

## HOUSE OF REPRESENTATIVES STAFF FINAL BILL ANALYSIS

**BILL #:** SB 2518 Health and Human Services

**SPONSOR(S):** Appropriations

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

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**FINAL HOUSE FLOOR ACTION:** 109 Y's      0 N's      **GOVERNOR'S ACTION:** Pending

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### SUMMARY ANALYSIS

SB 2518 passed the House on March 8, 2024, as amended by the conference committee.

The bill conforms law to the Fiscal Year 2024-2025 General Appropriations Act.

The bill modifies the maximum Challenge Grant award amount that the State Office of Homelessness may provide to a continuum of care lead agency. A lead agency may award a grant up to \$1,200,000 to fund the housing and service needs identified in a lead agency's homelessness assistance continuum of care plan.

The bill allows each area agency on aging (AAA) to carry forward unexpended state funds from one fiscal year to the next, up to a cumulative amount not exceeding 10 percent of the AAA's planning and services areas allocation for the Community Care for the Elderly program. Carry forward may not be used to increase recurring future obligations, or for any type of program or service that is not authorized in the current existing contracts. Each AAA must report expenditures using carry forward funds separately to the Department of Elder Affairs (DOEA). Unexpended funds remaining at the end of a contract period must be returned to the department, unless the contract is renewed or re-awarded through a new procurement with the same AAA.

The bill provides that implementation of chapter 2023-277, Laws of Florida, related to Florida Kidcare Program Eligibility is contingent upon the Federal Centers for Medicare and Medicaid Services (CMS) approval through a Medicaid waiver or state plan amendment. This provision is effective upon becoming law.

The bill provides the Department of Health (DOH) with the authority to deposit certain healthcare practitioner loan repayment program funds into the Grants and Donations Trust Fund.

Subject to the Governor's veto powers and except as otherwise expressly provided, the bill has an effective date of July 1, 2024.

# FULL ANALYSIS

## I. SUBSTANTIVE INFORMATION

### A. EFFECT OF PROPOSED CHANGES:

#### **Background**

##### Homelessness

Generally, a person is considered to be experiencing homelessness if that person sleeps in a designated shelter, lives in transitional housing, or sleeps in a place not meant for human habitation or sleeps outdoors. Using the standard “point in time” count data, there were 30,809 individuals in Florida during January 2023 that qualified as homeless. This represents an increase of 5,885, or 19.1 percent, individuals over the prior year point in time count.<sup>1</sup>

The State Office of Homelessness (Office) was established in 2001 within the Department of Children and Families (DCF) to serve as the central point of contact for issues relating to homelessness. Also, in 2001, the Legislature created the Council on Homelessness (Council), with membership composed of both public and private officials. The purpose of the Council is to advise the Office by developing recommendations on how to reduce homelessness statewide. These recommendations may be incorporated into a “continuum of care”, which is the framework for a comprehensive array of emergency, transitional, and permanent housing services. The Office recognizes only one continuum of care plan per catchment area that is served by one Continuum of Care (CoC) lead agency. There are 27 CoC lead agencies that serve Florida.<sup>2</sup>

Additionally, in 2001, the Legislature created the challenge grant program and authorized the Office to provide challenge grants annually to CoC lead agencies. A challenge grant may be used to fund any the housing, program, or service needs included in a continuum of care plan. The lead agency may allocate the grant award to local service providers that implement the continuum of care plan, and may also provide sub-grants to local agencies that are providing services aligned with the catchment area’s plan. Lead agencies are limited to spending no more than 10 percent of a Challenge Grant award on administrative costs. Recipients of a challenge grant must provide matching funds or in-kind support equal to 25 percent of the grant award.<sup>3</sup> For Fiscal Year 2023-2024, the Legislature appropriated a total of \$20,016,822 to DCF for the Challenge Grant program.

##### Kidcare Eligibility

Chapter 2023-277, Laws of Florida, expanded eligibility for the Children’s Health Insurance Program (CHIP) funded Kidcare programs to children in families with household incomes up to 300% of the federal poverty limit (FPL) from the current 200% FPL threshold. In addition, the bill authorized the Florida Healthy Kids Corporation and AHCA to establish new premium tiers for enrollees above 150% FPL, including the new eligibility expansion group. The implementation of these changes is ongoing, pending approval from the Centers of Medicare and Medicaid Services (CMS).

##### Area Agency on Aging

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<sup>1</sup> Florida’s Council on Homelessness, *Florida’s Council On Homelessness Annual Report 2023*, June 2023, <https://www.myflfamilies.com/sites/default/files/2023-07/Florida%27s%20Council%20On%20Homelessness%20Annual%20Report%202023.pdf>, last accessed March 25, 2024.

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

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

The Department of Elder Affairs (department) is designated as the state unit on aging as defined in the Older Americans Act (OAA) of 1965, exercising all responsibilities pursuant to that act.<sup>4</sup> The department is also responsible for the planning, policy development, administration, coordination, priority setting, and evaluation of all state activities related to the objectives of the OAA.<sup>5</sup> The department must also administer all human services and long-term care programs in Florida funded by the OAA.<sup>6</sup> As directed by the OAA, the department must designate and contract with area agencies on aging in each of the department's 11 planning and service areas.

