Senate Fiscal Agency
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BILL ANALYSIS

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Senate Bills 418 through 421 (as reported without amendment)
Sponsor: Senator Kevin Hertel (S.B. 418)
Senator Kevin Daley (S.B. 419)
Senator Sam Singh (S.B. 420)
Senator John Cherry (S.B. 421)
Committee: Health Policy

CONTENT

Senate Bill 418 would amend the Child Abuse and Neglect Prevention Act to do the following:

-- Allow the State Child Abuse and Neglect Prevention Board (Board) to partner with a fundraising entity, including a 501(c)(3) nonprofit organization, to ensure that the Board delivered on its mission to fundraise and maximize the prevention of child abuse and neglect.
-- Delete the requirement that the Board seek the approval of the appropriate local council to disburse funds to private nonprofit or public organizations.
-- Require the Board to consider whether the board of directors of a local council had parent representation before disbursing a grant to that local council.
-- Require the Department of Health and Human Services' (DHHS) Bureau of Audit, instead of the Auditor General, to prepare a written review of the functions, responsibilities, and performance of the Board every three years.
-- Rename the Board to the Children Trust Michigan Board.
-- Replace references to a local council with a prevention partner.

Senate Bill 419 would amend Public Act 249 of 1982, which establishes the State Children's Trust Fund, to raise, to 8% of the 12-quarter rolling Fund average, the cap on the percent of the Fund available for disbursement for expenditure.

Senate Bill 420 would amend the Open Meetings Act to allow the Board to meet electronically under any circumstance, including any circumstance requiring accommodation of absent members.

Senate Bill 421 would amend Chapter 7 (Registration Fees) of the Michigan Vehicle Code to modify references to the Board to reflect Senate Bill 418's proposed renaming.

Senate Bills 420 and 421 are tie-barred to Senate Bill 418.

MCL 722.602 et al. (S.B. 418)
21.171 (S.B. 419)
15.263a (S.B. 420)
257.811j (S.B. 421)

BRIEF RATIONALE

Generally, the Board's mission is to proactively support programs across the State that work to prevent child abuse and neglect. According to testimony, the Board's 2025 budget was approximately $4.0 million; however, testimony also indicates that the Board's service as the only statewide organization focused on preventing child abuse and neglect requires more funding. Accordingly, cost-saving and fundraising measures, like allowing access to potentially more affordable auditing options and expanding the types of fundraising organizations with whom the Board could partner, have been suggested.

Legislative Analyst: Alex Krabill

FISCAL IMPACT

Senate Bill 418

The bill would have a minimal fiscal impact on the DHHS. Updating the branding with the new name of the Board could incur minor costs but would not produce a significant increase in administrative expenses. The bill would have no fiscal impact on the Department of Technology, Management, and Budget. The Board is already administered under the supervision of the DHHS.

Senate Bill 419

The bill would authorize increased spending from the Children's Trust Fund beginning in Fiscal Year (FY) 2025-2026 by allowing up to 8% of the 12-quarter rolling Fund balance to be available for annual distribution. The bill does not indicate a required Fund balance threshold prior to implementing the 8% cap. The additional spending would need to be approved by the Board and appropriated by the Legislature. If disbursement were increased pursuant to the bill, State payments available for child abuse prevention grants to providers of direct services, some of which are local governments, and to local child abuse prevention councils, would increase at least temporarily. The amount of funds available for distribution would depend on the actions of the Board, the level of enacted appropriations, investment returns, and contributions to the Fund. Under Public Act 121 of 2024, the total authorized spending for the Fund is approximately $5.1 million for FY 2024-25 as part of the DHHS budget. The total appropriation for FY 2024-25 comprises approximately $1.9 million of Federal revenue. The Michigan Comprehensive Annual Financial Report for the fiscal year ending September 30, 2024, shows the closing balance for the Fund as approximately $29.2 million.

The bill would not have a fiscal impact on the Department of Treasury. While the Department would monitor the amount available for disbursement, this would not require any additional expenditures. Disbursements from the Fund would depend upon the amounts appropriated to the DHHS in the annual appropriations bill.

Senate Bill 420

The bill would have no fiscal impact on State or local government.

Senate Bill 421

The cost to create a fund-raising specialty plate currently averages an estimated $90,000 for design and production of the plate. This start-up cost would first need to be paid by Children’s Trust Fund, before the Department of State (DOS) would begin production and issuance of the Children’s Trust plate.

Upon issuance of a fund-raising plate, the applicant must submit a $25 fund-raising donation ($10 donation for a renewal) along with the applicable vehicle registration tax. The fund-raising donations would be deposited into the Children’s Trust Fund to be used for the support and benefit of the children of Michigan. The vehicle registration tax revenue would be deposited into the Michigan Transportation Fund (MTF) while any other fee revenue, aside from the fund-raising donation, would be deposited into the Transportation Administration Collection Fund. Finally, there could be additional costs to the DOS associated with the development and issuance of the new plate; however, these costs should be minimal and absorbable within annual appropriations. The

MTF likely would not see much of an increase in revenues as most applicants for the new plate likely are already paying the vehicle registration tax which would not be affected under this bill. The bill would have no fiscal impact on local government.

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