specifically for Hurricane Michael;
- Directs the Florida Building Commission to make recommendations to strengthen and enhance the building codes for storm impacts;
- Creates a loan program for local governments and school boards to repair or restore damaged facilities;
- Expands the use of the Agricultural Loan Program, and allows for individuals affected by Hurricane Michael to apply; and
- Allows third graders advancing and seniors graduating high school to advance or graduate without meeting assessment requirements in areas impacted by Hurricane Michael.

The bill has a nonrecurring fiscal impact of \$15.3 million from the General Revenue Fund and \$300 million from the Budget Stabilization Fund.

The bill takes effect upon becoming law.

II. Present Situation:

Task Force Requirements under Section 20.03, Florida Statutes

Section 20.03(8), F.S., defines “task force” to mean an “advisory body created without specific statutory enactment for a time not to exceed 1 year or created by specific statutory enactment for a time not to exceed three years and appointed to study a specific problem and recommend a solution or policy alternative related to that problem.” This provision specifies that the existence of the task force terminates upon the completion of its assignment.

Statewide Public Emergency Shelters

Sections 1013.372(2) and 252.385(2)(b), F.S., require the DEM to prepare a Statewide Emergency Shelter Plan.¹ The plan is a guide for local emergency planning and provides advisory assistance to school districts contemplating construction of educational facilities and the need to provide public shelter space within those facilities. The plan is submitted to the Governor and Cabinet for approval by January 31 of each even-numbered year and must:

- Identify the general location and square footage of existing general population (GP) and special needs shelter (SpNS) space, by Regional Planning Council (RPC) regions;
- Identify the general location and square footage of needed shelters by RPC regions for the next 5 years;
- Provide information on the availability of shelters that accept pets;
- Identify the types of facilities which should be constructed to comply with the public shelter design criteria; and
- Recommend an appropriate and available source of funding for the additional cost of constructing emergency shelters within those public facilities.

Community Development Block Grant – Disaster Recovery Program (CDGB-DR)

“When the President declares a major disaster, Congress may appropriate funds to the Department of Housing and Urban Development (HUD) when there are significant unmet needs for long-term recovery.”² The appropriation is limited to providing the assistance in the most

¹ Division of Emergency Management, *2018 Statewide Emergency Shelter Plan*, <https://www.floridadisaster.org/dem/response/infrastructure/statewide-emergency-shelter-plan/> (last visited April 10, 2019).

² U.S. Department of Housing and Urban Development, *Fact Sheet: Community Development Block Grant Disaster Recovery (CDBG-DR)*, <https://www.hudexchange.info/resources/documents/CDBG-DR-Fact-Sheet.pdf>; see also HUD, *CDBG-DR Overview Presentation*, <https://www.hudexchange.info/resources/documents/CDBG-Disaster-Recovery-Overview.pdf> (last visited April 11, 2019). For a comparison of the traditional CDBG program and the DR program, see HUD, *CDBG and CDBG-DR: A Comparison*, <https://www.hudexchange.info/resources/documents/CDBG-and-CDBG-DR-Comparison.pdf> (last visited April 11, 2019).

impacted and distressed areas. “Each CDBG-DR award/allocation method is published in a Federal Register Notice, which also contains information on:

- Eligible Recovery Activities.
- Program Requirements, including distribution of funds to be spent in low and moderate income communities.
- Appropriation Specific Waivers and Alternative Requirements.”³

Traditionally CDBG-DR grants support a variety of disaster recovery activities including housing redevelopment and rebuilding, business assistance, economic revitalization, and infrastructure repair.

Once awarded funds, the state develops an “action plan” of recovery efforts to address the impacts of the disaster; the initial action plan also includes evaluation of “unmet needs” for which additional funding could be provided.⁴ The action plan must include a citizen participation plan which describes how the public will be informed and engaged throughout the grant’s lifecycle.⁵ Funds must be used within 6 years of the executed agreements between the U.S. Department of Housing and Urban Development (HUD) and the Department of Economic Opportunity.

