



Senate Fiscal Agency
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BILL ANALYSIS

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House Bill 6089 (Substitute S-3 as reported by the Committee of the Whole)

House Bill 6090 (Substitute H-1 as reported without amendment)

Sponsor: Representative Craig DeRoche (H.B. 6089)

Representative Dudley Spade (H.B. 6090)

House Committee: Families and Children's Services

Senate Committee: Families and Human Services (H.B. 6089)

Finance (H.B. 6090)

CONTENT

House Bill 6089 (S-3) would create the "Foster Care Trust Fund Act" to do the following:

- Establish the "Foster Care Trust Fund", to be used in part to fund the development or operation of a public or private nonprofit foster care program, if the organization could match 50% of the amount received and were willing and able to provide program models and consultation to organizations and communities on program development and maintenance.
- Create the State Foster Care Advisory Board within the Department of Human Services, and provide for the Board to consist of 13 voting members, including the Director of Human Services, the Director of Community Health, and the Children's Ombudsman, or their designees, and 10 public members appointed by the Governor with the advice and consent of the Senate.
- Require the Board to administer the Fund and disburse money from it according to criteria developed by the Board, upon appropriation by the Legislature.
- Prohibit any money from being spent or appropriated from the Fund until the amount credited to it from all sources met or exceeded \$800,000.
- Require the Board annually to prepare a detailed and itemized accounting of revenue and expenditures from the Fund using generally accepted accounting principles, and provide it to the Senate and House Appropriations Committees.
- Require the Board to work collaboratively with private and public foster care programs to identify and address the problems facing children in the foster care system, work to raise awareness of foster care, and develop a support network for youths aging out of foster care.

House Bill 6090 (H-1) would amend the Income Tax Act to permit an individual to designate on his or her annual income tax a contribution to the Foster Care Trust Fund.

The bills are tie-barred.

MCL 206.435 (H.B. 6090)

Legislative Analyst: Curtis Walker

FISCAL IMPACT

House Bill 6089 (S-3): All expenditures for the salaries of the executive director and staff as well as all actual and necessary operating expenses of the State Foster Care Advisory Board would be paid from the Foster Care Trust Fund. No expenditures could be made from the Fund until deposits credited to it equaled or exceeded \$800,000. It is estimated that

the costs for the salaries and benefits for executive director and staff and minimal operating expenses would total approximately \$250,000 per year.

The bill would have no fiscal impact on local government.

House Bill 6090 (H-1) would have an indeterminate fiscal impact on State government. Each time a check-off is added, the Department of Treasury incurs administrative costs for implementing the necessary changes to the forms, and for processing the various contributions. In 2005, the Department of Treasury received \$2.2 million in total contributions to the three check-offs then available. On average, the total amount of contributions in a given tax year has ranged from \$1.5 million to \$3.5 million, and the amount per check-off has varied from \$300,000 to \$2.1 million. It is difficult to predict the popularity of a new check-off and whether it would increase the total amount of contributions, or reduce the distribution to any given fund.

Date Completed: 12-11-08

Fiscal Analyst: Joe Carrasco
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