



## ***April Funding Tip***

The Finance Project is pleased to announce the next installment in a series of [monthly funding tips](#) for youth programs. These tips cover different financing strategies to help programs finance and sustain their work.

### **Tip: Create a Children's Trust Fund To Dedicate Local Revenue Sources for Youth Programs**

A trust fund is a separate, designated account in the public treasury that has special rules for managing its funds. Many states have created children's trust funds, most often to fund child abuse prevention programs. All trust funds are governed by guiding principles that direct fund expenditures and describe fund management goals and processes. Trust fund monies may be managed and distributed by either the state treasurer, an appointed board or commission or the state legislature, who can make an annual appropriation through the legislative process. Depending on the management goals, all of the monies in a trust fund may be eligible for expenditure, or expenditures may be limited to the interest that accrues on the account. A trust fund's money can come from one or more sources. In fact, public funds from a number of agencies can be pooled in a trust fund and used to support comprehensive service systems. For example, several children's trust funds can provide financial support for child abuse prevention services in conjunction with a broad range of family support services.

Currently, trust funds are a popular state repository for tobacco master settlement agreement revenues. Starting in December 1999, the tobacco industry began to issue payments to states that are projected to total \$246 billion over 25 years. Most states began making decisions on the management and allocation of these revenues during their 1999 and 2000 legislative sessions, and they will continue to make decisions on how to use those funds for many years to come. Establishing a trust fund to receive and disburse tobacco settlement monies has been a common strategy.

To learn more about how tobacco settlement dollars are allocated in your state, visit The Finance Project's new database, <http://www.financeproject.org/tobacco>.

### **Example from the Field: Fund for a Healthy Maine**

In Maine, politicians and community advocates for children and families tracked the fiscal developments of the tobacco master settlement agreement and were well positioned to respond to them at the appropriate time. In 1999, the state legislature passed an appropriations bill that established the Fund for a Healthy Maine. The fund receives the state's tobacco settlement funds and supports eight health improvement programs, including smoking cessation and prevention programs. Funds are allocated to local Healthy Maine partnerships, which implement programs at the community level. A significant proportion of the funding has been allocated specifically to the Partnership for a Tobacco-Free Maine to develop and implement statewide tobacco prevention, control, and treatment programs. Among the programs and services funded is the Youth Advocacy Program (YAP), a state level program that aims to empower youth with the skills they need to create a healthy community by learning how to advocate for change. The health focus of the statewide YAP initiative is to prevent tobacco use, encourage youth to stop smoking, decrease public exposure to secondhand smoke, increase physical activity, and encourage healthy eating.

For more information on this financing strategy and the various strategies for dedicating local and state revenue sources for youth programs see The Finance Project's publication, [Creating Dedicated Local and State Revenue Sources for Youth Programs](#).

Within the [Youth Programs Resource Center](#) you will also find an [online clearinghouse](#), jointly developed by The Finance Project and The Forum for Youth Investment. The clearinghouse contains a wealth of information and resources for supporting and sustaining youth programs and initiatives. It is designed to help you learn about data, tools, policies, practices, financing strategies, coordination efforts and technical assistance resources developed by organizations in the field that aim to improve the lives of youth.