Historically in Florida, the DEO formulates the use of funds by taking comment from the public and local communities to develop the plan. The needs of the impacted communities and the limitations in the Federal Register notice will set the action plan for use of the funds.

2016 Hurricanes Hermine and Matthew⁶

In January 2017, the DEO was awarded \$58.6 million in CBGB-DR funds by the HUD to address damages from Hurricanes Hermine and Matthew. In August 2017, HUD awarded an additional \$59.3 million to address additional unmet needs remaining from the hurricanes. The total award for CDBG-DR for the 2016 hurricanes is \$117.9 million. The DEO’s action plan for all funds was approved June 1, 2018 (original execution was June 20, 2017).

2017 Hurricane Irma⁷

In September 2017, DEO was awarded \$616 million in CDBG-DR grants to address damage from Hurricane Irma. In April 2018, HUD awarded an additional \$157,676,000 to address additional unmet needs remaining from Hurricane Irma. The total award for CDBG-DR for the 2017 hurricane is \$773 million. The DEO’s action plan for all funds was approved in March 2019 (original execution was in June 2018).

³ HUD, *Fact Sheet*.

⁴ “Unmet needs” are the recovery needs of the impacted communities that remain or are “unmet” after the disaster or the initial action plan is developed.

⁵ HUD, *Fact Sheet*.

⁶ DEO, *Community Development Block Grant – Disaster Recovery Program*, <http://www.floridajobs.org/community-planning-and-development/assistance-for-governments-and-organizations/disaster-recovery-initiative> (last visited April 11, 2019).

⁷ *Id.*

Congress appropriated and the HUD also awarded an additional \$634 million for “mitigation” in February 2018; however, no Federal Register notice has been issued for these funds at this time.⁸

2018 Hurricane Michael

At this time, Congress has not appropriated any CDBG-DR funds related to Hurricane Michael. There have been bills filed and heard in Congress, but none have passed yet.⁹

Affordable Housing

The two primary state housing assistance programs are the State Housing Initiatives Partnership (SHIP)¹⁰ and the State Apartment Incentive Loan (SAIL)¹¹ programs. The SHIP program provides funds to eligible local governments, allocated using a population-based formula, to address local housing needs as adopted in the Local Housing Assistance Plan. Eligible local government entities must develop and adopt local housing assistance plans that include, but are not limited to, strategies and incentives for the construction, rehabilitation, repair, or financing of affordable housing production.¹² The SAIL program provides low interest loans on a competitive basis as gap financing for the construction or substantial rehabilitation of multifamily affordable housing developments.¹³ This funding often serves to bridge the gap between the primary financing and the total cost of the development. SAIL program funds are available to individuals, public entities, and not-for-profit or for-profit organizations that propose the construction or substantial rehabilitation of multifamily units affordable to very-low-income individuals and families.¹⁴

Housing Hurricane Recovery Programs

Following the 2004 hurricane season, a statewide Hurricane Housing Work Group was created to recommend how best to leverage funding recommended by the Governor for hurricane housing recovery needs. The work group recommended, and the Legislature subsequently funded, the Hurricane Housing Recovery Program (HHRP) and the Rental Recovery Loan Program (RRLP). As a result of the work group’s recommendation, the 2005 Legislature appropriated \$250 million for housing recovery: \$208 million for the HHRP and another \$42 million for the RRLP. With those resources, and an additional \$93 million appropriation in 2006 for hurricane rental funding, the FHFC states that it assisted over 10,000 families with the HHRP and created over 1,600 units with the RRLP.¹⁵

⁸ HUD, *HUD Awards \$28 Billion in CDBG-DR Funds*, April 11, 2018, <https://www.hudexchange.info/news/hud-awards-28-billion-in-cdbg-dr-funds/> (last visited April 11, 2019).

