A BILL
TO BE ENTITLED
AN ACT

To amend Section 41-10-638 of the Code of Alabama 1975, which pertains to the allocation of additional tobacco settlement funds and Section 41-15B-2.2 of the Code of Alabama 1975, which pertains to the allocation of the Children First Trust Fund.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. Sections 41-10-638 and 41-15B-2.2, Code of Alabama 1975, and are amended to read as follow:

"§41-10-638.

(a) All monies in the special fund in excess of the monies to be retained therein as provided in Section 41-10-629 shall be immediately transferred by the authority as follows:

(1) Anything in Act 98-382, now appearing in Sections 41-15B-1 to 41-15B-4, inclusive, to the contrary notwithstanding, tobacco revenues in the following amounts received in each of the following fiscal years by the State of Alabama, beginning in the fiscal year ending September 30, 2000, shall be transferred from the special fund to the Children First Trust Fund to be appropriated by the Legislature,
upon the recommendation of the Governor, for programs authorized by the Children First Act:

<table>
<thead>
<tr>
<th>Amount</th>
<th>Fiscal Year</th>
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<tbody>
<tr>
<td>up to $60,000,000</td>
<td>2000</td>
</tr>
<tr>
<td>up to $65,000,000</td>
<td>2001</td>
</tr>
<tr>
<td>up to $70,000,000</td>
<td>2002 and each fiscal year thereafter</td>
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(2) An amount up to $2,000,000 shall be transferred beginning in the fiscal year ending September 30, 2000, and each fiscal year thereafter to the Alabama Senior Services Trust Fund to be appropriated by the Legislature in the manner prescribed in Chapter 15C of this title.

(3) For fiscal year beginning October 1, 2012, through the fiscal year ending September 30, 2020 or until full satisfaction of the sum due to the University of South Alabama from the State of Alabama pursuant to the December 20, 1999, tobacco litigation settlement, $1,000,000 each fiscal year shall be transferred to the University of South Alabama from tobacco settlement funds.

(4) The remainder of tobacco revenues shall be annually transferred to the State General Fund. In fiscal years 2000 and 2001 an amount up to $40,000,000 transferred to the State General Fund shall be appropriated by the Legislature to the Alabama Medicaid Agency, of which up to
$3,000,000 shall be appropriated to fund the Medicaid Waiver Program at the Alabama Department of Senior Services. In fiscal year 2002 and each fiscal year thereafter an amount up to $45,000,000 shall be transferred to the State General Fund and shall be appropriated by the Legislature to the Alabama Medicaid Agency, of which up to $3,000,000 shall be appropriated to fund the Medicaid Waiver Program at the Alabama Department of Senior Services. Sufficient safeguards shall be implemented to ensure that these new monies will increase and not supplant or decrease existing state support.

(4) (5) After the funding required in Section 41-10-629, the first $38,800,000 of tobacco revenues received by the State of Alabama shall be distributed and is hereby appropriated as follows: a. fifty percent to the Alabama Medicaid Agency and b. fifty percent to the State General Fund.

(b) In any fiscal year in which the distribution of tobacco revenues, after retaining in the special fund the sums set forth in Section 41-10-629, is insufficient to fund the allocations provided for in subdivisions (1) to (3), inclusive, of subsection (a), the distribution to the funds and programs in subdivisions (1) to (3), inclusive, of subsection (a) shall be prorated accordingly. In any fiscal year in which tobacco revenues, after retaining in the special fund the sums set forth in Section 41-10-629, exceed the total authorized to fund the allocations provided for in subdivisions (1) to (3), inclusive, of subsection (a), the
Medicaid Legislative Oversight Committee shall determine the
amount of any excess funds necessary to meet the needs of the
Alabama Medicaid Agency. Any additional excess funds shall be
distributed to the Children First Trust Fund.

"§41-15B-2.2.

(a) For each fiscal year, beginning October 1, 1999,
contingent upon the Children First Trust Fund receiving
tobacco revenues and upon appropriation by the Legislature, an
amount of up to and including two hundred twenty-five thousand
dollars ($225,000), or equivalent percentage of the total
fund, shall be designated for the administration of the fund
by the council and the Commissioner of Children's Affairs.

