Legislative Analysis

CHILDREN TRUST MICHIGAN

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House Bills 4805, 4806, and 4807 as introduced
Sponsor: Rep. Bryan Posthumus
Committee: Government Operations
Complete to 10-29-25

SUMMARY:

The bills would amend different acts to make changes related to Children Trust Michigan (formerly called the Michigan Children's Trust Fund), which is a charitable and educational endowment fund created in 1982 to provide funding and support for programs across the state with the goal of preventing child abuse and neglect.[1] The fund receives money through a state income tax checkoff and the sale of vehicle license plates, among other sources. Money in the trust fund is disbursed by the State Child Abuse and Neglect Prevention Board under the Child Abuse and Neglect Prevention Act. Children Trust Michigan partners with, and provides grants to, local councils that primarily develop and facilitate community child abuse and neglect prevention programs in specific geographic areas.

House Bill 4805 would amend 1982 PA 249, which created the Children's Trust Fund (now Children Trust Michigan) in the state treasury, to increase the percentage of the fund that must be available for disbursement annually.

Currently, up to 5% of the rolling average of the fund balance for the previous 12 quarters, including unrealized gains and losses, is available for disbursement under the act. Under the bill, beginning with the 2024-25 fiscal year, up to 8% of the 12-quarter rolling average would have to be available.

MCL 21.171

House Bill 4807 would amend the Child Abuse and Neglect Prevention Act. The bill would change the name of the State Child Abuse and Neglect Prevention Board to the Children Trust Michigan Board, and change current references to "local councils" to "prevention partners."

The bill also would allow the Children Trust Michigan Board to partner with a fundraising entity in accordance with state and federal requirements to ensure that the board delivers on its mission to fundraise and to maximize the prevention of child abuse and neglect. The bill would specifically allow, but not require, the fundraising entity to be a nonprofit organization that is exempt from tax under section 501(c)(3) of the federal Internal Revenue Code.

The bill would remove a provision that now requires the review and approval of the applicable local council before money from the fund can be spent to fund a private nonprofit or public organization in the development or operation of a child abuse and neglect prevention program.

[1] https://www.michigan.gov/ctf and https://www.childrentrustmichigan.org/

Finally, the act now requires the state auditor general to complete a thorough, written review of the functions, responsibilities, and performance of the Children Trust Michigan Board every three years. The bill would transfer that responsibility to the Bureau of Audit of the Department of Health and Human Services (DHHS).

MCL 722.602 et seq.

House Bill 4806 would amend the Michigan Vehicle Code to reflect the change in name from the State Child Abuse and Neglect Prevention Board to the Children Trust Michigan Board (as proposed by House Bill 4807) in provisions that relate to Children Trust Michigan fundraising license plates. The bill cannot take effect unless House Bill 4807 is also enacted.

MCL 257.811j

FISCAL IMPACT:

The bills would have a negligible fiscal impact on the Department of Health and Human Services and local units of government. Under the provisions of HB 4805, the rate of distribution of restricted funding made available from the Children's Trust Fund would be increased from up to 5% of the 12-quarter rolling average to up to 8% starting in FY 2024-25. Currently, the Children's Trust Fund has a balance of approximately $29.3 million. The increased distribution rate would not require additional state funds; however, the distribution would still be subject to legislative appropriation. Any fiscal impact of HB 4807 would be dependent on the administrative cost of preparing and releasing an audit for Children's Trust Fund revenue disbursement every three years.

Legislative Analyst: Rick Yuille
Fiscal Analysts: Sydney Brown