⁹ See H.R. 268 – Supplemental Appropriations Act, 2019 (116th Congress); S. 811 – Additional Supplemental Appropriations for Border Security and Disaster Relief, 2019 (116th Congress); and H.R. 2157 (116th Congress – Supplemental Appropriations Act, 2019.

¹⁰ Sections 420.907-9079, F.S.

¹¹ Section 420.5087, F.S.

¹² Section 420.9071(14), (15), & (16), F.S. These local housing plans must also align with the requirements for housing under the Local Government Comprehensive Planning and Land Development Regulation Act of 1985. Chapter 163, Part II, F.S.

¹³ Section 420.5087, F.S.

¹⁴ Florida Housing Finance Corporation, *State Apartment Incentive Loan Program*, available at: <https://www.floridahousing.org/programs/developers-multifamily-programs/state-apartment-incentive-loan> (last visited April 10, 2019).

¹⁵ Florida Housing Finance Corporation, *Bill Analysis for SB 1328 (2018)*, p. 3, January 10, 2018. Chapter 2006-69, L.O.F.

Hurricane Housing Recovery Program

The Hurricane Housing Recovery Program was created as a local housing recovery program and modeled after the existing State Housing Incentive Program (SHIP) aimed at assisting homeowners with post-hurricane recovery efforts. The HHRP funds were distributed to local governments using a need-based formula to allow local communities to evaluate and address needs as appropriate.¹⁶

Rental Recovery Loan Program

The Rental Recovery Loan Program was created to provide affordable rental units needed to promote the housing recovery needs of local communities. Modeled in part after the State Apartment Incentive Loan (SAIL) Program, the RRLP program allowed the state to leverage existing federal rental financing programs to provide units that served a range of incomes, including extremely low income households, throughout the areas impacted by the hurricanes.

Florida Building Code

In 1974, Florida adopted a state minimum building code law requiring all local governments to adopt and enforce a building code. The system provided four separate model codes that local governments could consider and adopt to establish minimum standards of health and life safety for the public. In that system, the state's role was limited to adopting all or relevant parts of new editions of the four model codes. Local governments could amend and enforce their local codes as they saw fit.¹⁷

In 1996 a study commission was appointed to review the system of local codes created by the 1974 law and to make recommendations for modernizing the entire system. The 1998 Legislature adopted the study commission's recommendations for a single state building code and an enhanced oversight role for the state in local code enforcement. The same legislation created the Florida Building Commission to develop and maintain the Florida Building Code and related programs and processes. The 2000 Legislature authorized implementation of the Florida Building Code, and the first edition replaced all local codes on March 1, 2002. There have been six editions to date, and the Commission initiated the development of the 7th Edition (2020) Florida Building Code in October of 2017.¹⁸

After Hurricane Michael, the Florida Building Commission began reviewing the building codes and is working with a group from the University of Florida to make recommendations.¹⁹

¹⁶ Florida Housing Finance Corporation, Hurricane Housing Work Group, *Recommendations to Assist in Florida's Long Term Housing Recovery Efforts*, February 2005,

<http://elderaffairs.state.fl.us/doea/notices/feb05/HHWG%20Report%20final.pdf> (last visited April 11, 2019).

¹⁷ See Florida Building Commission, *Annual Report FY 2017-2018*, Appendix A,

https://www.floridabuilding.org/fbc/commission/FBC_0618/Commission/FBC_FY_2017-2018_Annual_Report.pdf (last visited April 11, 2019).

¹⁸ *Id.*

¹⁹ NPR, All Things Considered, Greg Allen, *After Hurricane Michael, A Call For Stricter Building Codes In Florida's Panhandle*, October 17, 2018, <https://www.npr.org/2018/10/17/658156093/after-michael-a-call-for-stricter-building-codes-in-floridas-panhandle> (last visited April 11, 2019).

