STORAGE NAME: h0481.ca
DATE: December 22, 1999

HOUSE OF REPRESENTATIVES
COMMITTEE ON
COMMUNITY AFFAIRS
ANALYSIS

BILL #: HB 481

RELATING TO: Community Center Grants/DCA

SPONSOR(S): Representative Minton and other

TIED BILL(S): None

ORIGINATING COMMITTEE(S)/COMMITTEE(S) OF REFERENCE:
(1) COMMUNITY AFFAIRS (PRC)
(2) GOVERNMENTAL RULES & REGULATIONS (PRC)
(3) TRANSPORTATION & ECONOMIC DEVELOPMENT APPROPRIATIONS (FRC)
(4)
(5)

I. SUMMARY:

This bill creates a process under the administration of the Department of Community Affairs (DCA) for reviewing and prioritizing legislative funding requests for community centers from a county, city, or not-for-profit corporation for the acquisition, renovation, or construction of a community center.

The bill does not require the expenditure of state revenues, but rather, provides for DCA to request grant funding through their legislative budget requests. In administering the grant process, DCA reports they will incur a variety of costs, and will require funding for three staff positions. The bill provides that up to 10 percent of any grant funds appropriated for community centers may be used by DCA for administrative purposes, and requires DCA to submit an expenditure plan for the administrative costs, which would be subject to legislative consultation and review.

II. SUBSTANTIVE ANALYSIS:

A. DOES THE BILL SUPPORT THE FOLLOWING PRINCIPLES:

1.	Less Government	Yes []	No [X]	N/A []
2.	Lower Taxes	Yes []	No []	N/A [X]
3.	Individual Freedom	Yes []	No []	N/A [X]
4.	Personal Responsibility	Yes []	No []	N/A [X]
5.	Family Empowerment	Yes []	No []	N/A [X]

For any principle that received a "no" above, please explain:

This bill requires DCA to administer the community center grants program and directs the department to adopt rules.

B. PRESENT SITUATION:

The Senate Committee on Ways and Means *Interim Project Report 98-51* contends 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.

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).

C. EFFECT OF PROPOSED CHANGES:

This bill creates a process to assist the Legislature in reviewing and funding requests for financial assistance to acquire, construct, or renovate community centers. The four-stage process includes:

- 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 community center. The state grant may be for up to 75% of the project cost, with a cap of $1.5 million per project. Grants are limited to 36 months. Applicants must demonstrate that funds are available and committed to the project, and that the community supports the project and has dedicated funds to operate and maintain the project.

- A 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) must review each application and submit, in priority order, a list of approved applications to the Secretary of DCA. For Fiscal Year 2001-2002, the list will be submitted directly to the Legislature.

- If the Secretary approves the list, it will be included, in priority order, in DCA's legislative budget request. DCA must give preference to projects located in enterprise zones, empowerment zones, and areas in which at least 75 percent of the residents are of low and moderate income, 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. Unfunded projects will be retained for the next grant cycle. If the project is not funded in the second year, the project must be resubmitted for consideration.

Community centers are defined as free-standing facilities owned or managed by a county, municipality, or qualified not-for-profit corporation that provide recreational opportunities, educational programs, and meeting rooms for the community. In addition, recreational centers or other similar facilities are included in the definition to the extent that they comply with these criteria.

The bill provides that up to 10 percent of any grant funds appropriated for community centers may be used by DCA for administrative purposes. The bill requires DCA to submit an expenditure plan for the administrative costs, which would be subject to the consultation and review provisions in section 216.177, F.S.

DCA is required to adopt by rule criteria to be applied by the review panel and rules for administering this process.

D. SECTION-BY-SECTION ANALYSIS:

Section 1. A new, unspecified section of law is created. Subsection (1) authorizes DCA to accept and administer funds appropriated for providing grants to counties, municipalities, and not-for-profit corporations for the acquisition, renovation, or construction of community centers, which are defined.

