

**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.)

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Prepared By: The Professional Staff of the Transportation Committee

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BILL: SB 2654

INTRODUCER: Senator Crist

SUBJECT: Homelessness

DATE: April 8, 2010

REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	McManus	Meyer	TR	<b>Favorable</b>
2.			CF	
3.			HA	
4.				
5.				
6.				

## I. Summary:

The bill has the following effects:

- Authorizes a voluntary check-off option of \$1 to aid the homeless to be added to motor vehicle registration forms, drivers license applications, and initial and renewal applications.
- Replaces the existing Emergency Financial Assistance for Housing program with 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 homes due to financial or other crises.
- Limits the amount a lead agency may spend on administrative costs under a Challenge Grant.
- Directs funding for homeless housing assistance grants to be appropriated as a fixed capital outlay item.
- Repeals s. 414.16, F.S., relating to an emergency assistance program to aid families that are totally without shelter or facing the loss of shelter.

This bill substantially amends ss. 320.02, 322.08, 322.18, 420.622, 420.625, F.S., creates s. 414.161, F.S., and repeals s. 414.16, F.S.

## II. Present Situation:

### *About Drivers' License Check-offs*

Section 322.081, F.S., provides the procedures an organization must follow prior to seeking legislative authorization to request the creation of a new voluntary contribution fee and establish a corresponding voluntary check-off on a driver's license application. The check-off allows a

person applying for or renewing a Florida driver's license to voluntarily contribute to one or more of the authorized organizations during the driver's license transaction. Before the organization is eligible, it must submit the following to the DHSMV at least 90 days before the convening of the regular session of the Legislature:

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

The DHSMV 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>1</sup>

Pursuant to s. 322.08(7), F.S., the driver's license application and renewal forms currently include the following seven voluntary contribution check-offs. (The eighth, for Prevent Blindness Florida, is authorized in s. 322.18(9)(a), F.S.). The total revenue and revenue generated by each check-off in the last 5-year period are summarized in the chart below:<sup>2</sup>

<b>Driver License Check-offs/Voluntary Contribution</b>	<b>Statutory Authorization</b>	<b>Effective Date</b>	<b>Revenue Collected w/in last 5 years</b>	<b>Total Revenue Collected</b>
Organ & Tissue Donor Education (\$1)	1995-423, L.O.F.	7/1/1995	\$402,603	\$1,091,209
Prevent Blindness Florida (\$1)	1995-333, L.O.F.	10/01/1995	\$2,092,878	\$3,208,017
Florida Council of the Blind (\$1)	1996-413, L.O.F.	6/5/1996	\$185,343	\$482,340
Hearing Research Institute (\$2)	2000-313, L.O.F.	10/1/2000	\$185,053	\$320,988
Juvenile Diabetes Foundation International (\$1)	2000-313, L.O.F.	10/1/2000	\$592,835	\$1,017,278
Children's Hearing Help Fund (\$1)	2005-68, L.O.F.	7/1/2005	\$260,763	\$260,763
Family First (\$1)	2008-102, L.O.F.	10/1/2008	\$150,047	\$150,047
Stop Heart Disease (\$1)	2009-100, L.O.F.	10/1/2009	\$0	\$0
<b>Total</b>			<b>\$3,869,522</b>	<b>\$6,530,642</b>

#### *About Motor Vehicle Registration Check-offs*

During the 1998 Session, the Legislature created s. 320.023, F.S., which outlines the procedures which an organization must follow prior to seeking Legislative authorization to request the creation of a new voluntary contribution fee and establish a corresponding voluntary check-off on a motor vehicle registration application. The check-off allows a registered owner or registrant

<sup>1</sup> Section 322.081(4)(a), F.S.

<sup>2</sup> The charts in this analysis were prepared by Senate staff as part of Senate Interim Report 2010-131, *Review of the Requirements for Establishing Specialty License Plates and Registration and Driver's License Check-Offs*, October 2009.

of a motor vehicle to voluntarily contribute to one or more of the authorized organizations during a motor vehicle registration transaction. Before the organization is eligible, it must submit the following requirements to DHSMV at least 90 days before the convening of the Regular Session of the Legislature:

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

DHSMV 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 five-year period.