Budget Stabilization Fund

Budget stabilization funds, also known as rainy day funds, “allow states to set aside surplus revenue for times of unexpected revenue shortfall or budget deficit.” The fund is a tool to mitigate revenue volatility.²⁰ Florida’s fund consists of 5 percent of net revenue collections for the General Revenue Fund for the last completed fiscal year, and the principal balance cannot exceed 10 percent of the net revenue collections for the General Revenue Fund for the last completed fiscal year.²¹ Any expenditure from the fund must be repaid pursuant to a restoration schedule that provides for making five equal annual transfers from the General Revenue Fund, beginning the third fiscal year following the year in which the expenditure was made or a restoration schedule as provided by the Legislature by law.

Agricultural Loan Program

In 2000, the Legislature enacted the Agricultural Economic Development Program.²² This program was designed to provide loans to farmers who have experienced crop losses due to natural disasters or socio-economic events or conditions. The loans may be used to:

- Restore or replace essential physical property, such as animals, fences, equipment, structural production facilities or orchard trees;
- Pay all or part of production costs associated with the disaster year; or
- Pay essential family living expenses; and
- Restructure farm debts.²³

Funds may be issued as direct loans or as loan guarantees for up 90 percent of the total loan, in amounts not less than \$30,000 or more than \$300,000. Applicants must provide at least ten percent equity.²⁴

The crops eligible for the emergency loan program include:

- Crops grown for human consumption;
- Crops planted and grown for livestock consumption, including, but not limited to, grain, seed, and forage crops;
- Crops grown for fiber, except for trees; and
- Specialty crops, such as seafood and aquaculture, including, but not limited to, the products of shellfish cultivation and harvesting, ornamental fish farming, and commercial fishing; floricultural or ornamental nursery crops; Christmas trees; turf for sod; industrial crops; and seed crops used to produce eligible crops.

²⁰ Tax Policy Center (Urban Institute and Brookings Institution), *Budget Stabilization Funds – How States Save for a Rainy Day*, November 28, 2017, <https://www.taxpolicycenter.org/publications/budget-stabilization-funds/full> (last visited April 12, 2019).

²¹ Section 215.32(2)(c), F.S.

²² Chapter 2000-308, Laws of Fla.

²³ Section 570.82(1)(a), F.S.

²⁴ Section 570.82(1)(c), F.S.

Florida Standards Assessment and Accountability Requirements

Florida Standards Assessment (FSA)

Florida's K-12 assessment system measures students' achievement of Florida's education standards, which were developed and implemented to ensure that all students graduate from high school ready for success. The FSA supports instruction and student learning, and test results help Florida's educational leadership and stakeholders determine whether the goals of the education system are being met.²⁵ The FSA in English language arts, mathematics, and end-of-course subjects (algebra 1 and geometry) serve Florida students by measuring education gains and progress, and also provides input into the Florida School Accountability Reports.

Florida School Accountability Reports

Schools are required to meet federal accountability requirements and are evaluated annually. The Department of Education identifies each public school in need of intervention and support to improve student academic performance.²⁶ The federal Elementary and Secondary Education Act (ESEA) as amended by the Every Student Succeeds Act (ESSA) sets forth the requirements for state and school district report cards on the educational progress of schools, school districts, and the state.²⁷ The grades include several types of data (components) designed to inform parents and the general public about the performance of a school and understand how well each school is serving its students.²⁸

III. Effect of Proposed Changes:

Hurricane Michael Recovery Task Force (Section 1)

The bill creates the Hurricane Michael Recovery Task Force within the DEM, to make recommendations to the Legislature regarding additional assistance needed in the response to, the recovery from, and the mitigation of the effects of Hurricane Michael in the areas designated in the federal disaster declaration DR-4399.²⁹ The task force must review the local, state, and federal activities conducted and the resources provided in such areas, the effectiveness of such efforts, and any additional assistance necessary.

