

8. Responsible Use of Public Health Dollars Act

Issue Overview

The Unregulated Pregnancy Clinic (UPC) industry is large and widespread. More than 2,600 pregnancy centers operate in all 50 states,¹³⁸ most of which affiliate with one or more of three national organizations: Care Net, Heartbeat International, and National Institute of Family and Life Advocates (NIFLA).

Over the past three years, [State] has granted \$XXXX to pregnancy centers. XX pregnancy centers operate in [State], and XX has received funding from the state. However, there is little transparency in the grant reporting or accounting process.

National data suggest that pregnancy centers have considerable income outside of state funding. Based on IRS 990 forms, approximately 2,100 pregnancy center locations had more than \$1.9 billion in revenues, meaning that the average pregnancy center has revenues from all sources of about \$905,000 a year.¹³⁹

National data suggest that pregnancy centers hold considerable assets. About 2,100 pregnancy center locations reported on IRS 990 forms that they have \$2.5 billion in assets, an average of almost \$1.2 million per facility.¹⁴⁰

It is routine for state grantees of all types to submit reports and evaluations. Such a requirement is also almost universally required for state grants relating to education, health care, and social services. Nevertheless, some [insert what your state calls UPCs] fail to meet these reporting requirements. [Give examples if you can; unfortunately, it seems common for UPCs to fail their reporting requirements.]

It is routine for state grantees of all types to account for the use of funds honestly and straightforwardly. Nevertheless, some [insert what your state calls UPCs] charge the state far more for products used and services administered – such as pregnancy tests, ultrasounds, STD/STI tests, diapers, packs of baby wipes, baby clothing outfits, car seats, strollers, cribs, and containers of baby formula – than they paid. These mark-ups may exceed 50 or 100 percent of the product's actual price.

Taxpayer dollars should not be wasted or misallocated. The legislature and the state administration have an obligation to ensure that funds granted to any nonprofit are spent efficiently and effectively. The American Medical Association urges “any entity offering crisis pregnancy services...be transparent with respect to their funding and sponsorship relationships.”¹⁴¹ That’s not too much to ask.