



**House  
Legislative  
Analysis  
Section**

House Office Building, 9 South  
Lansing, Michigan 48909  
Phone: 517/373-6466

**SUPPORT EDUCATION FUNDRAISER  
LICENSE PLATE**

**Senate Bill 614 as passed by the Senate  
First Analysis (12-11-02)**

**Sponsor: Sen. Leon Stille  
House Committee: Transportation  
Senate Committee: Transportation**

***THE APPARENT PROBLEM:***

Customarily government works to provide for the health, safety, and education of citizens by providing programs and services paid for by citizens' tax dollars. In these circumstances, government bureaucracies seek maximum efficiency in their delivery of services, whereas those in the private sector sell products and seek to maximize their profits. During recent times, government agencies have been encouraged by the social choice theorists in schools of public policy and the proponents of their theories, to adopt the customs and behaviors of businesses in the private sector. In doing so, government bureaucrats are advised to think and behave more like entrepreneurs—that is, to regard their services as products, to design and distribute those products in ways that satisfy consumer preferences, and to sell those products so that new streams of revenue flow into government coffers.

One product the Office of the Secretary of State provides to Michigan citizens is their annual license plate. Citizens buy the plate each year in order to lawfully drive their motor vehicles on the roads of this state and others. During the past decade, drivers have displayed a preference for customized license plates, and most especially plates that commemorate or support special events or affiliations in their lives. For example, beginning in 1998, 7,800 Michigan citizens bought Olympic specialty license plates, the proceeds from which fund the Olympic Training Center at Northern Michigan University.

In 1999, to provide Michigan citizens with a wider array of license plates and related products, and to earmark the revenue from the sale of the plate and products for various projects and programs in the public and private sectors, six laws were enacted to create a specialty fund-raising license plate project in the Office of the Secretary of State. That project permitted the sale of 21 specialty license plates, the revenue from which was earmarked for the state's 15 public universities, and also six additional nonprofit

organizations or programs: the Children's Trust Fund, the Michigan Veterans Memorial, critical non-game wildlife habitat, the Future Farmers of America Endowment Fund, lighthouse renovation, and the water quality of the Great Lakes and inland lakes and rivers.

During the last legislative session, 24 bills were introduced to expand the specialty license plate program. Legislators proposed specialty plates for Ducks Unlimited, Habitat for Humanity, "Very Special Arts," white-tailed deer, the United States Peace Corps, ex-POWs, Michigan zoos, the Pro-Choice Fund, Breast Cancer Awareness, "Proud to be an American," American Red Cross, to spay and neuter domestic animals, for amateur radio operators, Eagle Scouts, Michigan Rotarians, Michigan Kiwanians, "State of the Arts," the Michigan Freedom Trail for the underground railroad, Choose Life, and public education.

Recently the secretary of state agreed to expand the specialty license plate program, beginning in May 2003. A few of the 24 bills introduced in the 2001-2002 legislative session have been recommended for inclusion in the expanded program, which would increase the selection of fundraising plates available to citizens from 21 plates to 24 or 25.

One of the new plates would set aside donations for public education, and it is described in greater detail below. Generally, the funds collected from the sale of the public education specialty plates would fund mini-grants for school teachers, with a special emphasis on the purchase of materials for the teaching of mathematics and reading. Often teachers must use their personal funds to supplement a school's budget for classroom supplies, or for materials, or field trips. According to committee testimony, a recent survey by the National Education Association resulted in a finding that each teacher spends, on average, \$500 a year out-of-pocket in

**Senate Bill 614 (12-11-02)**

order to provide a richer curriculum experience for students. In previous years, mini-grants have been offered to teachers on a competitive basis through the Department of Education, and because of their popularity the grant funds were always depleted before the end of the school year. In an effort to provide mini-grants following criteria that ensure a fair distribution of the funds in both urban and rural areas of the state, legislation has been proposed.

The bill to create a specialty license plate for public education teacher mini-grants is tie-barred to House Bill 4352, which would establish two plates, one for Ducks Unlimited, and a second for Choose Life (which was formerly a separate bill, House Bill 4759), as well as being tie-barred to House Bill 5122, which would create a plate for Breast Cancer Awareness. See *BACKGROUND INFORMATION* below.