The task force must consist of the following five members:

- One member representing the business community, who will serve as chair, appointed by the Governor;
- One member representing agricultural interests, appointed by the Commissioner of the Department of Agriculture and Consumer Services;

²⁵ Florida Department of Education, Florida Standards Assessments, *Welcome to the FSA Portal*, <https://fsassessments.org/> (last visited April 10, 2019).

²⁶ Section 1008.33(3), F.S.

²⁷ Department of Education, *School Public Accountability Reports (SPARS)*, <http://www.fldoe.org/accountability/data-sys/edu-info-accountability-services/pk-12-public-school-data-pubs-reports/school-public-accountability-reports-s.stml> (last visited April 11, 2019).

²⁸ Department of Education, Florida School Accountability Reports, Florida School Grades – 2018, *School Grades Overview*, <http://www.fldoe.org/core/fileparse.php/18534/urlt/SchoolGradesOverview18.pdf> (last visited April 11, 2019).

²⁹ Designated counties: Bay, Calhoun, Franklin, Gadsden, Gulf, Holmes, Jackson, Leon, Liberty, Taylor, Wakulla, and Washington.

- One member representing the fishing industry, appointed by the Fish and Wildlife Conservation Commission;
- One member representing emergency response, appointed by the executive director of the DEM; and
- One member representing housing interests, appointed by the executive director of the DEO.

Members will serve at the pleasure of their appointing official and any vacancy must be filled in the same manner as the original appointment. A member of the Legislature or a registered lobbyist may not be appointed to the task force. Members serve without compensation, but are entitled to reimbursement of travel and per diem expenses in the performance of their duties and responsibilities.

The task force will report its findings and make specific recommendations for further response, recovery, and mitigation to the President of the Senate, the Speaker of the House of Representatives, and the Governor by December 15, 2019.

The task force is dissolved not later than March 10, 2020.

Hurricane Michael After-Action Report (Section 2)

The bill directs the DEM to examine the latest available Statewide Emergency Shelter Plan to determine, based on the number of people who evacuated during Hurricane Michael, whether there is sufficient capacity of GP shelter space and of SpNS shelter space in the applicable RPC regions.

The report must include basic information for each shelter activated during Hurricane Michael, including:

- Shelter type (general population, special needs, or pet friendly);
- Name;
- Address; and
- Maximum occupant capacity.

Additionally, the report must provide functional data for each shelter, including:

- Number of persons served at each shelter throughout the event;
- Timeline for opening and closing each shelter; and
- Whether each shelter had sufficient:
 - Staff;
 - Security;
 - Transportation;
 - Equipment;
 - Lavatories;
 - Sanitation;
 - Feeding capabilities;
 - Capacity; and
 - Standby or emergency power.

The report also must identify any unmet needs at each shelter and must indicate whether each shelter met or exceeded the American Red Cross Standards for Hurricane Evacuation Shelter Selection (ARC 4496),³⁰ which address risks associated with:

- Surge inundation;
- Rainfall flooding;
- High winds; and
- Hazardous materials.

The report must also identify any shelter not activated for Hurricane Michael and the basis for the determination not to activate it, such as the inability of the shelter to withstand a certain level of hurricane impact. The report must be completed and presented to the President of the Senate, the Speaker of the House of Representatives, and the Governor by December 15, 2019.

The bill appropriates \$85,000 in nonrecurring general revenue funds for the 2019-2020 fiscal year to the DEM to prepare the after-action report on the shelter operations that took place during Hurricane Michael.

Program to Retrofit/Repair Hurricane Evacuation Shelters (Section 3)

The bill directs the DEO to include a program to retrofit or to repair hurricane evacuation shelters in any action plan submitted to the HUD for use of the CDBG-DR mitigation funds awarded to Florida, provided that federal guidance for use of the funds allows such a program.³¹ Because the HUD has not yet issued guidance through the Federal Register for this award of funds, it is unknown if the DEO can include such a program in its action plan for use of the funds.

