

Legislative Analysis



MODIFY CHILDREN'S TRUST FUND DISBURSEMENT

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Senate Bill 861

Sponsor: Sen. Randy Richardville

House Committee: Families, Children, and Seniors

Senate Committee: Families, Seniors, and Human Services

Complete to 9-23-14

A SUMMARY OF SENATE BILL 861 AS PASSED BY THE SENATE 6-10-2014

Senate Bill 861 would amend the Children's Trust Fund Act (MCL 21.171) to revise provisions that specify how much of the money in the fund can be annually disbursed.

The Children's Trust is a charitable educational endowment fund in the Department of Treasury. Money granted or received as gifts or donations to the trust fund is available for disbursement by the State Child Abuse and Neglect Prevention Board as provided under the Child Abuse and Neglect Prevention Act. Money flows to the fund through a state income tax checkoff and the sale of vehicle license plates, among other sources.

Currently, not more than one-half of the money contributed to the trust fund each year, plus interest and earnings (excluding unrealized gains and losses) is available for disbursement.

Senate Bill 861 would specify instead that beginning in fiscal year 2015 and continuing through fiscal year 2017, all money contributed to the fund that year, plus 4.25 percent of the 12-quarter rolling average of the fund (including unrealized gains and losses) would be available for disbursement.

In addition, on October 1, 2017, provided that the rolling average of the fund for the previous 12 quarters (including unrealized gains and losses) had been at least \$23.5 million, then beginning with fiscal year 2018, up to five percent of the 12-quarter rolling average would be available for disbursement.

MCL 21.171

FISCAL IMPACT:

Senate Bill 861 would increase the amount of revenue available from the Children's Trust Fund to the State Child Abuse and Neglect Prevention Board within the Department of Human Services. Subject to legislative appropriations, the state board is allowed to disburse money from the Children's Trust Fund for private or public prevention programming, to support local councils, and to support state-level operating expenses. The current budget for the Children's Trust Fund grants and administration is \$3.3 million Gross, which includes federal and GF/GP funds in addition to Children's Trust Funds.

According to the FY 2012-13 Comprehensive Annual Financial Report, the fund balance of the Children's Trust Fund was \$24.5 million. Annual revenues, including from federal agencies, were \$2.6 million during FY 201-13.

The bill would have no fiscal impact on the Department of Treasury as it relates to the department's administration and investment of the fund.

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