(b) For each fiscal year, beginning October 1, 2012,
through the fiscal year ending September 30, 2020 or until
full satisfaction of the sum due to the University of South
Alabama from the State of Alabama pursuant to the December 20,
1999, tobacco litigation settlement, contingent upon the
Children First Trust Fund receiving tobacco revenues and upon
appropriation by the Legislature, $1,000,000 each fiscal year
shall be designated for the University of South Alabama from
the Children First Trust Fund.

(c) For the each fiscal year, beginning October
1, 1999, contingent upon the Children First Trust Fund
receiving tobacco revenues, the remainder of the Children
First Trust Fund, in the amounts provided for in Section
41-15B-2.1, shall be allocated as follows:
(1) Ten percent of the fund shall be allocated to
the Department of Public Health for distribution to one or
more of the following:

a. The Children's Health Insurance Program.

b. Programs for tobacco control among children with
the purpose being to reduce the consumption of all tobacco
products by children. To be eligible to initially receive a
portion of these funds, any county health department, school,
local civic club, charity, or not-for-profit corporation shall
submit a grant application pursuant to the guidelines
promulgated by the State Department of Public Health, with
provisions for annual renewal of the grants. Provisions for
program evaluation in order to determine effectiveness, number
of children served, and financial accountability shall be
included in the guidelines. The Department of Public Health
may employ personnel to carry out the purposes of this section
and may not expend these funds for any purpose other than
those set out in this section.

c. The Alabama Qualified Health Center Grant Program
to increase access to preventative and primary services by
uninsured, underinsured, or medically indigent patients served
by such centers.

d. Any other children’s services provided by the
Department of Public Health.

(2) Twenty-two percent of the fund shall be
allocated to the State Board of Education to one or more of
the following:
The operation of alternative schools as defined below:

1. In the initial fiscal year funding after June 9, 1999, the State Board of Education shall distribute a pro rata share of the monies based upon the second month enrollment of the preceding school year to each local board of education which submits a plan that satisfies all of the following criteria:

   (i) The local board of education shall provide a 25 percent match of all funds for alternative school programs.

   (ii) The local board of education shall provide suitable facilities for housing alternative school programs.

   (iii) The plan submitted by each local board of education shall provide multiple tiers of alternative school programs which include, but are not limited to, "in-school suspension," a short-term alternative school program designed to enable children to perform in the traditional classroom setting, and a long-term program which is a true alternative to expulsion.

   (iv) The plan as submitted by each local board of education shall outline the educational services which shall be available to each child assigned to the short-term or long-term programs. Those services shall include, but are not limited to, all of the following:

   A. Remedial education where necessary.

   B. Counseling, including sessions on conflict resolution.
C. Social skills development.

(v) Each tier of the local plan shall be curriculum-based to address the goal of academic improvement and shall include, to the extent possible, mandatory parental notification and involvement.

(vi) If a local board of education can satisfactorily demonstrate that alternative school programs meeting all of the criteria in this section have been implemented, the allocation to the local board of education for alternative school programs may be directed by the State Board of Education to programs under the School Safety Enhancement Program.

(vii) Each year any monies remaining after distribution by the State Board of Education to the local boards of education which meet the criteria pursuant to subparagraph 1. and qualify for a portion of the monies, shall be allocated to those local boards of education demonstrating innovative programs with measurable improvements in academic achievement, attendance, school behavior, and parental involvement.

2. The State Board of Education shall review the programs of each local board of education receiving monies from the fund and shall annually submit a report to the council by July 1. This report shall include all of the following:

(i) The number of children served in each tier of the program.
(ii) The improvement in academic achievement.
(iii) The improvement in behavior.
(iv) The improvement in parental involvement.
(v) Financial accounting for the state and local monies expended.

3. The State Board of Education shall develop additional criteria for continued state funding of programs initiated pursuant to this chapter.

4. Sufficient safeguards shall be implemented to ensure that the new monies will increase and not supplant or decrease existing state or local support.

b.1. The School Safety Enhancement Program. The amount of monies available to each local board of education shall be determined by the State Board of Education based upon the second month enrollment of the preceding school year. To be eligible to initially receive a portion of the monies, each local board of education shall submit a grant application pursuant to guidelines promulgated by the State Board of Education with provisions for annual renewal of the grants. Provisions for program evaluation in order to determine effectiveness and financial accountability shall be included in the guidelines. The guidelines shall include all of the following:

(i) A component to enhance parental participation in school activities and promote parental responsibility for the performance and behavior of their children.
(ii) A requirement for a local 25 percent match of funds for school safety activities, excluding pre-kindergarten programs for at-risk children listed in item (ii) of subparagraph 2.