Emergency Operations Centers Facilities Study (Section 4)

The bill requires the DEM to competitively procure a consultant to conduct a study of facilities used as emergency operations centers (EOC). At a minimum, the study must assess the availability, capacity, communications capabilities, hurricane rating, and other safety conditions of EOCs. The study must also assess the need for a new EOC to serve one or more counties in a given region or for upgrades to existing centers.

The study must make recommendations as to how the state may best address communities' needs for EOCs, or access to such centers, and necessary changes to existing EOCs to ensure the best possible emergency response in a region. The study may take into account the geographic locations of EOCs and may recommend joint agreements for use of an EOC for emergency response.

³⁰ Available at the DEM website, <https://portal.floridadisaster.org/shelters/External/Current/2018%20SRR/Appendices/Appendix%20C.pdf> (last visited April 10, 2019).

³¹ See HUD, CDBG-DR Active Disaster Grants and Grantee Contact Information, *Find by Disaster: Hurricanes Harvey, Irma, and Maria 2017 Events (PL 115-56, PL 115-72, P.L. 115-123)*, <https://www.hudexchange.info/programs/cdbg-dr/cdbg-dr-grantee-contact-information/#hurricanes-harvey-irma-and-maria-2017-events-pl-115-56-pl-115-72-pl-115-123> (last visited April 12, 2019).

A report of the findings of the study must be completed and presented to President of the Senate, the Speaker of the House of Representatives, and the Governor by December 15, 2019.

The bill appropriates \$200,000 in nonrecurring general revenue funds for the 2019-2020 fiscal year to the DEM for the study.

Hurricane Housing Recovery Program (Section 5)

The bill creates s. 420.57, F.S., to establish the Hurricane Housing Recovery Program (HHRP) and the Rental Recovery Loan Program (RRLP) to provide funds to local governments for affordable housing recovery efforts.

Both programs operate subject to specific appropriation in the General Appropriations Act.

Each participating local government must submit to the FHFC an annual report on its use of funds from the HHRP and RRLP. The FHFC will compile the reports and submit them to the President of the Senate and the Speaker of the House of Representatives.

The FHFC may adopt rules to administer these programs.

Hurricane Housing Recovery Program

The HHRP will provide funds to local governments for their affordable housing recovery efforts, similar to the State Housing Initiatives Partnership Program. The funding will be according to a need-based formula that reflects affordable housing damage estimates and population impacts resulting from hurricanes.

Eligible local governments must submit a strategy outlining proposed recovery actions, income levels and number of units to be served, and funding requests. Program funds must be used as follows:

- To serve households with incomes up to 120 percent of the area median income (AMI), except that at least 30 percent of program funds should be reserved for households with incomes up to 50 percent AMI and an additional 30 percent of program funds reserved for households with incomes up to 80 percent AMI.
- At least 65 percent of the funds *must* be used for homeownership.
- Up to 15 percent *may* be used for administrative expenses.
- Up to 0.25 percent *may* be used for compliance monitoring.

Rental Recovery Loan Program

The RRLP will provide resources to build additional rental housing due to impacts to the affordable housing stock and changes to the population resulting from hurricanes. The program will allow the state to leverage federal rental financing similar to the SAIL program.

Program to Repair, Renovate, or Replace Single-Family Housing (Section 6)

The bill directs the DEO to include a program to repair, renovate, or replace single-family housing in any action plan submitted to the HUD for use of grant funds appropriated in response

to Hurricane Michael, provided that federal guidance for the use of the funds allows such a program. At this time, Congress has not appropriated any CDBG-DR funds related to Hurricane Michael.

Florida Building Code (Section 7)

The bill directs the Florida Building Commission, in consultation with the Building Officials Association of Florida, the Florida Home Builders Association, and other stakeholders, to review the effects of Hurricane Michael and make recommendations to strengthen and enhance the design, construction, and life safety provisions of the Florida Building Code, especially as they are applied in the Florida Panhandle. Recommendations must address at least all of the following:

- The revision of design wind speed maps of the Panhandle, including county-specific design wind speed maps for each building risk category;
- The effects of flood hazard designations and the flood loads and the related effects of flood depth, of velocity, of scour/erosion, and of wave/debris;
- Storm-induced damage to power-generating stations and other public utility facilities; and
- Service disruption and building envelope breach potential for critical facilities, such as hospitals.

