



Legislative Fiscal Bureau

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February 4, 2004

TO: Members
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: Assembly Bill 211: Child Abuse and Neglect Prevention Board

Assembly Bill 211 would modify: (a) the treatment of revenues that currently support the activities of the Child Abuse and Neglect Prevention (CANP) Board; (b) provisions relating to grants distributed by the Board; and (c) membership and responsibilities of the CANP Board and the current nonstock, nonprofit corporation organized by the Board (the Celebrate Children Foundation).

The Assembly Committee on Children and Families adopted two amendments to AB 211. Assembly Amendment 1 would: (a) remove the requirements in the bill that the corporation's board of directors include a legislator and that no two members be from the same category of members of the CANP Board; (b) clarify that revenue from the sale of "Celebrate Children" license plates would continue to accumulate indefinitely in the corporation's fund; and (c) make other technical changes to the bill.

Assembly Amendment 2 would: (a) reduce from \$150,000 to \$100,000, the maximum annual amount of funding the Board could provide to the corporation; (b) specify that this maximum funding amount would apply in 2004-05 and 2005-06, rather than annually; and (c) specify that, beginning in 2006-07, the total amount that the corporation could expend in a given fiscal year for administrative and fund raising costs could not exceed 14% of the amount of contributions, grants, gifts, and bequests accepted by the corporation in that fiscal year.

On November 4, 2003, the Assembly Committee on Children and Families recommended passage of AB 211, as amended by AA 1 and AA 2, by a vote of 7 to 0.

CURRENT LAW

Nonstock, Nonprofit Corporation. The Board may organize and maintain a nonstock, nonprofit corporation for the exclusive purpose of soliciting and accepting contributions, gifts, grants, and bequests for the children's trust fund. Any contributions, grants, gifts, or bequests accepted by the corporation must be deposited in the children's trust fund and, in accordance with the wishes of the donor, must be used for grants, the Board's staff and operating costs, or to fund statewide projects or may continue to accumulate in the children's trust fund.

If the Board establishes a nonstock, nonprofit corporation, the Board must enter into a contract with the corporation stating that the Board may make use of the services of the corporation and that the Board may provide administrative services to the corporation, though the type and scope of these services would be determined by the Board. The corporation is prohibited from employing staff or engaging in political activities.

The corporation is required to donate any real property to the state within five years after acquiring the property unless holding the property for a longer length of time is consistent with sound business and financial practices and is approved by the Joint Committee on Finance. The Board, the Department of Administration, the Legislative Fiscal Bureau, the Legislative Audit Bureau, and the appropriate committee of each house of the Legislature may examine all records of the corporation.

The corporation's board of directors must consist of five members, including the chairperson of the CANP Board and four members of the CANP Board, elected by the Board, of which one must be a legislator. No two members of the board of directors may be from the same category of CANP Board members, either appointed or public.

"Celebrate Children" License Plate Revenue. On January 1, 1999, the Department of Transportation (DOT) began issuing a special license plate with the words "Celebrate Children" on it for people interested in supporting child abuse and neglect prevention activities. Currently, a "Celebrate Children" license plate costs the buyer \$90 in the first year and \$75 each year thereafter, of which \$70 in the first year and \$55 in each year following is retained by DOT and the balance is deposited in the children's trust fund.

The revenue from the sale of "Celebrate Children" license plates is deposited into the children's trust fund, where it accumulates indefinitely. The CANP Board cannot spend the revenue from the sale of these license plates that is deposited into the children's trust fund. The Board may only expend the interest from this revenue.

CANP Board Membership. The CANP Board consists of 16 members, including eight members from state government (the Governor, the Attorney General, the Secretary of Health and Family Services, the State Superintendent of Public Instruction, one member of the majority and minority party from each house of the Legislature, or their designees) and eight public members, of which six are appointed on the basis of expertise, experience, and interest in the prevention of child abuse and neglect or on the basis of expertise or experience in intervention in cases of child abuse

and neglect, one adult who was the victim of abuse or neglect as a child, and one parent who formerly abused or neglected his or her child and who has received treatment or advice from an organization that provides child abuse and neglect prevention and intervention services.

Grant Programs. The Board may award grants to organizations for programs for the primary prevention of child abuse and neglect, including, but not limited to: (a) programs to promote public awareness of the need for the prevention of child abuse and neglect; (b) community-based programs on education for parenting, prenatal care, perinatal bonding, child development, care of children with special needs, and coping with family stress; and (c) community-based programs relating to crisis care, early identification of children at risk of child abuse or neglect, and education, training and support groups for parents, children, and families. In addition, the Board may award grants to early childhood family education centers for parenting education services, including in-home services, and "right from the start" projects that provide outreach and family support services to parents of newborn infants.

SUMMARY OF THE AMENDED BILL

Nonstock, Nonprofit Corporation -- Creation of Fund. The bill would authorize the corporation (the Celebrate Children Foundation) to establish and maintain a fund, into which the corporation would deposit all gifts, grants, contributions, and bequests it accepts. In addition, the principal balance and any interest from "Celebrate Children" license plate sales would be transferred from the children's trust fund to the corporation's fund. All future revenues from the sale of these license plates and the interest earned on the revenues of those sales would also be deposited in the corporation's fund.

