

HF1791 - 0 - Local Homeless Prevention Aid

Chief Author: **Aisha Gomez**
 Committee: **Taxes**
 Date Completed: **3/16/2021 6:21:18 PM**
 Lead Agency: **Revenue Dept**
 Other Agencies:
 Education Department

State Fiscal Impact	Yes	No
Expenditures		X
Fee/Departmental Earnings		X
Tax Revenue	X	
Information Technology		X
Local Fiscal Impact	X	

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2021	FY2022	FY2023	FY2024	FY2025
State Total						
Total	-	-	-	-	-	-
Biennial Total			-			-

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2021	FY2022	FY2023	FY2024	FY2025
Total	-	-	-	-	-

Lead LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

LBO Signature: Joe Harney **Date:** 3/16/2021 6:21:18 PM
Phone: 651-284-6438 **Email:** joe.harney@bo.leg.mn

State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands		FY2021	FY2022	FY2023	FY2024	FY2025
Total		-	-	-	-	-
Biennial Total				-		-
1 - Expenditures, Absorbed Costs*, Transfers Out*						
Total		-	-	-	-	-
Biennial Total				-		-
2 - Revenues, Transfers In*						
Total		-	-	-	-	-
Biennial Total				-		-

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Full Time Equivalent Positions (FTE)	Biennium			Biennium	
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Total	-	-	-	-	-

LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

LBO Signature: Joe Harney **Date:** 3/15/2021 4:21:00 PM
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Biennial Total			-			-

Bill Description

This bill creates Local Homeless Prevention Aid for the purpose of helping local governments ensure that no child is homeless within a local jurisdiction by keeping families from losing housing and helping those experiencing homelessness find housing. The money appropriated to local homeless prevention aid under this section must be allocated to counties based on each county's percentage share of students experiencing homelessness, based on the most recent information from the Minnesota Department of Education (MDE). Counties that receive a distribution under this section must use the proceeds to fund family homeless prevention and assistance projects. Projects may be administered by a county, a group of contiguous counties jointly acting together, a city, a group of contiguous cities jointly acting together, a tribe, a group of tribes, or a community-based nonprofit organization. The bill specifies certain requirements that each project must include. The commissioner of revenue would compute the amount of local homeless prevention aid payable to each county on or before August 1 of each year. \$55,000,000 would be annually appropriated from the general fund to the commissioner of revenue.

The bill is effective beginning with aids payable in 2022 and thereafter.

Assumptions

The Department of Revenue (DOR) will engage in outreach and communication to inform taxpayers, businesses, tax preparers, tax software companies and DOR employees about the changes in this bill. For example, DOR may issue email and social media bulletins, and include information about the changes in press releases, conference calls, and other materials about new tax law changes. DOR will create/update web content and will update employee instructional and training materials.

DOR will set up appropriation and expense accounts in SWIFT and will distribute the funds as noted in the bill. DOR will administer this aid payment along with other County Program Aid.

The administrative impact is minimal.

Expenditure and/or Revenue Formula

\$55,000,000 would be annually appropriated from the general fund to the commissioner of revenue for the aid noted in this bill.

This bill may have an impact on state tax revenues. An estimate of revenue impact is not included in this fiscal note. The Department of Revenue prioritizes revenue estimate requests for bills before Tax Committee and will provide one for this

bill when it is before Tax Committee.

Long-Term Fiscal Considerations

\$55,000,000 would be annually appropriated from the general fund to the commissioner of revenue for the aid noted in this bill.

Local Fiscal Impact

Counties will need to create plans to distribute the funds as described in this bill.

Local governments with high numbers of students and families facing housing insecurity would receive financial assistance.

References/Sources

Agency staff provided information for this fiscal note.

Agency Contact: Lisa Knops 651-556-6754

Agency Fiscal Note Coordinator Signature: Lisa Knops

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Date: 3/15/2021 4:00:56 PM

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Chief Author: **Aisha Gomez**
 Committee: **Taxes**
 Date Completed: **3/16/2021 6:21:18 PM**
 Agency: **Education Department**

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Expenditures		X
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Total	-	-	-	-	-	-

LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

LBO Signature: Alyssa Holterman Rosas **Date:** 3/16/2021 6:18:41 PM
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State Cost (Savings) Calculation Details

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Total	-	-	-	-	-	-
Biennial Total			-			-
2 - Revenues, Transfers In*						
Total	-	-	-	-	-	-
Biennial Total			-			-

Bill Description

This bill uses the most recent information from the Minnesota Department of Education (MDE) regarding homelessness for students to allocate \$55,000,000 annually to Minnesota counties. This annual allocation is to be used to fund family homeless prevention and assistance projects.

Assumptions

It is assumed the information from MDE will come from the previous year's public student enrollment file. This would mean that for fiscal year 2022, aid would be distributed based on the MDE fiscal year 2021 public student enrollment file. The MDE public student enrollment file includes counts based on October 1 enrollment. It includes both a count and percent of total county enrollment of pre- grade 12 students experiencing homelessness.

MDE already collects the required data, therefore there is no cost to MDE.

It is assumed the count of homelessness is all students enrolled in public school in Early Childhood Special Education, Voluntary Prekindergarten (VPK), School Readiness Plus (SRP), and grades k-12. It excludes children served in Early Childhood Family Education and School Readiness.

It is assumed that only Minnesota residents are eligible for this aid.

It is assumed the definition of homelessness and the identification of students will continue to follow the McKinney-Vento Act (725).

Expenditure and/or Revenue Formula

N/A

Long-Term Fiscal Considerations

N/A

Local Fiscal Impact

N/A

References/Sources

The data would come from the Minnesota Automated Reporting Student System (MARSS).

<https://nche.ed.gov/mckinney-vento/>

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