38-2101. Kansas endowment for youth fund; tobacco litigation settlement agreement proceeds, disposition; investment, management and administration of fund. (a) There is hereby established in the state treasury the Kansas endowment for youth fund which shall constitute a trust fund and shall be invested, managed and administered in accordance with the provisions of this act by the board of trustees of the Kansas public employees retirement system established by K.S.A. 74-4905, and amendments thereto.

(b) All of the moneys received by the state pursuant to the tobacco litigation settlement agreements entered into by the attorney general on behalf of the state of Kansas, or pursuant to any judgment rendered, regarding the litigation against tobacco industry companies and related entities, shall be deposited in the state treasury and credited to the Kansas endowment for youth fund. All such moneys shall constitute an endowment which shall remain credited to the Kansas endowment for youth fund except as provided in this section or in K.S.A. 38-2102, and amendments thereto, for transfers to the children's initiatives fund. Expenditures may be made from the Kansas endowment for youth fund for the payment of the operating expenses of the Kansas children's cabinet and the board of trustees, including the expenses of investing and managing the moneys, which are attributable to the Kansas endowment for youth fund. All moneys credited to the Kansas endowment for youth fund shall be invested to provide an ongoing source of investment earnings available for periodic transfer to the children's initiatives fund in accordance with this act. All expenditures from the Kansas endowment for youth fund shall be made in accordance with appropriation acts upon warrants of the director of accounts and reports issued pursuant to vouchers approved by the chairperson of the board of trustees of the Kansas public employees retirement system or by the chairperson's designee.

(c) On the effective date of this act, the director of accounts and reports shall transfer all moneys credited to the children's health care programs fund to the Kansas endowment for youth fund and the children's health care programs fund is hereby abolished. On and after July 1, 1999, whenever the children's health care programs fund, or words of like effect, is referred to or designated by statute, contract or other document, such reference or designation shall be deemed to apply to the Kansas endowment for youth fund.

History: L. 1999, ch. 172, § 1; July 1.
38-2102. Children's initiatives fund; purposes; requirements for funded programs; transfers from Kansas endowment for youth fund, adjustments for increased or reduced tobacco litigation settlement agreement proceeds. (a) There is hereby established in the state treasury the children's initiatives fund which shall be administered in accordance with this section and the provisions of appropriation acts.

(b) All moneys credited to the children's initiatives fund shall be used for the purposes of providing additional funding for programs, projects, improvements, services and other purposes directly or indirectly beneficial to the physical and mental health, welfare, safety and overall well-being of children in Kansas as provided by appropriation or other acts of the legislature. In allocating or appropriating moneys in the children's initiatives fund, the legislature shall emphasize programs and services that are data-driven and outcomes-based and may emphasize programs and services that are generally directed toward improving the lives of children and youth by combating community-identified risk factors associated with children and youth becoming involved in tobacco, alcohol, drugs or juvenile delinquency. Programs funded must have a clearly articulated objective to be achieved with any funds received. As a condition precedent to funding, every program must demonstrate that the program's design is supported by credible research, that the program as implemented will constitute best practices in the field, that data is available to benchmark the program's desired outcomes and that an evaluation and assessment component is part of the program design and that such evaluation is capable of determining program performance, needed program modifications to enhance performance, ways in which the program could be modified for transfer to other venues, and when performance no longer justifies funding. Community-based programs must demonstrate the availability of sufficient community leadership and the capacity to appropriately implement and administer the program that is funded. Programs which require community mobilization to successfully achieve program objectives must demonstrate a specific strategy to obtain the requisite levels of community mobilization. Moneys allocated or appropriated from the children's initiatives fund shall not be used to replace or substitute for moneys appropriated from the state general fund in the immediately preceding fiscal year.

(c) All expenditures from the children's initiatives fund shall be made in accordance with appropriation acts upon warrants approved by the director of accounts and reports issued pursuant to vouchers approved in the manner prescribed by law.

(d) (1) On July 1, 2000, or as soon thereafter as moneys are available, the director of accounts and reports shall transfer, in the following order of priority, (A) first, $70,740,000 from the Kansas endowment for youth fund to the state general fund and (B) second, $30,000,000 from the Kansas endowment for youth fund to the children's initiatives fund.

(2) On July 1, 2001, or as soon thereafter as moneys are available, the director of accounts and reports shall transfer $40,000,000 from the Kansas endowment for youth fund to the children's initiatives fund and shall transfer $10,000,000 from the Kansas endowment for youth fund to the state general fund.

(3) On July 1, 2002, or as soon thereafter as moneys are available, the director of accounts and reports shall transfer $45,000,000 from the Kansas endowment for youth fund to the children's initiatives fund.

(4) On July 1 of each fiscal year thereafter, or as soon thereafter as moneys are available, the director of accounts and reports shall transfer from the Kansas endowment for youth fund to the children's initiatives fund the amount equal to 102.5% of the amount transferred from the Kansas endowment for youth fund to the children's initiatives fund pursuant to this section during the immediately preceding fiscal year.