All license plate revenue, including future revenues and amounts transferred to the corporation's fund from the children's trust fund, would continue to accumulate indefinitely in the corporation's fund. AB 211 would create an appropriation in DOT for the receipt of moneys from the sale of "Celebrate Children" license plates for the purpose of depositing these funds to the corporation's fund.

The bill would specify that, in accordance with the wishes of the donor and subject to the approval of the Board, any contributions, grants, gifts, or bequests accepted by the corporation that are deposited in the fund must be used to: (1) encourage donors to make contribution, grants, gifts, and bequests to the corporation for deposit in the children's trust fund or the corporation's fund; (2) fund statewide projects, grant programs, or any other project that the Board contracts with the corporation to administer; (3) pay for the actual and necessary operating costs of the corporation; or (4) continue to accumulate indefinitely.

The amended bill would authorize the Board to award a grant of not more than \$100,000 in 2004-05 and 2005-06 to the corporation for the four purposes described in the previous paragraph. In 2004-05, the Board could use PR funds budgeted for grants or the interest from license plate revenue that was previously appropriated to the Board. In 2005-06, the Board could only use PR funds budgeted for grants. Beginning in 2006-07, the bill would limit the total amount that the

corporation may expend in a given year for administration and fund-raising costs to no more than 14% of the amount of contributions, grants, gifts, and bequests accepted by the corporation in that fiscal year.

Under the bill, the corporation would be required to submit a budget specifying how it intends to allocate the contributions, grants, gifts, and bequests it accepted and all other moneys of the corporation to the CANP Board for its approval. The budget would specify the amount of contributions, grants, gifts, and bequests that would be deposited in the children's trust fund and in the corporation's fund. The corporation's budget for its fund would specify how the funds would be allocated or permitted to accumulate indefinitely.

Composition of the Corporation's Board of Directors. The bill would increase, from five to nine, the number of members of the corporation's board of directors. The corporation's board would still include the chairperson of the CANP Board and up to four additional members of the CANP Board. The amended bill would delete the requirements that the corporation's board of directors include a legislator and that no two members of the board of directors be from the same category of CANP Board members.

Finally, the bill would specify that the contract between the CANP Board and the corporation could, but would no longer be required to, provide for the use by the Board of the services of the corporation and for the provision by the Board of administrative services to the corporation. The bill would allow the corporation to employ administrative staff. Currently, the corporation may not employ staff.

CANP Board -- Membership and Responsibilities. AB 211 would increase, from 16 to 18, the number of members so that the Board would include the Secretary of Corrections or his or her designee and an additional public member. The new public member would be appointed for a term expiring on May 1, 2004. The bill would require that all nine public members be appointed based on expertise, experience, leadership, or advocacy, rather than on the basis of expertise, experience and interest (as required under current law), in the prevention of child abuse and neglect. The bill would eliminate the requirements that one public member be an adult who was a victim of abuse or neglect as a child and that one public member be a parent who formerly abused or neglected one or more of his or her children and received treatment or advice from an organization that provides child abuse and neglect prevention services. These changes would first apply to a person appointed to the Board on the effective date of the bill.

In addition, AB 211 would change the scope of the recommendations the Board would make to the Governor, the Legislature, and state agencies regarding changes needed in state programs, statutes, policies, budgets, and rules to promote individual, family, and community strengths, build parenting skills, and provide community support for children and families, instead of to improve the condition of children and persons responsible for children who are in need of prevention program services, as is stated under current law. The bill would expand the Board's responsibility to disseminate information about the problems of child abuse and neglect to include methods of preventing child abuse and neglect and delete a reference to promoting informational seminars. Instead of promoting educational and public informational seminars for the purpose of

developing public awareness of the problems of child abuse and neglect, the bill would require the Board to promote statewide educational and public awareness campaigns and materials for this purpose.

Grant Programs Administered by the CANP Board. The bill would eliminate references to the "right from the start" grant program and rename "early childhood family education centers" to "family resource centers." (These changes would conform the statutes to reflect the Board's current grant programs.) The bill would also delete obsolete references to requirements that are no longer applicable to the Board because the date included in the requirement has passed.

AB 211 would require the Board to provide technical assistance to organizations and child abuse and neglect prevention information and services on a statewide basis, in addition to awarding grants to eligible agencies.

The bill would change some of the requirements related to the community-based child abuse and neglect prevention grants awarded by the Board, including: (a) requiring all grant applicants to provide culturally competent services; (b) requiring the Board to award grants to organizations for programs for the primary prevention of child abuse and neglect, including: (1) programs to promote public awareness of the need for the prevention of child abuse and neglect; (2) community-based family resource and support programs that provide services or education to families, including services or education relating to support of parents, respite care, and prevention of sexual abuse, in addition to the current requirements of perinatal bonding, child development, and care of children with special needs; and (3) community-based programs relating to crisis care, early identification of children at risk of child abuse or neglect, and education, training, and support groups for parents, children, and families; (c) deleting the requirement that grantee organizations have a program for coping with family stress; (d) inserting "comprehensive" and "prevention" into the requirement that the Board consider whether a grantee's proposal will further the coordination of comprehensive child abuse and neglect prevention services between the organization and other community and state resources.