(iii) Sufficient safeguards implemented to ensure that the new monies will increase and not supplant or decrease existing local support.

2. School Safety Enhancement Programs eligible for grants shall be designed to prevent or reduce violence in the schools and communities and reduce school disciplinary or safety problems. The programs shall relate to one or more of the following:

(i) Extended day programs with supervised activities including, but not limited to, remedial education; tutorial assistance; arts, music, or other cultural enhancement; and activities for gifted children. Each local board of education may charge a fee based upon income for participation in the programs.

(ii) Pre-kindergarten programs for "at-risk" children. These programs do not require the local 25 percent match of funds for school safety activities mandated by item (ii) of subparagraph 1.

(iii) Truancy prevention programs which may include additional school attendance personnel and a Saturday school component.

(iv) Programs to assist children in dealing with anger and emphasizing acceptable ways of dealing with violence
including peer mediation, conflict resolution, and law related education.

(v) Safety plans involving the use of metal detectors, other security devices, uniforms, school safety resource officers, or other personnel employed to provide a safe school environment.

(vi) Drug, alcohol, tobacco, gang-related, or satanic worshipping-related education, prevention, detection, or enforcement programs.

(vii) At-risk identification and intervention programs designed to identify children who are at-risk and coordinate school and community services so that the mental, physical, and social capabilities of the child are enhanced.

3. The State Board of Education shall review the programs of each local board of education which receive monies from the fund and annually submit a report to the council by July 1. This report shall include all of the following:

(i) The number of children served.

(ii) The improvement in academic achievement.

(iii) The improvement in behavior.

(iv) The improvement in parental involvement.

(v) Financial accounting for the state and local monies expended.

4. The State Board of Education shall develop additional criteria for continued state funding of programs initiated pursuant to this chapter.
c. Any other children's services provided by the State Board of Education.

(3) a. Twenty percent of the fund shall be allocated to the Alabama Department of Human Resources for distribution to one or more of the following:

1. Foster care basic monthly maintenance rates to foster families.

2. Recruit and maintain additional therapeutic foster homes.

3.(i) Alabama Child Care Management Agencies to fund child care programs utilizing trained, qualified, and licensed child care facilities. These child care providers shall have specific emphasis on early intervention and nutrition services for all of the following:

A. The children of working parents who are income eligible as is defined by the guidelines of the Alabama Department of Human Resources for participation in the subsidized child care program.

B. The children of parents who have been unemployed and on public assistance but who have obtained employment and are income eligible as is defined by the guidelines of the Alabama Department of Human Resources for participation in the subsidized child care program.

C. The children of parents who are properly enrolled in Alabama public schools but have not yet completed school through grade level 12 and who are income eligible as defined
by the guidelines of the Alabama Department of Human Resources
for participation in the subsidized child care program.

(ii) The Alabama Department of Human Resources shall
ensure that at least 25 percent of the funds allotted to
Alabama Child Care Management Agencies annually shall be
allocated to those children indicated in subitem A. of item
(i) and at least 25 percent of the funds allotted to Alabama
Child Care Management Agencies annually shall be allocated to
those children indicated in subitem C. of item (i).

4. Services through licensed shelter care and
licensed residential foster homes.

5. Special needs adoptions to assist in recruiting
prospective adoptive parents, to facilitate the adoption of
children with special needs, and to provide financial
assistance to parents after adoption of these children.

6. Child advocacy centers within the state that are
certified by the Alabama Network of Children's Advocacy
Centers, Incorporated, or its successor organization.

7. Any other children's services provided by the
Alabama Department of Human Resources.

b. Sufficient safeguards shall be implemented to
ensure that these new monies will increase and not supplant or
decrease existing state and local support received from any
source.

