

Financial Transparency Act

Summary: The Financial Transparency Act requires that, in order to receive grants from the state, a [Insert what the state calls a Unregulated Pregnancy Clinic] must provide information to prove it is capable of spending the grant in accordance with its stated purposes and subsequently report on how taxpayer dollars were actually spent.

SECTION 1. SHORT TITLE

This Act shall be called the “Financial Transparency Act.”

SECTION 2. FINDINGS

The legislature finds that:

1. [Insert what the state calls UPCs], also known as “crisis pregnancy centers,” operate in all 50 states, the vast majority of which are affiliated with one or more of three national organizations: Care Net, Heartbeat International, and National Institute of Family and Life Advocates (NIFLA).
2. Nationally, there are an estimated 2,600 of these facilities¹³⁶ and, between 2019 and 2022 alone, that industry received over \$5.6 billion in revenue, spent over \$4.9 billion in expenses, and held \$2.3 billion in assets.¹³⁷
3. Over the past [XX] years, [State] has granted more than [\$ Amount] to [insert what the state calls UPCs]. However, there is little transparency in this grant process. It is not clear: (a) how much money has actually been granted from year to year; (b) who receives it and how much is passed along to other groups or individuals; (c) how many unique clients are served in a year; (d) what measurable quantity of products and services each of those clients receive; (e) whether the nonprofits are appropriately audited; and (f) whether audits are reviewed to ensure that state funds are spent in accordance with grant guidelines and protocols.
4. Tax dollars should not be wasted or allocated without clear requirements for fiscal transparency and impact analysis. The legislature and the state administration have an obligation to ensure that funds granted to any nonprofit are spent efficiently and effectively.

SECTION 3. TRANSPARENCY OF FUNDING FOR [Insert what the state calls UPCs]

After section XXX, the following new section XXX shall be inserted:

(A) FINANCIAL TRANSPARENCY REQUIRED

1. A [insert what the state calls UPCs] shall not qualify for a state grant under any program unless the applicant provides to the granting agency:

- (a) An organizational revenue budget for the most recently completed fiscal year of the nonprofit's sources of funding, specifying each government grant and the total contributions for each of the following sources: governments, foundations, corporations, and individuals.
- (b) An organizational expense budget for the most recently completed fiscal year listing the nonprofit's expenses in the same categories listed on the IRS 990 form.
- (c) A program expense budget listing the amount of state funds that would be used in each expense category.
- (d) The numbers of full-time paid staff, part-time paid staff, and volunteers and, for each, how many are licensed medical professionals, indicating the relevant and current licensing information for each.
- (e) The numbers of unique clients served during the most recently completed fiscal year, and a breakdown of clients for pregnancy tests, ultrasounds, STD/STI tests, pregnancy counseling, student sexual risk education, parenting education, and material support.
- (f) The amount of material support provided, including the numbers of diapers, packs of baby wipes, baby clothing outfits, car seats, strollers, cribs, and containers of baby formula, and the numbers of clients provided with each.

2. At the completion of a grant to a [insert what the state calls CPCs], the grantee shall provide to the granting agency the following:

- (a) An organizational revenue budget for the most recently completed fiscal year of the nonprofit's sources of funding, specifying each government grant and the total contributions for each of the following sources: governments, foundations, corporations, and individuals.
- (b) An organizational expense budget for the most recently completed fiscal year listing the nonprofit's expenses in the same categories listed on the IRS 990 form.
- (c) The numbers of full-time paid staff, part-time paid staff, and volunteers actually employed during the period of the grant and, for each, how many were licensed medical professionals and detailing what medical license each medical professional staff member and volunteer holds, and whether they are certified to practice in the State of [State].

- (d) The numbers of unique clients served during the period of the grant, and a breakdown of clients for pregnancy tests, ultrasounds, STD/STI tests, pregnancy counseling, student sexual risk education, parenting education, and material support.
- (e) The amount of material support provided, including the numbers of diapers, packs of baby wipes, baby clothing outfits, car seats, strollers, cribs, and containers of baby formula, and the numbers of clients provided with each.
- (f) An independent financial audit for each facility, or an audit of multiple affiliated facilities if the data is presented for each individual location.

(B) PARTIAL PUBLIC DISCLOSURE

- (1) Within 10 business days of a request, a [insert what the state calls CPCs] shall provide to a client, without charge, a copy of that client's records possessed by the facility.
- (2) Within 20 business days of a request, a granting agency shall provide to a member of the public a copy of any document listed in this section, with any individually identifiable health information redacted.

SECTION 4. EFFECTIVE DATE

This law shall become effective on July 1, 20XX.