

STORAGE NAME: h0465.ca

DATE: March 4, 1999

**HOUSE OF REPRESENTATIVES
COMMITTEE ON
COMMUNITY AFFAIRS
ANALYSIS**

BILL #: HB 465

RELATING TO: Grant Proposals for Community Centers

SPONSOR(S): Representative Minton

COMPANION BILL(S): CS/SB 386 (s) and SB 226 (c)

ORIGINATING COMMITTEE(S)/COMMITTEE(S) OF REFERENCE:

- (1) COMMUNITY AFFAIRS
 - (2) GOVERNMENTAL RULES AND REGULATION
 - (3) TRANSPORTATION AND ECONOMIC DEVELOPMENT APPROPRIATIONS
 - (4)
 - (5)
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I. SUMMARY:

This bill creates a process for reviewing and prioritizing funding requests from a county, city or not-for-profit corporation for the acquisition, renovation, or construction of a community center.

II. SUBSTANTIVE ANALYSIS:

A. PRESENT SITUATION:

The Senate Committee on Ways and Means Interim Project Report 98-51 states that over the past several years, local governments and non-profit institutions have exerted greater pressure upon the Florida Legislature for financial assistance with special projects. For many of these projects, there is no formal funding process set forth in statute and the Legislature is left to address their requests on an individual basis, often with incomplete or no standardized information. This makes it particularly difficult for legislators, who are required to make funding decisions usually within limited resources.

The report noted that there is already a process set in statute for the review and prioritization of grants for Historical Preservation, Cultural Facilities, Library Construction, the Florida Recreational Assistance Program, and International Trade. The report recommended that this concept be expanded to include several other areas of the state budget, to include multi-use facilities such as Senior Centers, Community Centers, and Town Meeting Halls. The report also noted that at least four factors need to be addressed for the creation of a grant application and review process:

- The entity to be designated to review, prioritize, and make the initial recommendations for projects, and the entity to make the final recommendation of a project list to the Legislature (may be the same entity);
- Match requirements (if applicable);
- Criteria considerations; and
- Timing (application submission, review procedure, and recommendations to the Legislature).

The 1998-99 General Appropriations Act established review committees for agricultural centers, fairs, livestock pavilions, multi-use facilities and festivals. The committees evaluated projects funded for FY 1998-99, reviewed all grant funding requests in FY 1999-00, and made recommendations establishing priority order.

B. EFFECT OF PROPOSED CHANGES:

This bill creates a four-stage process for reviewing and prioritizing legislative funding requests for community facilities:

- A county, city, or qualified not-for-profit corporation submits to a review panel a grant proposal for a matching grant for the acquisition, renovation, or construction of a multi use facility. The state grant may be used for up to 75% of the project cost, with a cap of \$1.5 million per project. The applicant must demonstrate that the community supports the project and that local funds are available and committed to operate and maintain the project.
- The review panel (consisting of two persons appointed to staggered terms by the Governor, President of the Senate, and Speaker of the House, respectively, and a seventh person appointed jointly by the panel) will review each application and submit, in priority order, a list of approved applications to the Secretary of the Department of Community Affairs.
- If the Secretary approves the list, it will then be included, in priority order, in the department's legislative budget request. The department must give preference to projects located in Enterprise Zones and communities that have fewer than one community center per 35,000 residents.
- DCA may then accept and administer the funds appropriated by the Legislature for approved projects. Grants funds are prohibited from being used to cover administrative costs. Unfunded projects will then be retained for the next grant cycle. If the project is not funded in the second year, the project must be resubmitted for consideration.

The Department of Community Affairs is required to adopt by rule criteria to be applied by the review panel and for administering this process.

C. APPLICATION OF PRINCIPLES:

1. Less Government:

a. Does the bill create, increase or reduce, either directly or indirectly:

(1) any authority to make rules or adjudicate disputes?

N/A

(2) any new responsibilities, obligations or work for other governmental or private organizations or individuals?

In administering the process, DCA reports they will likely incur costs for the following responsibilities: Writing and adopting rules; administering a grant application process; providing training and technical assistance to applicants; providing staff support to the review panel; submitting the review panels recommendations as a budget request; awarding and executing grant contracts; disbursing payments; and assisting grantees in the completion of facilities.

(3) any entitlement to a government service or benefit?

N/A

b. If an agency or program is eliminated or reduced:

(1) what responsibilities, costs and powers are passed on to another program, agency, level of government, or private entity?

N/A

(2) what is the cost of such responsibility at the new level/agency?

N/A

(3) how is the new agency accountable to the people governed?

N/A

2. Lower Taxes:

a. Does the bill increase anyone's taxes?

N/A

b. Does the bill require or authorize an increase in any fees?

N/A

c. Does the bill reduce total taxes, both rates and revenues?

