

SUBJECT: Funding the Children's Trust Fund of Texas Council

COMMITTEE: Appropriations — committee substitute recommended

VOTE: 18 ayes — Junell, Delisi, Coleman, Cook, H. Cuellar, R. Cuellar, Davis, Gallego, Gray, Greenberg, Haggerty, Harris, Heflin, Johnson, McDonald, Ogden, Raymond, S. Turner

0 nays

9 absent — Carona, Clemons, Conley, Gallego, Hernandez, Kubiak, Mowery, Park, Swinford

WITNESSES: For — None

Against — None

On — Janie Fields, Children's Trust Fund of Texas

BACKGROUND: The Children's Trust Fund of Texas and its governing council were established in 1985 to assist communities in implementing child abuse and neglect prevention programs by offering one-year grant awards. The grant awards may be renewed up to two times.

The trust fund is supported by a \$12.50 deposit from each marriage license fee and may also receive federal and private grants and contributions. The council can, at any time, transfer money in the trust fund to the operating fund and vice versa. It cannot transfer more than 50 percent of the money that was in the fund on the first day of the fiscal year, and its administrative costs cannot exceed 10 percent of transfers from the fund.

The Legislature is prohibited from appropriating the money in the trust fund; it may appropriate money *to* the operating fund, and the council may spend only funds appropriated by the Legislature.

Statutory authority for the council to transfer money from the trust fund to the operating fund will expire on August 31, 1996. Interest earned on the

trust fund will be deposited in the operating fund, and administrative costs will be taken from the operating fund.

DIGEST:

CSHB 982 would allow the transfer of money from the trust fund to the operating fund in an amount equal to or less than the amount deposited to the credit of the trust fund the preceding fiscal year. Earned interest would be deposited directly to the trust fund. Administrative costs could not exceed 50 percent of the interest credited to the fund during the preceding year.

The council would be permitted to renew a grant more than two times if the council determined certain circumstances require an extension.

The bill would take effect September 1, 1995.

**SUPPORTERS
SAY:**

CSHB 982 would increase funds available for child abuse and neglect programs and would continue to prohibit council access to the trust fund corpus. Council programs could be funded by interest income as well as marriage-license fee revenues and other grants or contributions. Council authority to expend money would still be subject to legislative appropriations.

The trust fund was established in 1985 as a dedicated fund whose earned interest would eventually be sufficient to adequately fund Texas child abuse and neglect prevention activities. Earned interest and private donations to the fund did not live up to expectations, and the fund corpus did not grow to be as large as hoped in its first 10 years of operation. CSHB 982 would allow Texas to meet community demand for program money and assistance.

A statutory cap on administrative costs would ensure that available funds are spent mostly on program funding and would prevent the council from reallocating money from programs to administration.

**OPPONENTS
SAY:**

The cap on administrative costs is unnecessary and too restrictive. The council's operating budget is appropriated by the Legislature and overseen in all routine state agency accounting and reporting procedures. Placing a cap in statute would require specific legislation to make changes to meet

any extenuating circumstances. A rider in the appropriations bill may be a more appropriate way of directing and limiting administrative funding.

NOTES:

The original version would have specifically authorized the council to receive funds for public education and awareness, research and evaluation and to fund family support programs in addition to child abuse and neglect prevention programs. It would have also rededicated the fund by removing it from general revenue fund consolidation requirements. (The fund would be rededicated by HB 3050 by Junell, which is scheduled for the consent calendar on May 12.)