Registration Check-offs/Voluntary Contribution	Statutory Authorization	Effective Date	Revenue Collected w/in last 5 years	Total Revenue Collected
*Save the Manatee TF (\$2 or \$5)	1984-338, L.O.F.	7/1/1985	\$478,310	\$3,191,012
Nongame Wildlife Trust Fund (\$1)	1984-194, L.O.F.	10/1/1984	\$210,421	\$19,244,868
*Marine Resources Conservation TF (\$5) Turtle Sticker is issued	1991-215, L.O.F.	7/1/1992	\$422,228	\$1,067,533
Organ & Tissue Donor Education (\$1)	95-423, L.O.F.	7/1/1995	\$284,239	\$586,143
Highway Safety Operating Trust Fund, used to purchase child safety seats (\$2)	1995-333, L.O.F.	10/1/1995	\$253,237	\$649,751
Transportation Disadvantaged Trust Fund (\$1)	1994-306, L.O.F.	7/1/1994	\$155,605	\$362,242
Prevent Blindness Florida (\$1)	1997-300, L.O.F.	10/1/1997	\$567,325	\$968,679
Florida Mothers Against Drunk Driving, Inc. (unspecified \$)	1999-233, L.O.F.	7/1/1999	\$350,902	\$542,973
Southeastern Guide Dogs, Inc. (\$1)	2005-254, L.O.F.	7/1/2005	\$225,256	\$225,256
Miami Heart Research Institute, Inc. (\$1)	2006-44, L.O.F.	7/1/2006	\$98,465	\$98,465
Children's Hearing Help Fund (\$1)	2007-50, L.O.F.	10/1/2007	\$63,886	\$63,886
State Homes for Veterans Trust Fund (\$1)	2008-87, L.O.F.	10/1/2008	\$82,806	\$82,806
Family First (\$1)	2008-102, L.O.F.	10/1/2008	\$16,365	\$16,365
Florida Sheriffs Youth Ranches, Inc. (\$1)	2009-110, L.O.F.	7/1/2009	\$176	\$176
<b>Total</b>			<b>\$3,209,221</b>	<b>\$27,100,155</b>

Section 320.02, F.S., specifies the language that must appear on the State of Florida vehicle's registration and renewal application forms. Included in s. 320.02, F.S., are options for voluntary

contributions to the above corporations, trust funds, and organizations as shown in the chart above. The chart includes three additional voluntary contributions relating to registrations authorized in other sections of law.<sup>3</sup>

These contributions are not income revenue and are not subject to the trust fund service charge detailed in s. 215.20, F.S., with the exception of the Organ and Tissue Donor trust fund.<sup>4</sup>

*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 of Children and Family Services (DCF).<sup>5</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>6</sup> The 17-members council is comprised of representatives of state agencies, counties, homeless advocacy organizations, and volunteers.<sup>7</sup> The council's duties include developing policy and advising the office.<sup>8</sup>

*Emergency Financial Assistance Program*

DCF administers this program and provides support to families with at least one minor child that 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 seven temporary employees to assess eligibility and process payments.<sup>12</sup>

*Challenge Grant*

The Office on Homelessness may award 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>13</sup> Current law does not limit administrative costs under this grant.

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<sup>3</sup> Specifically, s. 320.08047, F.S., allows a \$1 voluntary contribution to be deposited into the Health Care Trust Fund for organ and tissue donor education and for maintaining the organ and tissue donor registry. Section 328.72(11), F.S., requires that vessel registration and renewal application forms include a provision allowing for a voluntary contribution of \$2 or \$5 to the Save the Manatee Trust Fund to fund an impartial scientific benchmark census of the manatee population in the state and other activities intended to provide manatee and marine mammal protection and recovery efforts. Lastly, s. 328.72(16), F.S., requires the DHSMV to offer for sale with vessel registrations a marine turtle sticker for \$5 with proceeds deposited into the Marine Resource Conservation Trust Fund to be used for marine turtle protection, research, and recovery efforts.

<sup>4</sup> Section 320.02, F.S., and section 322.081, F.S.

<sup>5</sup> Chapter 2001-98, L.O.F.

<sup>6</sup> s. 420.622(3), F.S.