The Florida Building Commission must submit a final report including its recommendations to the President of the Senate and the Speaker of the House of Representatives no later than September 1, 2019. This section expires on December 31, 2019.

Public Facilities Hurricane Restoration Cash Flow Loan Program (Sections 8 and 9)

The bill establishes a Public Facilities Hurricane Restoration Cash Flow Loan Program for the 2019-2020 fiscal year. Counties, municipalities, and district school boards that need assistance with cash flow in order to make timely payments to contractors and suppliers in restoring their county, municipal, or educational facilities damaged by a named hurricane or tropical storm during the 2018 hurricane season may apply to the DEO for a cash flow loan.

The amount of the loan may not exceed the amount the county, municipality, or district school board needs to meet timely payments to contractors and suppliers for the restoration of damaged facilities. To be eligible for a cash flow loan, a county, municipality, or district school board must meet all of the following requirements:

- Have one or more county, municipal, or educational facilities damaged or destroyed by a named hurricane or tropical storm during the 2018 hurricane season;
- Have an agreement to pay contractors or suppliers for the restoration of the damaged facilities, but have insufficient cash flow to make timely payments;
- Agree to repay, from funds received from insurance claims, Federal Emergency Management Agency payments, or other fund sources, the full amount of the funds received from the cash flow loan program; and
- Agree that if repayment is not made in a timely manner, the DEO must withhold future distribution of public capital outlay funds, or other fixed capital outlay funds, until repayment is received by the DEO.

The DEO must provide information and instructions for applying for a cash flow loan and administer the loans in accordance with the bill. The DEO must distribute loan funds based on the county or municipal governing body's or district superintendent's certification of the amount needed for payments that are due within the following 30 days. All funds repaid must be deposited unallocated into the Budget Stabilization Fund within 30 days after receipt by the DEO.

The DEM will notify the DEO when payments from the Federal Emergency Management Agency for a named hurricane or tropical storm during the 2018 hurricane season have been distributed to a county, municipality, or district school board that has received a public facilities hurricane restoration cash flow loan.

The bill appropriates nonrecurring funds in the sum of \$300 million from the Budget Stabilization Fund for the 2019-2020 fiscal year to the DEO for the sole purpose of funding the Public Facilities Hurricane Restoration Cash Flow Loan Program for eligible counties, municipalities, and district school boards in accordance with this act.

Agricultural Loan Program (Sections 10 and 11)

The bill amends s. 570.82, F.S., to expand the use of the Agricultural Loan Program to include trees as an eligible crop under the program, and to allow individuals affected by Hurricane Michael in 2018 to apply for a loan. Loan applications must be submitted by December 1, 2019.

The bill appropriates \$15 million in nonrecurring general revenue funds for the Agricultural Loan Program.

Education Assessment and Accountability Requirements (Sections 12 and 13)

The bill waives certain education requirements for school districts in Holmes, Washington, Bay, Jackson, Calhoun, Gulf, Liberty, Gadsden, Franklin, Wakulla, Leon, and Taylor counties.

The bill waives the statewide, standardized assessment requirements for a standard high school diploma for grade 12 high school students in their senior year during the 2018-2019 school year. The bill also requires that any grade 12 high school student who is in his or her senior year during the 2018-2019 school year and who has met the 18 or 24 credit and 2.0 GPA requirements as provided in s. 1003.4282, F.S., must be granted a standard high school diploma by his or her respective school.

The bill waives the statewide, standardized assessment for third grade promotion for the 2018-2019 school year. The promotion of third grade students must be based on the preponderance of the evidence through measures determined by each school district.