(4) Five percent of the fund shall be allocated to
the Children's Trust Fund for distribution to one or more of
the following:
a. Community-based programs providing unification of prevention services which shall include, but not be limited to, all of the following:

1. Parenting education.
3. Adult education classes.
4. Job readiness training.
5. Welfare-to-work programs.
6. Quality child care for participants.

b. Grants for community-based programs targeted toward "at-risk" children or teens with specific emphasis on plans, programs, and services to eradicate gangs, investigation of child pornography, criminal behavior, illiteracy, teen unemployment, teen pregnancy, and single parent families pursuant to the guidelines of the Children's Trust Fund as provided in Sections 26-16-30 to 26-16-33, inclusive.

c. The Children's Cabinet.

d. The Wallace Newborn Screening program.

e. The Child Abuse and Neglect Prevention Board.

f. Any other children's services provided by the Children's Trust Fund.

(5) Five percent of the fund shall be allocated to the State Multiple Needs Children's Fund, pursuant to Section 12-15-174, to be allocated by the Alabama Children's Services Facilitation Team for services for multiple needs children in accordance with Sections 12-15-171 and 12-15-175. The Alabama
Children's Services Facilitation Team shall develop a written plan to address the needs of multiple needs children. Disbursements from the Multiple Needs Children Fund shall be based on the written plan. The monies allocated pursuant to this subdivision shall be distributed to one or more of the following:

a. Counties, based upon the per capita child population of each county, according to the most recent federal census, to provide services for multiple needs children identified by the county children's services facilitation team or referred by the juvenile court. These funds may be expended by a county children's services facilitation team to meet the needs of children for whom individualized service plans have been developed and approved and which are within the guidelines, policies, and procedures of the Alabama Children's Services Facilitation Team. Allotments to county children's services facilitation teams shall be disbursed quarterly.

b. Alabama Children's Services Facilitation Team for children whose needs exceed the resources available in the local community. These monies shall be used to purchase services or to develop services when a sufficient need can be documented.

c. Any other children's services provided by the State Multiple Needs Children's Fund.
(6) Five percent of the fund shall be allocated to
the Department of Mental Health and Mental Retardation for
distribution to one or more of the following:
   a. Community-based services for children and
families in crisis. The department shall maintain standards
and procedures to require that all staff members who provide
services pursuant to this subdivision have the appropriate
specialized training or experience, or both, to meet the needs
of the children and families served.
   b. Intensive long term programs designed to change
behavior and rehabilitate children with gang-related problems,
satanic worshipping-related problems, drug or alcohol problems
or addictions. Private providers may be utilized for these
drug and alcohol and gang-related and satanic
worshipping-related treatment programs. A portion of the funds
allocated pursuant to this paragraph shall be used to fund
halfway houses or other graduated release facilities for
children with drug or alcohol problems or addictions.
   c. Any other children's services provided by the
Department of Mental Health and Mental Retardation.

(7) a. Ten percent of the funds shall be allocated
to the Juvenile Probation Services Fund and administered by
the Administrative Office of Courts to unify and upgrade the
juvenile justice system and improve the delivery of services
to children who have been referred to the juvenile court. The
monies allocated to the Juvenile Probation Services Fund shall
be allotted to one or more of the following:
1. Convert juvenile probation officers and support staff in counties with a population of 99,000 or less, according to the most recent federal census, and Mobile County, Calhoun County, Etowah County, and Tuscaloosa County to state employee status under the direction and supervision of the Administrative Office of Courts pursuant to the Juvenile Probation Services Improvement Act. These funds shall also be used to provide salary subsidies for juvenile probation officers in each county with a population of more than 99,000, on the basis of one salary subsidy per 15,000 population or a fraction thereof.

2. In the fiscal year ending September 30, 1999, additional juvenile probation services positions at the ratio of one position per population of 47,000 or a major fraction of that amount. At a minimum, each county shall receive at least one additional juvenile probation officer. Juvenile probation services positions shall include juvenile probation officers, professional staff charged with developing programs for early intervention and correction of delinquent behavior, and officers assigned to intensively supervise juveniles returning from regional or state institutions. Each county shall be allocated at least one additional juvenile probation officer subsidy for the fiscal year ending September 30, 1999.