N/A

d. Does the bill reduce total fees, both rates and revenues?

N/A

- e. Does the bill authorize any fee or tax increase by any local government?

N/A

3. Personal Responsibility:

- a. Does the bill reduce or eliminate an entitlement to government services or subsidy?

N/A

- b. Do the beneficiaries of the legislation directly pay any portion of the cost of implementation and operation?

N/A

4. Individual Freedom:

- a. Does the bill increase the allowable options of individuals or private organizations/associations to conduct their own affairs?

N/A

- b. Does the bill prohibit, or create new government interference with, any presently lawful activity?

N/A

5. Family Empowerment:

- a. If the bill purports to provide services to families or children:

- (1) Who evaluates the family's needs?

N/A

- (2) Who makes the decisions?

N/A

- (3) Are private alternatives permitted?

N/A

- (4) Are families required to participate in a program?

N/A

- (5) Are families penalized for not participating in a program?

N/A

- b. Does the bill directly affect the legal rights and obligations between family members?

N/A

- c. If the bill creates or changes a program providing services to families or children, in which of the following does the bill vest control of the program, either through direct participation or appointment authority:

(1) parents and guardians?

N/A

(2) service providers?

N/A

(3) government employees/agencies?

N/A

D. STATUTE(S) AFFECTED:

None

E. SECTION-BY-SECTION ANALYSIS:

SECTION 1: Establishes a grant program at the Department of Community Affairs (DCA) to fund counties, municipalities, qualified nonprofit organizations to acquire, repair or construct community centers; provides definitions; requires matching funds; requires applicant to demonstrate resources available to operate and maintain the center; provides preference for programs located in enterprise zones, empowerment zones or low income service areas; provides preference to projects in communities with fewer than one center per 35,000 residents; precludes grant funds being used for administrative purposes; requires the grantee to monitor its own performance; establishes a review panel with members appointed by the Governor, The President of Senate and the Speaker of the House; requires annual submittal to DCA of approved project list for inclusion in DCA's legislative budget request; provides for DCA to make grants only for projects for which the Legislature has appropriated funds; provides DCA with rulemaking authority.

SECTION 2: This act takes effect upon becoming law.

III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE AGENCIES/STATE FUNDS:

1. Non-recurring Effects:

The Department of Community Affairs estimates the non-recurring cost to be \$9,870.

2. Recurring Effects:

In administering the new grant program the Department of Community Affairs estimates that they will need funding for one professional and one clerical position, with associated operating costs. The Department estimates the recurring costs to be \$87,407.

3. Long Run Effects Other Than Normal Growth:

None.

4. Total Revenues and Expenditures:

<u>FY 99-2000</u>	<u>FY 2000-01</u>	<u>FY 01/02</u>
\$97,277	\$87,407	\$87,407

B. FISCAL IMPACT ON LOCAL GOVERNMENTS AS A WHOLE:

1. Non-recurring Effects:

N/A

2. Recurring Effects:

N/A

3. Long Run Effects Other Than Normal Growth:

N/A

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

1. Direct Private Sector Costs:

N/A

2. Direct Private Sector Benefits:

N/A

3. Effects on Competition, Private Enterprise and Employment Markets:

N/A

D. FISCAL COMMENTS:

Even though the bill prohibits grant funds being utilized for administrative costs, the Department of Community Affairs estimates the non-recurring cost to be \$9,870.

In administering the new grant program the Department of Community Affairs estimates that they will need funding for one professional and one clerical position, with associated operating costs. The Department estimates the recurring costs to be \$87,407.

IV. CONSEQUENCES OF ARTICLE VII, SECTION 18 OF THE FLORIDA CONSTITUTION:

A. APPLICABILITY OF THE MANDATES PROVISION:

The bill does not require counties and municipalities to expend funds or to take action requiring the expenditure of funds.

B. REDUCTION OF REVENUE RAISING AUTHORITY:

The bill does not reduce the authority that local governments have to raise revenues in the aggregate.

C. REDUCTION OF STATE TAX SHARED WITH COUNTIES AND MUNICIPALITIES:

The bill does not reduce the percentage of state shared revenue with local governments.

V. COMMENTS:

None.

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PAGE 7

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

The Sponsor has agreed to a strike-everything amendment which will conform House Bill 465 with Senate Bill 386, which was amended in the Senate Committee on Comprehensive Planning, Local and Military Affairs. The amendment provides for the following: Clarifies the definition of community centers; replaces non-profit with qualified; provides that the Department of Community Affairs receive up to 10 percent of the grant funds awarded for administrative costs; limits the grants to 36 months, representing the amount of time grant recipients have to begin the grant project; provides for dates for submitting certain documents to the Governor and the Legislature by the review panel.

VII. SIGNATURES:

COMMITTEE ON COMMUNITY AFFAIRS:

Prepared by:

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