Subsection (2) authorizes counties, municipalities, and qualified corporations, which are defined as not-for-profit corporations, to apply for a grant of state funds for such purposes. The subsection specifies grants may be used to cover up to 75 percent of project costs. A grantee must demonstrate to DCA that funds are available and committed to the project, and that the community supports the project and has dedicated funds to operate and maintain the center. DCA is directed to give preference to projects located in enterprise zones, empowerment zones, and services areas in which at least 75 percent of the residents are of low and moderate income, and to communities that have fewer than one community center per 35,000 residents. The subsection provides that up to 10 percent of any grant funds appropriated for community centers may be used by the DCA for administrative purposes, and requires DCA to submit an expenditure plan for the administrative costs, which would be subject to the legislative consultation and review requirements established in section 216.177, F.S. Each applicant receiving a grant is required to monitor its performance under the grant-supported activities to ensure time schedules are met, project objectives are accomplished within specified time periods, and performance goals are achieved. Grants are limited to 36 months.

Subsection (3) provides for a seven member review panel to review each application for a grant under this section. The Governor, President of the Senate, and Speaker of the House of Representatives, must each appoint two members, and a seventh person is to be appointed jointly by the panel. Members are to be appointed to 3-year terms and may not be reappointed within 1 year of completing a term. To provide for staggered terms, the Governor, President of the Senate, and Speaker of the House of Representatives are each to initially appoint one member for a 1-year term. The subsection provides for vacancies to be filled in the same manner as the original appointment, and directs the panel to elect a chairperson from its members to serve a 1-year term.

Beginning in Fiscal Year 2002-2003, the subsection requires the review panel to submit to the Secretary of DCA, in priority order, a list of applications it recommends be included in the DCA legislative budget request for a grant award. For Fiscal Year 2001-2002, the review panel is to submit the list to the Speaker of theHouse of Representatives and the President of the Senate by December 31, 2000. The subsection provides for unfunded projects to be retained for the next grant cycle. If the project is not funded in the second year, the project must be resubmitted for consideration.

Subsection (4) directs DCA to adopt by rule criteria to be applied by the review panel and rules for administering this process.

Section 2. An effective date of upon becoming law is provided.

III. <u>FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT</u>:

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. <u>Revenues</u>:

   The bill does not directly affect state revenues. However, the bill does establish a process whereby the Legislature would appropriate funds to DCA for the purpose of providing grants to fund community centers.

2. Expenditures:

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 Panel's recommendations as a budget request;
- Awarding and executing grant contracts;
- Disbursing payments; and
- Assisting grantees in the completion of the facilities.

DCA indicates it will need funding for two professionals and one clerical position, with associated OCO and Expense for staff and additional travel expenses for the review panel members. (The bill does not authorize DCA to reimburse members of the review panel for travel expenses.) DCA did not provide an estimate of its anticipated costs.

The bill provides that up to 10 percent of any grant funds appropriated for community centers may be used by the DCA for administrative purposes, and requires DCA to submit an expenditure plan for the administrative costs which would be subject to the legislative consultation and review provisions in section 216.177, F.S.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

Counties and municipalities will be required to follow a formal review procedure to obtain state funding for the acquisition, renovation, or construction of a community center.

2. Expenditures:

Local governments applying for a 75 percent grant will be required to provide at least a 25 percent match for the project.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

Not-for-profit organizations will be required to follow a formal review procedure to obtain state funding for the acquisition, renovation, or construction of a community center, and will be required provide at least a 25 percent match for the project.

D. FISCAL COMMENTS:

None.

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

A. APPLICABILITY OF THE MANDATES PROVISION:

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

B. REDUCTION OF REVENUE RAISING AUTHORITY:

This bill does not reduce the authority that municipalities or counties have to raise revenues in the aggregate.

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

This bill does not reduce the percentage of state tax shared with counties or municipalities.

V. COMMENTS:

A. CONSTITUTIONAL ISSUES:

None.

B. RULE-MAKING AUTHORITY:

The bill directs DCA to adopt by rule criteria to be applied by the review panel and rules for administering this process.

C. OTHER COMMENTS:

None.

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

None.

VII. SIGNATURES:

COMMITTEE ON COMMUNITY AFFAIRS:

Prepared by:	Staff Director:
Thomas L. Hamby	Joan Highsmith-Smith