

# Lawmakers Want Answers Regarding Children's Fund

*- State Has Continued to Solicit Donations for Defunct Fund –*

**For Immediate Release:**  
**For More Information, Contact:**

**Tuesday, April 20, 2010**  
**Joe Fulgham (302) 744-4184**

Lawmakers are looking for some answers as to why the state has been collecting money for a trust fund that has not been in existence for years.

State Rep. Deborah Hudson (R-Fairthorne) is sponsoring House Bill 334 to remove the Children's Trust Fund from the list of funds to which taxpayers can make a donation when they file their state income tax returns. The fund had been set up to collect donations and then distribute that money via matching grants to organizations assisting children throughout the state.

"It's my understanding the board [of the Children's Trust Fund] has been defunct since about 2004 and no new members have been appointed by the governor," Rep. Hudson said. "It's uncertain to me how the money [collected since then] has been spent," she told colleagues in a recent House Revenue and Finance Committee meeting.

Rep. Hudson said she introduced a bill to strike the Children's Trust Fund from the list of "tax form check-offs" after first bringing her concerns to the executive branch. "I asked the Secretaries of Finance, under two different governors, how to close out this fund and what to do with the monies that have been collected, but I have not been satisfied with the answers. So I thought the most responsible thing to do was to end it."

According to Patrick Carter, director of the Division of Revenue, the agency is currently holding approximately \$30,000 in Children's Trust Fund donations. "Those funds are being held by us waiting for directions as to how they should be dispersed. Since there was no board ... it's just been sitting in a trust with us."

Finance Committee member, State Rep. Gerald Hocker (R-Ocean View), was somewhat irritated by the revelation. "People were making donations to this fund thinking that the state was doing its job. Evidently, we weren't. ... Somebody messed up somewhere."

State Rep. Greg Lavelle (R-Sharples) said he wants to know what happened to the fund's board of directors. "I've heard the terms "dissolved" and "defunct," he said. Dissolving the board is a formal action, but if it's defunct because new members were not appointed, that's an issue of neglect, benign though it may be."

The state has also been collecting money for the Children's Trust Fund through the sale of "heirloom" birth certificates issued by the Bureau of Vital Statistics. A portion of the proceeds from the sale of the display-quality certificates are earmarked for the fund. That fundraising mechanism should have been eliminated last year when a new law (House Bill 286) raising the fees of several state-issued documents was enacted. However, Rep. Hudson said the state is promoting the certificates on-line and bureau employees have told her the documents are still for sale.

Secretary of Finance Tom Cook said only the legislature can remove a check-off from the tax form and that his agency supports Rep. Hudson's bill. There are 13 special funds, including the Children's Trust Fund, that appear on the form.

The Department of Finance has promised to get more details regarding the demise of the Children's Trust Fund and present them to lawmakers when Hudson's House Bill 334 is re-considered by the House Revenue and Finance Committee this Wednesday.

###