3. Any other juvenile probation service provided by the Administrative Office of Courts through the Juvenile Probation Services Fund.
b. In successive fiscal years, the percentage of monies received pursuant to this subdivision shall be allotted to the Juvenile Probation Services Fund to provide funding for juvenile probation services administered by the Administrative Office of Courts.

c. Each presiding juvenile court judge and chief juvenile probation officer shall jointly file a sworn statement on approved forms with the Administrative Office of Courts prior to July 1 of each year which shall contain a detailed listing of the general services provided by the juvenile probation staff to the children under their supervision. The services provided in each county shall include, but not be limited to, all of the following:

1. Programs to develop basic competency in social skills.
2. Truancy prevention programs.
3. Restitution collection programs.
4. Community service work programs.
5. Programs utilizing trained volunteers including mentor programs, volunteers in probation, and other programs.
6. Programs mandating parental accountability.
7. Intensive aftercare programs for children returning from regional or state institutions.

d. The responsibilities provided in this subdivision are supplemental to those provided in Section 12-15-7.

(8) a. Seventeen percent of the revenues shall be allocated to the Department of Youth Services to fund through
public or private providers secure beds, group homes, graduated release facilities, community-based alternatives to commitment to the Department of Youth Services, and for subsidies for regional detention facilities. The public or private providers shall develop an aftercare plan for each juvenile leaving the custody of the Department of Youth Services and shall be responsible for monitoring compliance with and completion of each plan. The Department of Youth Services Board shall develop criteria and an allocation formula to insure that monies received from the fund shall be equitably distributed to provide access to local juvenile offender programs for both urban and rural areas throughout the state. The funds allocated to the Department of Youth Services shall be distributed for one or more of the following:

1. Facilities for secure beds and for graduated release facilities to integrate children from the Department of Youth Services secure facilities back into their local communities.

2. Intensive programs to include, but not be limited to, wilderness programs of sufficient duration to change behavior, to develop self-reliance, and to develop a work ethic. Not less than 20 percent of these funds shall be designated for the treatment of juvenile sex offenders.

3. Alternative programs which shall include, but not be limited to, bootcamps with a minimum required stay of 90
days, day-reporting centers, and intensive monitoring systems which are community-based.

4. Subsidies for regional detention facilities.

5. Any other children's services provided by the Department of Youth Services.

b. An annual accounting of the distribution of the monies and the effectiveness of the programs shall be prepared by the Department of Youth Services and filed with the council prior to July 1. Sufficient safeguards shall be implemented to ensure that the new monies will increase and not supplant or decrease existing state or local support, except the portion of funds used year to year according to needs enumerated in this section.

(9) Three and one-half percent of the funds shall be allocated to the Alabama Medicaid Agency to fund services to directly benefit the needs of children and an AIDS waiver.

(10) One percent of the funds shall be allocated to the Alcoholic Beverage Control Board for education and enforcement of Chapter 11 of Title 28, which prohibits access to tobacco products by minors.

(11) a. One percent of the funds shall be allocated to the Department of Forensic Sciences to fund forensic services including, but not limited to, all of the following:

1. Investigation of child deaths where the child was not under the care of a physician, identification of missing children remains, and analysis of forensic evidence associated with crimes where the victim is a child.
2. Provision of medical examiners for local child death review teams.

3. Education of medical students and resident physicians regarding fatal child abuse.

4. Provision of expert testimony in court cases involving forensic findings in criminal investigations.

5. Provision of other forensic services for children when requested by the council.

b. The Department of Forensic Sciences shall prepare an annual accounting of the distribution of monies received and the effectiveness of programs implemented pursuant to this chapter and shall file the accounting with the council before July 1. Sufficient safeguards shall be implemented to ensure that the new monies increase and not supplant or decrease existing state support.

(12) One-half of one percent of the fund shall be allocated to the Department of Rehabilitation Services for distribution to one or more of the following:

a. Early intervention services for children from birth through age three and services for children who have traumatic brain injury.

b. Child death review teams pursuant to Article 5 of Chapter 16 of Title 26. The Department of Rehabilitation Services shall work in cooperation with the Department of Public Health to administer this paragraph.
Section 2. This act shall become effective immediately upon its passage and approval by the Governor, or upon its otherwise becoming law.
House of Representatives

Read for the first time and referred to the House of Representatives committee on Ways and Means
General Fund............................. 15-MAR-12

Read for the second time and placed on the calendar with 1 substitute
and................................. 05-APR-12

Read for the third time and passed as amended.......................... 10-APR-12
Yeas 99, Nays 1, Abstains 1

Greg Pappas
Clerk