(5) If the amounts to be received during any fiscal year under the tobacco litigation settlement agreements entered into by the attorney general on behalf of the state of Kansas, or pursuant to any judgment rendered, regarding the litigation against tobacco industry companies and related entities, are reduced or increased from the amount that was anticipated to be received for such fiscal year, as of the time the settlement agreements were entered into, then the legislature may adjust the amount otherwise provided by this subsection to be transferred from the Kansas endowment for youth fund to the children's initiatives fund for such fiscal year by including provisions in appropriation acts for such fiscal year that proportionally reduce or increase, as appropriate, the amount otherwise provided by this subsection to be transferred from the Kansas endowment for youth fund to the children's initiatives fund for such fiscal year. In addition, for purposes of circumstances related to the investment of moneys in the Kansas endowment for youth fund or other circumstances or matters deemed sufficient by the legislature, the legislature may adjust the amount otherwise provided by this subsection to be transferred from the Kansas endowment for youth fund to the children's initiatives fund for any fiscal year by including provisions in appropriation acts for such fiscal year that proportionally reduce or increase, as appropriate, the amount otherwise provided by this subsection to be transferred from the Kansas endowment for youth fund to the children's initiatives fund for such fiscal year.

(e) It is the intent of the legislature that, except as provided by this section, no amounts shall be transferred from the Kansas endowment for youth fund to the children's initiatives fund or to any other fund during any state fiscal year.

(f) On or before the 10th day of each month, the director of accounts and reports shall transfer from the state general fund to the Kansas endowment for youth fund interest earnings based on (1) the average daily balance of moneys in the children's initiatives fund for the preceding month and (2) the net earnings rate of the pooled money investment portfolio for the preceding month.

History: L. 1999, ch. 172, § 2; July 1.
38-2103. Kansas children's cabinet, duties concerning children's initiatives fund; reviews, assessments and evaluations of uses of moneys; audits; children's initiatives accountability fund, interest. (a) The Kansas children's cabinet established by K.S.A. 38-1901, and amendments thereto, shall advise the governor and the legislature regarding the uses of the moneys credited to the children's initiatives fund.

(b) The Kansas children's cabinet shall review, assess and evaluate all uses of the moneys in the children's initiatives fund. The Kansas children's cabinet shall study and shall initiate studies, assessments and evaluations, by contract or otherwise, through institutions of higher education and other appropriate research entities to identify best practices and to measure and otherwise determine the efficiency and efficacy of practices that are utilized in programs, projects, improvements, services and other purposes for which moneys are allocated or appropriated from the children's initiatives fund. The costs of such reviews, assessments and evaluations shall be paid from the children's initiatives accountability fund.

(c) There shall be conducted performance audits and other audit work by the legislative post auditor upon request by the Kansas children's cabinet and as directed by the legislative post audit committee in accordance with the provisions of the legislative post audit act. The purpose of such performance audits and other audit work shall be to provide interested parties with the program evaluation and research needed to make informed decisions for the uses of moneys credited to the children's initiatives fund. The auditor to conduct such performance audit or other audit work shall be specified in accordance with K.S.A. 46-1122, and amendments thereto, and if the legislative post audit committee specifies under such statute that a firm, as defined by K.S.A. 46-1112, and amendments thereto, is to perform all or part of the audit work of such audit, such firm shall be selected and shall perform such audit work as provided in K.S.A. 46-1123, and amendments thereto, and K.S.A. 46-1125 through 46-1127, and amendments thereto. The audit work required pursuant to this subsection shall be conducted in accordance with generally accepted governmental auditing standards. The post auditor shall compute the reasonably anticipated cost of the audit work performed by a firm for such performance audit or other audit work pursuant to this subsection, subject to review and approval by the contract audit committee established by K.S.A. 46-1120, and amendments thereto, and the Kansas children's cabinet shall pay such cost from the children's initiatives accountability fund. If all or part of the audit work for such performance audit or other audit work is performed by the division of post audit and the division of post audit incurs costs in addition to those attributable to the operations of the division of post audit in the performance of other duties and responsibilities, the post auditor shall charge the Kansas children's cabinet for such additional costs and the Kansas children's cabinet shall pay such charges from the children's initiatives accountability fund. The payment of any such costs and any such charges shall be a transaction between the division of post audit and the Kansas children's cabinet and such transaction shall be settled in accordance with the provisions of K.S.A. 75-5516, and amendments thereto. All moneys received by the division of post audit for such costs and charges shall be credited to the audit services fund.

(d) There is hereby established in the state treasury the children's initiatives accountability fund which shall be administered in accordance with this section and the provisions of appropriation acts. The governor shall recommend and the legislature shall provide for moneys to be credited annually to the children's initiatives accountability fund by transfers or other provisions of appropriation acts.

(e) All moneys credited to the children's initiatives accountability fund shall be used for the purposes of providing funding for assessment and evaluation of programs, projects, improvements, services and other purposes for which moneys are allocated or appropriated from the children's initiatives fund. All expenditures from the children's initiatives accountability fund shall be made in accordance with appropriation acts upon warrants of the director of accounts and reports issued pursuant to vouchers approved in the manner prescribed by law.

(f) On or before the 10th day of each month, the director of accounts and reports shall transfer from the state general fund to the Kansas endowment for youth fund interest earnings based on (1) the average daily balance of moneys in the children's initiatives accountability fund for the preceding month and (2) the net earnings rate of the pooled money investment portfolio for the preceding month.

History: L. 1999, ch. 172, § 3; July 1.