### ***THE CONTENT OF THE BILL:***

Senate Bill 614 would amend the Michigan Vehicle Code to require the secretary of state to develop a state-sponsored "Support Education" fund-raising registration plate, and a matching state-sponsored "Support Education" collector plate. The bill requires the Department of Education to conduct a statewide student contest to determine the design of the plate, subject to approval by the secretary of state.

Under the bill, the secretary of state would be required to deposit the donation made to purchase the plate into the Support Education Fund created in the state treasury. The money would be used only by the Department of Education, in order to fund mini-grants to certified teachers for supplies and equipment that enhance student learning, with a special emphasis on reading and mathematics.

The bill specifies that 75 percent of the money from the fund must be used to fund mini-grants of not more than \$500 to the teachers in the county where the plates were purchased. The remaining 25 percent would be distributed to certified teachers where there was high need but a low number of Support Public Education registrations.

The bill also specifies that the state treasurer would direct the investment of the Support Education Fund created within the state treasury, that the treasurer could receive money or other assets from any source for deposit into the fund, and that he or she would credit to the fund interest and earnings from investments. Money in the fund at the close of the

fiscal year would remain in the fund, and would not lapse to the general fund.

Senate Bill 614 is tie-barred to House Bill 4352 (which would create fund-raising license plates for Ducks Unlimited and Choose Life), and to House Bill 5122 (which would create a fund-raising plate for breast cancer awareness), so that the bill could not become law unless the others also were enacted.

Under the bill, this act would take effect May 1, 2003.

MCL 257.217i

### ***BACKGROUND INFORMATION:***

Tie-Bars: Ducks Unlimited. Ducks Unlimited, Inc. is an organization that began over half a century ago during the Dust Bowl of the 1930s when a group of sportsmen formed an organization to raise funds that would assist America's drought-plagued waterfowl populations whose numbers had plunged to unprecedented lows. The fledgling conservation group founded in 1937 had more than 6,700 members within its first year, and raised \$90,000. Since its founding the group has raised over \$1.42 billion for wetlands conservation with over 9.4 million acres conserved.

Today the organization is the world's largest private waterfowl and wetlands conservation organization whose volunteer membership stands at more than half a million conservationists and hunters in the United States, Canada, and Mexico. Annually the organization spends a reported \$67.4 million on its projects, although according to committee testimony, the group raised over \$133 million last year in North America alone.

The mission of Ducks Unlimited is to fulfill the annual life cycle needs of North American waterfowl by protecting, enhancing, restoring, and managing important wetlands and associated uplands. The organization's wetlands projects offer secure nesting sites, shallow wetlands, and wintering habitat where waterfowl can rest and restore energy during breeding and migration. More than 600 species of wildlife live on Ducks Unlimited sites, including some that are endangered, such as the whooping crane, bald eagle, peregrine falcon, piping plover, and the least tern.

Because habitat is being destroyed and species endangered, and also because water quality poses a continuing challenge for policy makers and citizens,

public policies to protect wetlands are needed. In order to assist Ducks Unlimited with its mission to purchase more wetlands, legislation has been introduced to help the organization raise funds through the sale of a special vehicle license plate.

House Bill 4352 would amend the Michigan Vehicle Code to require the secretary of state to develop, and upon application to issue, a state-sponsored fund-raising registration plate and matching collector plate to recognize Ducks Unlimited. House Bill 4352 would require that the Ducks Unlimited registration plate service fees collected by the secretary of state be kept in a separate account, and on a quarterly basis transferred to the Michigan chapter of Ducks Unlimited, Incorporated. The secretary of state also would be required first to deduct the manufacturing and administrative costs, including the administrative costs associated with issuing, replacing, and substituting the specialty plates.

According to committee testimony, fourteen other states have specialty license plate programs that assist Ducks Unlimited in their state-based wetland acquisition efforts. Among the states supporting the organization in this manner is the State of Ohio where the membership of Ducks Unlimited stands at 13,000. The spokespeople for Michigan Ducks Unlimited report that in Ohio, about 6,500 citizens (about half of whom were DU members) purchased specialty plates, raising \$97,500 for the private voluntary organization. Michigan should follow the lead of states like Ohio, and enact this legislation into law. (It should be noted that documents presented to the committee by the Office of the Secretary of State indicate that 936 DU plates were issued in Ohio during the year 2000. At \$15 each, this sale would have raised about \$14,000 for the organization.)

