HB402

149448-1

By Representative Clouse

RFD: Ways and Means General Fund

First Read: 07-MAR-13
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 $39,004,803 from the Children First Trust Fund for the fiscal year ending September 30, 2014, 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 2014 that portion of Children First Trust Fund receipts
currently allocated for the State Board of Education.

This bill would make an appropriation of $45,168,359 from other tobacco settlement funds for the fiscal year ending September 30, 2014.

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 $39,004,803 from the Children First Trust Fund for the fiscal year ending September 30, 2014, 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 2014 that portion of
Children First Trust Fund receipts currently allocated for the State Board of Education; to make an appropriation of $45,168,359 from other tobacco settlement funds for the fiscal year ending September 30, 2014; 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 $39,004,803 for the fiscal year ending September 30, 2014, 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: $597,104
- Children's Trust Fund: $2,415,005
- Department of Forensic Sciences: $477,091
- Alabama Department of Human Resources: $9,593,095
- Juvenile Probation Services Fund: $4,657,710
- Alabama Medicaid Agency: $1,665,163
- Alabama Department of Mental Health: $2,378,805
- State Multiple Needs Children's Fund: $4,126,550
Department of Public Health 4,757,610

Of the above appropriation to the Department of Public Health, $1,000,000 shall be allocated to the Hudson Alpha Institute to be used for research for cancer, neurodegenerative diseases, and psychiatric disorders; $1,000,000 to the Mitchell Cancer Institute at the University of South Alabama; and $1,000,000 to the School of Medicine at the University of Alabama at Birmingham for cancer research.

Department of Rehabilitation Services 248,634

Department of Youth Services 8,088,036

(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 Children's Affairs in writing prior to September 1, 2013, 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, 2014.

(3) At the beginning of each quarter of the fiscal year ending September 30, 2014, 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 Children's Affairs 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 General Fund or to any
other fund, except as provided by HB ____ or SB ____ of the
2013 Regular Session, Act No. ____.
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, 2014.

Section 3. In addition to the appropriation herein above made, there is hereby appropriated from additional tobacco settlement funds the sum of $45,168,359 for the fiscal year ending September 30, 2014 to the following entities:

<table>
<thead>
<tr>
<th>Department</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Department of Children's Affairs</td>
<td>250,000</td>
</tr>
<tr>
<td>21st Century Debt Service</td>
<td>13,000,000</td>
</tr>
<tr>
<td>Senior Services Trust Fund</td>
<td>1,359,317</td>
</tr>
<tr>
<td>Alabama Medicaid Agency</td>
<td>28,545,658</td>
</tr>
<tr>
<td>Department of Senior Services - Medicaid Waiver</td>
<td>2,013,384</td>
</tr>
</tbody>
</table>

Section 4. Any additional tobacco revenues available for the fiscal year ending September 30, 2014, 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 Commissioner of the Department of Children's Affairs that a plan of investment has been approved for each agency. The Commissioner of the Department of Children's Affairs 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 Commissioner of the Department of Children's Affairs 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
Commissioner of the Department of Children's Affairs 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 Commissioner of the Department of
Children's Affairs shall report each approved plan of
investment to the Joint Interim Legislative Oversight
Committee and the Alabama Children's Policy Council. The
Commissioner, 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
upon its otherwise becoming a law.