The bill requires that school grades, as established in s. 1008.34, F.S., for the 2018-2019 school year must be calculated and released for informational purposes only. School districts will be held harmless from any liability for the release of grades for informational purposes only.

The bill states that the “Legislature finds that, because of the catastrophic nature of Hurricane Michael, families in school districts under this section are displaced, and the loss of housing has drastically changed the mobility of students. The Legislature also finds that, until students’ housing arrangements stabilize, no method exists to capture an accurate assessment of a school’s performance in the school districts. Further, the Legislature finds that the enrollment of students for the survey request files will be a small representation of school district performance and not a true measurement of performance.”

The bill amends s. 1008.33, F.S., to direct the Department of Education, upon the effective date of the bill, to suspend the administration of its duties and obligations to enforce public school improvements under s. 1008.33(3), F.S., for the remainder of the 2018-2019 school year and for the 2019-2020 school year for school districts in Holmes, Washington, Bay, Jackson, Calhoun, Gulf, Liberty, Gadsden, Franklin, Wakulla, Leon, and Taylor counties.

Effective Date

The bill takes effect upon becoming law.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. State Tax or Fee Increases:

None.

E. Other Constitutional Issues:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

Individuals in need of housing assistance in areas impacted by hurricanes may benefit from the creation of the Hurricane Housing Recovery Program and the Rental Recovery Loan Program.

Recommendations made by the Florida Building Commission in their final report may impact the future cost of construction and construction materials for the private sector.

Those impacted by Hurricane Michael in 2018 who have crops of trees grown for fiber may benefit from the expansion of the Agricultural Loan Program.

C. Government Sector Impact:

The bill appropriates the following for the 2019-2020 fiscal year:

- \$85,000 in nonrecurring funds from the General Revenue Fund to the DEM to prepare an after-action report on the shelter operations that took place during Hurricane Michael;
- \$200,000 in nonrecurring funds from the General Revenue Fund to the DEM to competitively procure a consultant to conduct a study of facilities used as emergency operations centers;
- \$300 million in nonrecurring funds in the Budget Stabilization Fund to the DEO for the sole purpose of funding the Public Facilities Hurricane Restoration Cash Flow Loan Program; and
- \$15 million in nonrecurring funds from the General Revenue Fund to the Department of Agriculture and Consumer Services to fund the Agricultural Loan Program.

The establishment of the Public Facilities Hurricane Restoration Cash Flow Loan Program may have a positive impact to counties, municipalities, and district school boards that need assistance with cash flow in order to make timely payments to contractors and suppliers in restoring their county, municipal, or educational facilities damaged by a named hurricane or tropical storm during the 2018 hurricane season. However, if an entity is unable to repay funds in a timely manner, the DEO is directed to withhold future distributions of public capital outlay funds, or other fixed capital outlay funds, until repayment is received by the DEO. This has the potential to possibly negatively impact participants in the program. The appropriation of funds from the Budget Stabilization Fund will negatively impact revenues available for expenditure by the state, especially in the event of a crisis requiring expenditure of funds.

Recommendations made by the Florida Building Commission in their final report may impact the future cost of construction and construction materials for public sector construction projects.

The bill does not appropriate any funds to the hurricane housing recovery programs. SB 2500, First Engrossed, the Senate's proposed General Appropriations Bill, appropriates \$100 million from the housing trust funds for similar programs.

VI. Technical Deficiencies:

None.

VII. Related Issues:

Allowing third graders and seniors in high school to advance or graduate without meeting assessment requirements in areas impacted by Hurricane Michael will have an unknown impact on Florida's Approved 2018 ESSA State Plan.

VIII. Statutes Affected:

This bill substantially amends the following sections of the Florida Statutes: 570.82 and 1008.33.

This bill creates section 420.57 of the Florida Statutes.

This bill creates undesignated sections of Florida law.

IX. Additional Information:**A. Committee Substitute – Statement of Changes:**

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

None.

B. Amendments:

None.