



**House
Legislative
Analysis
Section**

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**CHILDREN'S TRUST FUND:
ALLOW FUNDRAISING**

**House Bill 4878 as introduced
First Analysis (6-6-95)**

**Sponsor: Rep. Shirley Johnson
Committee: Human Services**

THE APPARENT PROBLEM:

Public Act 211 of 1982 (enrolled House Bill 5609) created a Children's Trust Fund in the Department of Treasury which can accept public and private funds to be spent on efforts to prevent child abuse and neglect. Companion legislation established an autonomous Child Abuse and Neglect Prevention Board (Public Act 250, enrolled House Bill 4556) in the Department of Management and Budget to oversee the disbursement of funds from the trust fund for use by local child abuse and neglect prevention programs, and placed a check-off on state income tax forms (Public Act 249, enrolled House Bill 5609) that allows people entitled to refunds to designate that two dollars of their refund be credited to the trust fund (the amount has subsequently been increased to a suggested amount of ten dollars, or any amount designated by the taxpayer). The Child Abuse and Neglect Prevention Board (which was transferred to the Department of Social Services in 1992 by executive reorganization order No. 1992-5) currently can accept federal funds granted by Congress or executive order, as well as gifts and donations from individuals, private organizations, or foundations.

According to the Department of Social Services, the Children's Trust Fund has served approximately 400,000 people since its inception in 1984. In fiscal year 1994, it received a total of \$1,795,422 and disbursed \$1,604,488 to local child abuse prevention programs. The board received over \$300,000 in fiscal year 1993 from solicited charitable contributions. At the request of the State Child Abuse and Neglect Prevention Board, legislation has been introduced to ensure its ability to receive solicited charitable contributions.

THE CONTENT OF THE BILL:

The bill would amend the Child Abuse and Neglect Prevention Act (Public Act 250 of 1982) to allow the Child Abuse and Neglect Prevention Board to

solicit contributions and to contract with certain organizations to solicit contributions. More specifically, the bill would allow the board to plan, manage, or conduct campaigns to solicit gifts, bequests, grants, or donations of money or property, and to enter into contracts with licensed charitable organizations in order to solicit contributions. Such contracts would have to include provisions that allowed a "reasonable" administrative fee for contributions obtained by the charitable organization and that required appropriate bonding by, and an independent audit of, the charitable organization.

MCL 722.608

FISCAL IMPLICATIONS:

According to the Department of Social Services, the bill has no fiscal impact. (6-1-95)

ARGUMENTS:

For:

According to the Department of Social Services, which houses the State Child Abuse and Neglect Prevention Board, charitable contributions -- solicited either by the board itself or through licensed charitable organizations -- are an important source of funds for the Children's Trust Fund. According to the department, these funds amounted to over \$300,000 in fiscal year 1993. Yet the enabling legislation for the board explicitly recognizes only the board's ability to receive money from the federal government and to accept gifts or donations from individuals, private organizations, or foundations. The act is silent on the issue of the board's actively soliciting funds, though the board reportedly does do this. The bill would clarify in statute the board's continued ability to receive solicited charitable contributions (including its ability to contract with licensed charitable

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organizations to solicit contributions on its behalf),
thereby ensuring the board's ability to receive
revenue that it already has been receiving.

POSITIONS:

The Children's Trust Fund (in the Department of
Social Services) supports the bill. (6-1-95)

The Michigan Association for the Education of
Young Children supports the bill. (6-1-95)