

HB251 INTRODUCED



1 HB251
2 2JUMJKI-1
3 By Representatives Warren, Reynolds
4 RFD: Ways and Means Education
5 First Read: 15-Jan-26

SYNOPSIS:

This bill makes an appropriation of \$36,635,222 from the Children First Trust Fund for the fiscal year ending September 30, 2027, 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 2027 that portion of Children First Trust Fund receipts currently allocated for the State Board of Education; to make an appropriation of \$43,789,530 from other tobacco settlement funds for the fiscal year ending September 30, 2027; 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.

HB251 INTRODUCED

A BILL

TO BE ENTITLED

AN ACT

To make an appropriation of \$36,635,222 from the Children First Trust Fund for the fiscal year ending September 30, 2027, 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 2027 that portion of Children First Trust Fund receipts currently allocated for the State Board of Education; to make an appropriation of \$43,789,530 from other tobacco settlement funds for the fiscal year ending September 30, 2027; 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 \$36,635,222 for the fiscal year ending September 30, 2027, to the entities and for the purposes designated in Section 41-15B-2.2, Code of Alabama

HB251 INTRODUCED

1975 as follows, per the approved plan of investment for each agency:

Alcoholic Beverage Control Board	414,077
Children's Trust Fund	2,000,000
Department of Forensic Sciences	418,413
Alabama Department of Human Resources	8,853,073
Juvenile Probation Services Fund	3,972,864
Alabama Medicaid Agency	1,390,782
Alabama Department of Mental Health	2,142,457
State Multiple Needs Children's Fund	4,358,550
Department of Public Health	4,771,403
Department of Rehabilitation Services	206,286
Department of Youth Services	8,107,317

(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, 2026, 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, 2027.

(3) At the beginning of each quarter of the fiscal year ending September 30, 2027, 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

HB251 INTRODUCED

85 revenues are available for the respective agency. In the event
86 tobacco revenues are not available for the respective agency
87 until later in the fiscal year then the respective agency
88 shall be allocated an equal quarterly allotment for the
89 quarters that funds are available at the beginning of those
90 quarters. Such allocation shall be made and be available for
91 expenditure by the agency within five working days of the
92 commencement of the quarter. If additional sums are
93 appropriated or allocated, or both, during the fiscal year,
94 these sums shall be equally allocated to the respective agency
95 among the remaining quarters of the fiscal year or may be
96 allocated to the respective agency in one sum if revenues are
97 available. The Department of Early Childhood Education shall
98 be notified in writing of all appropriations and allocations
99 from the Children First Trust Fund by the Director of Finance.

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

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

105 (d) At the conclusion of the fiscal year, any remaining
106 sums in the Children First Trust Fund shall remain in the fund
107 and shall not revert to the State General Fund or to any other
108 fund.

109 Section 2. Notwithstanding any provision of Division 1
110 of Article 17 of Chapter 10 of Title 41, Code of Alabama 1975,
111 any provision of Chapter 15B of Title 41, Code of Alabama
112 1975, or any other provision of law, that portion of Children

HB251 INTRODUCED

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, 2027.

Section 3. In addition to the appropriation herein above made, there is hereby appropriated from additional tobacco settlement funds the sum of \$43,789,530 for the fiscal year ending September 30, 2027 to the following entities:

Department of Early Childhood Education	128,466
21st Century Debt Service	16,000,000
Senior Services Trust Fund	1,141,922
Alabama Medicaid Agency	24,836,383
Department of Senior Services - Medicaid Waiver	1,682,759

Section 4. Any additional tobacco revenues available for the fiscal year ending September 30, 2027, 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

HB251 INTRODUCED

141 said appropriated funds. The plan of investment shall include,
142 but not be limited to, a minimum of four (4) quality assurance
143 items on which a periodic report, as required by the approved
144 plan of investment, is made and as audited by the Examiners of
145 Public Accounts. Quality assurance items shall include the
146 number of children receiving service, an identifiable measure
147 of success of services provided and a prioritized standard of
148 successful measures for future plans of investment. It is the
149 intent of the Legislature that the Secretary of the Department
150 of Early Childhood Education shall be responsible for
151 providing a standard of measurement by which a clear
152 determination can be made through operational reporting and
153 audit reporting of a measurable success of funds appropriated
154 and invested from the Children First Trust Fund; insure funds
155 appropriated herein are invested in viable programs; insure
156 and promote the leverage of appropriated funds herein in every
157 possible manner and coordinated in all possible ways the
158 investment of funds by each service provider to insure that no
159 unproductive expenditures or duplication occurs. The Secretary
160 of the Department of Early Childhood Education shall notify
161 legislators representing the area where a grant from the
162 Children First Trust Fund is designated. The notification
163 shall occur ten days before the funds reach the recipient
164 agency.

165 Section 6. The Secretary of the Department of Early
166 Childhood Education shall report each approved plan of
167 investment to the Joint Interim Legislative Oversight
168 Committee and the Alabama Children's Policy Council. The

HB251 INTRODUCED

169 Secretary, upon the request of the service agency, may approve
170 an adjusted plan of investment. It is the intent of the
171 Legislature that funds appropriated from the Children First
172 Trust Fund be directed to meet the most immediate needs of
173 children as changing conditions may develop.

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

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