

Senate Fiscal Agency  
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**SFA****BILL ANALYSIS**

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House Bills 4640 and 4641 (as passed by the House)  
Sponsor: Representative Barb Vander Veen (House Bill 4640)  
Representative Belda Garza (House Bill 4641)  
House Committee: Family and Children Services  
Senate Committee: Families, Mental Health and Human Services

Date Completed: 4-24-02

### **CONTENT**

**House Bills 4640 and 4641 would amend the Social Welfare Act and the Michigan Vehicle Code, respectively, to create the "Child Care Assistance Fund" to assist eligible families with child day care needs, and to require the Secretary of State to create a program allowing a vehicle registrant to donate \$1 to \$5 to the proposed Fund.** The bills are tie-barred, and House Bill 4640 would be repealed on December 31, 2004.

#### **House Bill 4640**

The Child Care Assistance Fund would be created in the Department of Treasury and would be administered by the Family Independence Agency (FIA).

The FIA would have to establish eligibility criteria that included at least both of the following requirements for receiving assistance under the Fund:

- The parent, legal guardian, or other caretaker was unavailable to provide child care due to employment.
- The family group income exceeded eligibility limits for child care assistance established by the FIA.

Money in the Fund would have to be spent as the FIA determined necessary to assist eligible families with child day care needs. The FIA would have to make money from the Fund available to families who met the eligibility criteria it established. Money in the Fund at the end of a fiscal year would have to remain in the Fund and could not lapse to the State General Fund.

The FIA would have to provide an annual report on the Child Care Assistance Fund to the Legislature. The report would have to include at least the amount of money received annually in the Fund and the number of families who received assistance from the Fund.

#### **House Bill 4641**

The bill would require the Secretary of State to create a program that allowed each vehicle registration and renewal applicant to donate \$1, \$2, \$3, \$4, or \$5 to the proposed Child Care Assistance Fund. On a quarterly basis, the Secretary of State would have to deposit into that Fund money received as donations under the bill, and could retain up to 3% of the money received in any quarter to cover the cost of administering the donation program.

The Secretary of State would have to terminate the donation program upon the repeal of the

section of the Social Welfare Act that created the Fund.

Proposed MCL 400.57m (H.B. 4640)  
MCL 257.801 (H.B. 4641)

Legislative Analyst: Patrick Affholter

### **FISCAL IMPACT**

The bills would have an indeterminate fiscal impact on the State. They would result in revenue for the proposed Child Care Assistance Fund. The amount collected for the Fund cannot be determined since donations could range from \$1 to \$5, and it is unknown how much would be donated.

Administrative costs to manage the Fund, in addition to possible computer technology and training needed to implement it, would result in some expense to the Family Independence Agency and the Department of State. Administrative costs of the Department of State could be covered by up to 3% of the money received from donations.

The bills would have no fiscal impact on local government.

Fiscal Analyst: Connie Cole  
Jessica Runnels