Tie-Bar: Choose Life. Many women, often young and unmarried, become pregnant each year and they face their pregnancies and the birth of their children alone, without the help and assistance of their unborn children's fathers, or of friends and family. Some of the women are victims of rape or incest, which further troubles their well-being during the period in which the fetus they carry comes to full term. Many of the expectant mothers are uninsured and without health benefits, or too poor to afford prenatal services and preventive health care that can protect their lives and those of their unborn children, as well as to ease their labor and delivery processes.

The prenatal care that poor women seek is customarily delivered by county health departments whose operations and services are overseen by

county boards of commissioners. There, public health professionals work in public health clinics to provide the care the pregnant women need when motherhood is imminent.

According to committee testimony, there also are 140 crisis pregnancy centers located throughout the state. The crisis pregnancy centers are funded by private donations, and are private nonprofit service agencies. These centers, unlike county health department clinics, limit their services so that abortion information and services are not available to pregnant women. Instead, they provide free services that generally include reliable pregnancy tests, confidential consultations, information about options (including adoption and parenting one's baby), and material assistance with maternity and baby items. Some also provide parenting and life skill classes in "earn and learn" programs in which pregnant women earn maternity clothes, baby clothes, diapers, cribs, car seats, and other equipment when they attend classes.

In an effort to increase pregnancy counseling options and the amount of available care for women whose pregnancies are unplanned or unwanted, and in doing so to reduce the likelihood of abortions, the administrator of the "Choose Life Fund" could disburse revenue raised from the sale of specialty license plates to counties. The counties, in turn, would distribute the funds to nonprofit non-governmental agencies such as those in the network of single- and multi-county crisis pregnancy centers that promote adoption, and that strongly discourage abortion.

House Bill 4759 was amended in the Senate to create a Choose Life Fund within the Department of Treasury, to be administered by the Office of the Secretary of State.

The bill specifies that the secretary of state would be required to disburse money in the fund on a quarterly basis to each county, in proportion to the amount of donations received from issuing Choose Life vehicle registration plates in the county. Then, each county would be required to distribute the money received only to a non-governmental not-for-profit agency or organization that provided services and counseling to women who had unplanned or unwanted pregnancies. The agency or organization that received the money could be located within the county or in an adjacent county. However, an agency that received money could not charge a fee for the services or counseling provided. Further, an agency that received money would be required to provide an annual accounting of

the use of the money to the county. Under the bill, money could not be distributed to an agency that was involved or associated with abortion counseling, referrals to abortion clinics, or providing abortion procedures.

**Note:** In states where the Choose Life Fund and license plate has been adopted, court challenges have been made to test the constitutionality of the measure. Generally opponents of the plate argue that the message is a political message, and that unless it is balanced with a message that advocates an opposite viewpoint, it violates the free speech rights of prochoice advocates under the First Amendment of the U.S. Constitution. Some suits also argue that it is a religious message, and therefore violates the establishment clause of the First Amendment regarding the separation of church and state. To avoid challenges such as these in Florida, Louisiana and South Carolina, the State of Illinois has argued that a compromise is necessary, and legislators there have adopted a Choose Life Adoption license plate, avoiding the contentious issue of abortion which is a protected medical procedure under the U.S. Constitution. For more information about the judicial challenges to the Choose Life license plate movement, policymakers can read more at several web sites, including [www.crlporg/crt\\_plates.hmt](http://www.crlporg/crt_plates.hmt) and [www.siecus.org/policy/PUupdates/pdate0021.html](http://www.siecus.org/policy/PUupdates/pdate0021.html).

**Tie-Bar: Breast Cancer Awareness.** Each year 192,000 women are diagnosed with breast cancer and 43,300 die. One in eight women either has or will develop breast cancer in her lifetime. In addition, 1,600 men will be diagnosed with breast cancer and 400 will die this year.

If detected early, the five-year survival rate exceeds 95 percent. Mammograms are among the best early detection methods, yet 13 million women in the United States are 40 years old or older and have never had a mammogram. The National Cancer Institute and the U.S. Department of Health and Human Services recommend that women in their forties and older have mammograms every one to two years.