Area Agencies on Aging ("AAA") are responsible for the planning and distribution of funds for services to the elderly. It is the responsibility of each AAA to ensure a coordinated and integrated provision of long-term care services to the elderly in its designated service area. It must also offer prevention and early intervention services.<sup>7</sup> The AAA's contract with 49 Lead Agencies for the provision of long-term care services. Further, each Lead Agency is "given the authority and responsibility to coordinate some or all of the services, either directly or through subcontracts, for functionally impaired elderly persons".<sup>8</sup> AAAs are subject to the public records laws of ch. 119, F.S. and public meetings requirements of ss. 286.011-286.012, F.S., when considering any contracts requiring the expenditure of public funds.<sup>9</sup>

### *The Florida Reimbursement Assistance for Medical Education Program (FRAME)*

The FRAME program, established in s. 1009.65, F.S., offers student loan reimbursement to various healthcare practitioners to offset their educational expenses and encourage them to practice in underserved locations where there are shortages of such practitioners. The Department of Health (DOH) is authorized to reimburse as follows:

- Up to \$20,000 per year for medical and osteopathic doctors with primary care specialties;
- Up to \$15,000 per year for autonomous advanced practice registered nurses (APRN) with primary care specialties;
- Up to \$10,000 per year for APRNs and physician assistants (PA); and
- Up to \$4,000 per year for licensed practical nurses (LPN) and registered nurses (RN).

### *Dental Student Loan Repayment Program (DSLRL)*

The DSLRL program requires the DOH to award up to \$50,000 to a dentist who, as required by DOH rule, demonstrates active employment in a public health program that serves Medicaid recipients and other low-income patients and is located in a dental health professional shortage area or medically underserved area. Current law caps the number of dentists allowed to receive awards at 10 per state fiscal year.

### *Loan Reimbursement Payments*

Loan reimbursement payments are disbursed directly by the DOH to lenders for qualified loans.<sup>10</sup> Under the program, a lender may be any entity involved in making, holding, consolidating, originating, servicing, or guaranteeing any loan to students to finance higher education expenses. This includes lenders who provide private educational loans as well as lenders who provide loans that are made, insured, or guaranteed by the U.S. Department of Education. Additionally, a qualified loan is any federal and/or private student loan with a US-based lender that has a verified balance remaining which loan proceeds were used to pay educational expenses.

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<sup>4</sup> s. 20.41(6), F.S.

<sup>5</sup> 42 U.S.C s. 3025(a)(1)(C)

<sup>6</sup> s. 430.04, F.S.

<sup>7</sup> *Supra*, note 4.

<sup>8</sup> s. 430.203(9)(c), F.S.

<sup>9</sup> s. 286.011-286.012, F.S.

<sup>10</sup> R. 64W-4.005, F.A.C.

Whether a loan is a federal or private student loan, a company that owns a student loan may sell or transfer that loan, or a pool of loans, to another lender or servicer. Typically, lenders will sell a pool of loans packaged together, known as a security, to free up capital to make additional loans.

The FRAME program completed the first year of operation and successfully distributed loan reimbursement payments to 1,097 healthcare professionals during the 2022–2023 fiscal year. Loan reimbursement payments were mailed to 37 different lending institutions. Sixteen loan reimbursement payments, totaling \$160,581, were returned to the DOH due to the loan having been sold.

Returned loan payments received during the same fiscal year as the original payment may be reissued by the DOH to the appropriate lender. However, returned loan payments received in a subsequent fiscal year may not be reissued by the DOH and instead must be deposited into the General Revenue Fund.

## **Effect of the Bill**

### Homelessness

The bill increases the maximum challenge grant award amount that the Office may provide to a CoC, from \$750,000 per award to \$1,200,000 per award. For Fiscal Year 2024-2025, the Legislature has appropriated an additional \$10,000,000 for Challenge Grants, making a total of \$30,016,822 available to CoC lead agencies. Raising the maximum project amount allows the Office to award the increased appropriation to the limited number of CoC projects that would otherwise result in unused funds for challenge grants.

### Kidcare Eligibility

The bill provides that implementation of chapter 2023-277, Laws of Florida, is contingent upon CMS approval through a Medicaid waiver or state plan amendment, effective upon becoming law.

### Area Agency on Aging

The bill allows each AAA to carry forward unexpended state funds from one fiscal year to the next, up to a cumulative amount not exceeding 10 percent of the AAA's planning and services areas allocation for the Community Care for the Elderly program. Carry forward may not be used to increase recurring future obligations, or for any type of program or service that is not authorized in the current existing contracts. Each AAA must report expenditures using carry forward funds separately to the department. Unexpended funds remaining at the end of a contract period must be returned to the department, unless the contract is renewed or re-awarded through a new procurement with the same AAA.

### Loan Reimbursement Payments

The bill authorizes DOH to deposit any payments made under the FRAME program or the DSLR program, and subsequently returned by a lender, into the Grants and Donations Trust Fund and used for the same purpose. The DOH may submit a budget amendment, pursuant to the requirements of chapter 216, F.S., to make payments under this section.

Except as otherwise expressly provided, the bill has an effective date of July 1, 2024.

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

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

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:

The bill will assist DOEA and AAAs in avoiding year-end surplus and deficit challenges by allowing unexpended state funds for the AAAs to be carried forward from one fiscal year to the next. Additionally, the bill provides that funds returned to DOH by a lender made under the FRAME and DSLR programs will be deposited into the Grants and Donations Trust Fund and used for the same purpose, upon the approval of a budget amendment pursuant to chapter 216, Florida Statutes.