Regarding family resource center grants, the bill would increase the amount of funding that could be allocated as grants to organizations in Milwaukee County from \$75,000 to not more than \$150,000 in each fiscal year and establish the current 20% match requirement as a minimum requirement. Each grantee would be required to provide culturally competent services. The bill would include family support as a required service for family resource center grantees to provide, in addition to direct parent education and referrals to other social services programs and outreach programs.

Technical Assistance. The bill would allow the CANP Board to use funding budgeted for operations to also support technical assistance to grantees. The CANP Board would be required, under the bill, to conduct an evaluation of the effectiveness of the grant programs in achieving their stated goals and by June 30 of each odd-numbered year, submit the results of the evaluation to the appropriate legislative standing committees.

FISCAL EFFECT

The bill is intended to increase private contributions for statewide child abuse and neglect prevention programs. Under current law, the CANP Board is directed to solicit and accept contributions for the children's trust fund or for other purposes. While the Board has had the authority to organize a nonstock, nonprofit corporation, and has done so, the corporation has been relatively inactive, due in part to the restriction in current law that the corporation may not expend any of the money it collects and also because the corporation's board of directors has several vacancies. These vacancies are mainly due to the reluctance of legislators and state employees to be on the corporation's board, citing conflict of interest in the corporation's charge to solicit funds.

The Board believes that the corporation would be able to increase private contributions for statewide child abuse and neglect prevention programs with the changes proposed in AB 211. The nonstock, nonprofit corporation currently has federal tax-exempt status under section 501 (c)(3) of the Internal Revenue Code, but under current law, if the corporation receives any contributions, gifts, grants, or bequests, those funds are deposited to the children's trust fund. Currently, the moneys in the children's trust fund can only be expended by the CANP Board. The Board believes that this has discouraged potential donors from making contributions for child abuse and neglect prevention programs because of the concern that they would be donating funds to the state.

To address this issue, enactment of the bill would allow the corporation to not only receive but also expend the moneys that it receives for a number of specified purposes, including to fund statewide projects or grant programs that the Board contracts with the corporation to administer. In addition, the corporation's fund would receive the revenues from the sale of "Celebrate Children" license plates.

To the extent that the changes in AB 211 allow the corporation to solicit and receive additional contributions, more funds would be available to support child abuse and neglect prevention activities and programs in Wisconsin. In addition, the bill would maintain the current law provision that does not allow the CANP Board or the corporation to expend the revenues from the sale of "Celebrate Children" license plates, but it does deposit the revenues in the corporation's fund instead of the children's trust fund. As under current law, the interest on the license plate revenues can be expended. However, AB 211 would allow the corporation to expend those funds instead of the CANP Board, but the corporation could only do so with the approval of the Board.

Neither the corporation's activities nor the revenue generated and retained by the corporation would be subject to legislative review, since they would not be considered state revenues or budgeted as part of the of the appropriation schedule in Chapter 20 of the statutes. Currently, only the interest that accrues to revenue from the license plates is budgeted as part of the appropriation schedule. In the past, when the administration and the Legislature lapsed PR and SEG balances, gift and grant appropriations were not included in the lapse requirement. Therefore, these funds have not been lapsed to the general fund and under AB 211, they would not be accessible to the administration or Legislature to lapse to the general fund.

The bill would not increase state costs. It may, however, increase the amount of funding available to support child abuse and neglect prevention activities and programs in Wisconsin.

Maximum Grant Award to Agencies in Milwaukee County. The bill would increase the maximum grant award amount to agencies in Milwaukee County from \$75,000 to \$150,000. Under current law, the Board may award early childhood family education center grants up to \$150,000 annually to organizations. This change would conform the statutes with the current practice of the Board and to allow the Board to award equal grant awards to agencies in all counties in the state.

Additional Amendments. The Committee could consider making two changes to the bill. First, the bill would allow the Board to provide up to \$100,000 in 2004-05 and 2005-06 to the corporation. The Board has indicated that these funds would be used to support initial costs the corporation would have to begin promoting the foundation and to solicit private funds. Possible uses of these funds would include designing, printing, and distributing brochures on the foundation and to hire a consultant to assist the corporation's board of directors in developing a marketing and fund raising strategy. Under AB 211, the Board would be authorized to use PR grant funds, in addition to SEG gift and grant funds in 2004-05, to support the amount transferred to the corporation. However, it was not the intent of the Board to use any funding that is currently budgeted for grants for any other purpose. Therefore, the Committee could delete references to the Board's PR appropriation for the grant to the corporation and instead allow the Board to only use money from its gifts and grants appropriation for this purpose. Currently, this appropriation has a \$206,000 balance.

In addition, the bill could be amended to change the date that the new public member to the CANP Board's term would expire. AB 211 would specify that the new member's term would expire in May, 2004. The bill could be amended to specify that the term would expire on May 1, 2005.

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