There is no certain way to prevent breast cancer, however many researchers now agree that certain behaviors can lower breast cancer risk over a woman's lifetime. Some modifiable breast cancer risk factors relate to health effects or lifestyle, including the need to control weight; exercise; reduce the intake of alcohol; eat a low-fat diet of fruits, vegetables, and whole grains; and eliminate smoking.

Recently, studies have demonstrated that hormone replacement therapy of combined estrogen and progestin can increase breast cancer risk in postmenopausal women, especially when used for several years. Further, investigations of health risks and benefits of oral contraceptives are ongoing, and some studies indicate that the breast cancer risk increases slightly after many years of use. Studies also explore factors such as environmental pollution, pesticides, and exposure to genetically altered food.

Education campaigns and media reports about new research on causes, diagnosis, and treatment have made many women aware of the disease and the need for annual screening to ensure early detection. However, many women cannot afford the examinations, and their cancers go undetected.

House Bill 5122 would amend the Michigan Vehicle Code to allow (but not require) the secretary of state to develop and issue a "Breast Cancer Awareness" fund-raising license plate having the pink ribbon emblem of the Susan G. Komen Breast Cancer Foundation inscribed on it. Further, the bill would create a Breast Cancer Awareness Fund within the Department of Treasury, to be disbursed by the state treasurer. The bill also specifies that the state treasurer would be required to disburse money in the fund on a quarterly basis to the American Cancer Society Great Lakes Division to support research, programs, and services related to breast cancer.

### ***FISCAL IMPLICATIONS:***

The House Fiscal Agency notes that Senate Bill 614 would amend the Michigan Vehicle Code to require the secretary of state to develop and issue a Support Education fund-raising license plate, and matching collector plate. In addition to the regular registration tax, the vehicle owner must pay a \$25 donation and a \$10 service fee. A person also must pay a \$25 donation and a \$10 service fee for a collector plate. The bill would go into effect on May 1, 2003.

The bill would have no fiscal impact on state or local units of government. (12-9-02)

The Senate Fiscal Agency concurs that the bill would have no fiscal impact. The agency notes that the sections of the vehicle code for existing fund-raising license plates cited by the bill set a service fee of \$10. The level of this fee was established following an evaluation of the administrative, manufacturing, and distribution costs of the plates. The \$10 service fee is revenue-neutral, meaning that it covers exactly the cost of producing the plate and the state experiences

no net gain or loss. This license plate could compete with the existing fund-raising plate for the Children's Trust Fund, which had raised \$309,230 at the end of fiscal year 2002-2003 after 18 months of availability. (12-4-02)

### ***ARGUMENTS:***

#### ***For:***

Often teachers must use their personal funds to supplement a school's budget for classroom supplies, or for materials, or field trips. According to committee testimony, a recent survey by the National Education Association resulted in a finding that each teacher spends, on average, \$500 a year out-of-pocket in order to provide a richer curriculum experience for students. In previous years, mini-grants have been offered to teachers on a competitive basis through the Department of Education, and because of their popularity the grant funds were always depleted before the end of the school year. In an effort to provide mini-grants following criteria that ensure a fair distribution of the funds in both urban and rural areas of the state, legislation has been proposed.

#### ***Against:***

This bill is tie-barred to a bill that would establish a Choose Life license plate. In some states where the Choose Life license plate has been adopted, notably Florida, Louisiana, and South Carolina, court challenges have been made to test the constitutionality of the measure. Generally opponents of the plate argue that the message is a political message, and that unless it is balanced with a message that advocates an opposite viewpoint, it violates the free speech provision under the First Amendment of the U.S. Constitution. Some suits also argue that it is a religious message, and therefore violates the establishment clause of the First Amendment regarding the separation of church and state. To avoid challenges such as these in Florida, Louisiana, South Carolina, the State of Illinois has argued that a compromise is necessary, and legislators there have adopted a Choose Life Adoption license plate, avoiding the contentious issue of abortion, which is a protected medical procedure under the U.S. Constitution.

### ***POSITIONS:***

A representative of the Department of Education testified in support of the bill. (12-11-02)

The Office of the Secretary of State supports the bill. (12-11-02)

Analyst: J. Hunault

■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.