



## American Red Cross

State and Community Relations

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Testimony by the American Red Cross  
Before the Michigan House of Representatives  
Health Policy Committee  
June 22, 2010

Good Morning. My name is Robert Proctor and I am a 25 year volunteer for the American Red Cross in Michigan. I have had the privilege of serving in numerous capacities and today am a member of the Red Cross President's National Leadership Council. On behalf of our 26 chapters in the state, I thank you for taking up HBs 6175 and 6176 today.

Many of you are aware of some of the services of the Red Cross, and I have available copies of both our national publication, "Guide to Services", and a report on Michigan specific activities in our last fiscal year. The Red Cross serves every county and all residents of the state either through a local chapter or, in the case of less populated areas, a service office for disaster, military and health or safety programs. I encourage you to get to know your local Red Cross leadership, volunteers and staff as they can complement citizen case work which may arise in your offices.

The Red Cross was chartered by Congress in 1905 to be the lead organization nationwide for disaster preparation and response, and for military services. That charter obligates our chapters to respond to local disasters, which most often in Michigan are family fires. In our last Fiscal Year we assisted about 4,000 families displaced in Michigan by home fires and other personal disasters. We provide temporary housing, food, medical necessities and assistance at an average cost of about \$1,200 per incident.

As many organizations, Red Cross chapters are being financially challenged in the current economic downturn. We are adjusting by cutting expenses and increasing fundraising efforts. In my Chapter we have cut 1/4 of the staff we had two years ago and reduced the budget accordingly. We are depending more and more on our volunteers, and we are being more efficient in our fundraising activities.

At the outset I would like you to know the Red Cross is primarily funded by private donations from individuals, corporations and foundations. We have occasionally received some government funds primarily designated for major disaster relief.

You should also know that at least 91 cents out of each dollar we receive goes into direct services. We believe that this is the best service delivery to overhead expense of any non-profit in the country.

We appreciate that Reps Cushingberry and Moss are willing to introduce bipartisan bills allowing the Red Cross to be an organization to which individual taxpayers could direct a portion on their tax refund or voluntary obligation. I say voluntary obligation in that a taxpayer could increase their donation beyond just the balance due for a refund.

Today, the Legislature has authorized Tax Refund Check Offs or donations to eleven organizations ranging from military program support to animal welfare and medical causes. We believe the Red Cross should be included, particularly in view of our federally specified obligations. I am pleased to note this addition to the tax form is virtually cost-free to the State. What you would be providing is an alternative donation mechanism for taxpayers who choose to support the Red Cross and the services it provides. Your support of this legislation will help us continue services to our mutual constituents.

Thank you for your attention. I will be pleased to answer questions.