HB217

8NI5FHF-1

By Representatives Warren, Reynolds

RFD: Ways and Means General Fund

First Read: 22-Feb-24

SYNOPSIS:

Under existing law, Children First Trust Fund programs are required to be funded through a separate appropriation in a separate act.

This bill would make an appropriation of $39,531,128 from the Children First Trust Fund for the fiscal year ending September 30, 2025, to the entities and for the purposes designated in Section 41-15B-2.2, Code of Alabama 1975.

This bill would provide for the deposit of tobacco settlement revenues into the Children First Trust Fund, would require the State Director of Finance to notify each agency in writing of the amount of each agency's anticipated allocation, would require quarterly allocation to each agency, and would condition allocations upon the receipt of tobacco funds.

This bill would provide for the transfer to the State General Fund during fiscal year 2025 that portion of Children First Trust Fund receipts currently allocated for the State Board of Education. This bill would make an appropriation of $49,596,888 from other tobacco settlement funds for the fiscal year ending September 30, 2025.

This bill would also make a conditional

appropriation and allocation of any additional tobacco revenue on recommendation of the Director of Finance, the Chairman of the House Ways and Means General Fund Committee and the Chairman of the Senate Finance and Taxation-General Fund Committee, and approval of the Governor.

A BILL

TO BE ENTITLED

AN ACT

To make an appropriation of $39,531,128 from the Children First Trust Fund for the fiscal year ending September 30, 2025, to the entities and for the purposes designated in Section 41-15B-2.2, Code of Alabama 1975; to provide for the deposit of tobacco settlement revenues into the Children First Trust Fund; to require written notification of anticipated agency allocations by the State Director of Finance; to require quarterly allocations; to condition allocations on receipt of tobacco revenues; to provide for the transfer to the State General Fund during fiscal year 2025 that portion of Children First Trust Fund receipts currently allocated for the State Board of Education; to make an appropriation of $49,596,888 from other tobacco settlement funds for the fiscal year ending September 30, 2025; and to make a conditional appropriation and allocation of additional tobacco revenues upon the recommendation of the Director of Finance, the Chairman of the House Ways and Means General Fund Committee

and the Chairman of the Senate Finance and Taxation-General Fund Committee, and the approval of the Governor.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. (a) There is hereby appropriated from the Children First Trust Fund the sum of $39,531,128 for the fiscal year ending September 30, 2025, to the entities and for the purposes designated in Section 41-15B-2.2, Code of Alabama 1975 as follows, per the approved plan of investment for each agency:

Alcoholic Beverage Control Board	426,500
Children's Trust Fund	2,415,288
Department of Forensic Sciences	494,309
Alabama Department of Human Resources	10,295,965
Juvenile Probation Services Fund	4,646,647
Alabama Medicaid Agency	1,643,289
Alabama Department of Mental Health	2,142,457
State Multiple Needs Children's Fund	4,358,550
Department of Public Health	4,754,042
Department of Rehabilitation Services	246,763
Department of Youth Services	8,107,318

(b) (1) All tobacco revenues from the tobacco settlement received by the state previously designated for the Children First Trust Fund shall be deposited to the Children First Trust Fund within 30 calendar days of receipt of those tobacco revenues.

(2) The Director of Finance shall notify each agency and the Department of Early Childhood Education in writing prior to September 1, 2024, of the dollar amount of the

allocation expected to be received by the agency from the Children First Trust Fund in the fiscal year ending September 30, 2025.

(3) At the beginning of each quarter of the fiscal year ending September 30, 2025, the respective agency shall be allocated at least one-fourth of the total amount appropriated and allocated to the agency for that fiscal year when tobacco revenues are available for the respective agency. In the event tobacco revenues are not available for the respective agency until later in the fiscal year then the respective agency shall be allocated an equal quarterly allotment for the quarters that funds are available at the beginning of those quarters. Such allocation shall be made and be available for expenditure by the agency within five working days of the commencement of the quarter. If additional sums are appropriated or allocated, or both, during the fiscal year, these sums shall be equally allocated to the respective agency among the remaining quarters of the fiscal year or may be allocated to the respective agency in one sum if revenues are available. The Department of Early Childhood Education shall be notified in writing of all appropriations and allocations from the Children First Trust Fund by the Director of Finance.

(4) Allocations from the Children First Trust Fund are conditioned upon the receipt of tobacco revenues.

(c) Allocations received pursuant to Section 1 shall be expended in accordance with Section 41-15B-2.2, Code of Alabama 1975.

(d) At the conclusion of the fiscal year, any remaining

sums in the Children First Trust Fund shall remain in the fund and shall not revert to the State General Fund or to any other fund.

Section 2. Notwithstanding any provision of Division 1 of Article 17 of Chapter 10 of Title 41, Code of Alabama 1975, any provision of Chapter 15B of Title 41, Code of Alabama 1975, or any other provision of law, that portion of Children First Trust Fund receipts currently allocated for the State Board of Education shall be transferred from the Children First Trust Fund to the State General Fund during the fiscal year ending September 30, 2025.

Section 3. In addition to the appropriation herein above made, there is hereby appropriated from additional tobacco settlement funds the sum of $49,596,888 for the fiscal year ending September 30, 2025 to the following entities:

Department of Early Childhood Education	151,730
21st Century Debt Service	16,000,000
Senior Services Trust Fund	1,348,715
Alabama Medicaid Agency	30,103,496
Department of Senior Services - Medicaid Waiver	1,992,947

Section 4. Any additional tobacco revenues available for the fiscal year ending September 30, 2025, shall be conditionally appropriated, conditioned upon the recommendation of the Director of Finance, the Chairman of the House Ways and Means General Fund Committee and the Chairman of the Senate Finance and Taxation-General Fund Committee, and approval of the Governor.

Section 5. The Executive Budget Office and the Director

of Finance shall allot funds appropriated from the Children First Trust Fund only following the certification by the Secretary of the Department of Early Childhood Education that a plan of investment has been approved for each agency. The Secretary of the Department of Early Childhood Education shall prescribe the form and format on which each agency receiving appropriated funds herein shall submit a plan of investment of said appropriated funds. The plan of investment shall include, but not be limited to, a minimum of four (4) quality assurance items on which a periodic report, as required by the approved plan of investment, is made and as audited by the Examiners of Public Accounts. Quality assurance items shall include the number of children receiving service, an identifiable measure of success of services provided and a prioritized standard of successful measures for future plans of investment. It is the intent of the Legislature that the Secretary of the Department of Early Childhood Education shall be responsible for providing a standard of measurement by which a clear determination can be made through operational reporting and audit reporting of a measurable success of funds appropriated and invested from the Children First Trust Fund; insure funds appropriated herein are invested in viable programs; insure and promote the leverage of appropriated funds herein in every possible manner and coordinated in all possible ways the investment of funds by each service provider to insure that no unproductive expenditures or duplication occurs. The Secretary of the Department of Early Childhood Education shall notify legislators representing the area where a grant from the

Children First Trust Fund is designated. The notification shall occur ten days before the funds reach the recipient agency.

Section 6. The Secretary of the Department of Early Childhood Education shall report each approved plan of investment to the Joint Interim Legislative Oversight Committee and the Alabama Children's Policy Council. The Secretary, upon the request of the service agency, may approve an adjusted plan of investment. It is the intent of the Legislature that funds appropriated from the Children First Trust Fund be directed to meet the most immediate needs of children as changing conditions may develop.

Section 7. Should any provision of this act be held invalid, the invalidity thereof shall not affect the remaining provisions of the act.

Section 8. This act shall become effective immediately upon its passage and approval by the Governor, or its otherwise becoming law.