<sup>7</sup> s. 420.622(2), F.S.

<sup>8</sup> Id.

<sup>9</sup> s. 414.16(1), F.S.

<sup>10</sup> 65A-33.004, F.A.C.

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

<sup>12</sup> Staff Analysis (HB 923), Department of Children and Families. (On file with committee staff).

<sup>13</sup> s. 420.622(4), F.S.

*Homeless Housing Assistance Grant*

The Office on Homelessness may administer monies appropriated to it to provide 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>14</sup> Administrative costs are capped at 5% of the funds awarded.<sup>15</sup>

**III. Effect of Proposed Changes:**

The bill authorizes the collection of voluntary contributions in the amount of \$1 to be added to the motor vehicle registration forms and all drivers' license applications 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 on Homelessness to supplement Challenge Grants and homeless housing assistance grants and to provide information on homelessness to the public.

The bill replaces the existing Emergency Financial Assistance for Housing program with a homelessness prevention grant program. The program will be administered by local homeless assistance continuums of care to provide financial assistance to families facing the loss of their current home due to financial or other crises. The grants, which would be capped at \$300,000, may be used to pay past due rent and mortgage payments, past due utility costs and bills, and case management. Program administrative costs are capped at 3 percent of the grant award. While the Office on Homelessness will administer the grant to the local prevention programs, tracking and reporting on progress will be the responsibility of those local programs. DCF estimates that this change in grant programs will result in a savings of about \$200,000 in administrative costs for the Office on Homelessness since the seven OPS employees would no longer be needed.

The bill caps administrative costs for lead agencies administering Challenge Grants at 8 percent. Challenge Grants awards are up to \$500,000 per lead agency.<sup>16</sup> The effect of this change will permit lead agencies using Challenge Grants to spend more money on administrative costs compared to other homelessness assistance grants. For example, the homeless prevention grants created by this bill are capped at \$300,000 and limit administrative costs at 3 percent. The homeless housing assistance grants, which exist in current statute and are capped at \$750,000, have administrative costs limited to 5 percent. The rationale for the difference in administrative fee caps for the three grant programs is unclear.

The bill directs all funding for homeless housing assistance grants to be appropriated as a fixed capital outlay item. The use of homeless housing assistance grants are limited by statute to acquire, construct, or rehabilitate transitional or permanent housing units for housing persons. Currently, funding for these grants is classified as a grant in aid under general revenue, which

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<sup>14</sup> s. 420.622(5), F.S.

<sup>15</sup> s. 420.622(5)(f), F.S.

<sup>16</sup> s. 420.622(4), F.S.

must be used by the end of the fiscal year. The effect of this change will permit the use of grants for construction and housing purposes beyond the limitations of one fiscal year.

The bill repeals s. 414.16, F.S., relating to an emergency assistance program to aid families that are totally without shelter or facing the loss of shelter.

The bill will take effect July 1, 2010.

#### **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:**

None.

**B. Private Sector Impact:**

Applicants for motor vehicle registration and renewals and driver's licenses, driver's license duplicates, renewal issuances, renewal extensions, and identification cards wishing to donate \$1 to aid homeless, would have the option of doing so by selecting the check-off option on the application forms.

Families in need of emergency financial assistance will benefit by receiving funds from the Homelessness Prevention Grants program to help pay past due rent or mortgage payments, past due utility costs, and other past due bills creating a family's financial crisis.

**C. Government Sector Impact:**

DCF has not paid the application fee of \$10,000 each for Motor Vehicle Registrations and Driver's License Applications, for a total of \$20,000, to defray DHSMV's costs for reviewing the application and developing the check-off.

The Homelessness Prevention Grant program is created to provide emergency financial assistance to families. The Homelessness Prevention Grant program replaces the program in s. 414.16, F.S., which is repealed in this bill. The maximum grant per lead agency may

not exceed \$300,000 and program administrative costs may not exceed 3% of the grant award. DCF estimates this change in grant programs will result in a savings of about \$200,000 in administrative costs for the Office on Homelessness since the seven OPS employees would no longer be needed.

Section 420.622, F.S., is amended so that a lead agency may spend a maximum of 8% of its Challenge Grants funding on administrative costs.

**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.