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CS FOR HOUSE BILL NO. 190(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered:

Referred:

Sponsor(s): REPRESENTATIVES FAIRCLOUGH, Hawker, Holmes, Peggy Wilson

A BILL

FOR AN ACT ENTITLED

1 "An Act amending the Alaska children's trust and relating to the trust; establishing a
2 children's trust grant account; relating to birth certificates and certificates of marriage;
3 relating to special request Alaska children's trust license plates; and amending the State
4 Procurement Code to exempt the Alaska children's trust and the Alaska Children's
5 Trust Board."

6 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

7 * **Section 1.** AS 18.50.225(d) is repealed and reenacted to read:

8 (d) The estimated amount by which the fees received under this section exceed
9 the cost of issuing birth certificates under (a) of this section may be appropriated
10 annually by the legislature to the Alaska children's trust grant account (AS 37.14.205).

11 * **Sec. 2.** AS 18.50.272(e) is repealed and reenacted to read:

12 (e) The estimated amount by which the fees received under this section exceed
13 the cost of issuing heirloom certificates of marriage under (a) of this section may be

appropriated annually by the legislature to the Alaska children's trust grant account (AS 37.14.205).

* **Sec. 3.** AS 28.10.421(d)(14) is amended to read:

(14) special request Alaska children's trust plates \$100 plus the fee required for that vehicle under (b), (c), (h), or (i) of this section; the fee required by this paragraph shall be collected only on the first issuance and the replacement of special request plates; the commissioner of administration shall separately account for the fees received under this paragraph that the department deposits in the general fund; notwithstanding (g) of this section, the annual estimated balance in the account that is in excess of the cost of issuing special request plates may be appropriated by the legislature into the Alaska children's trust grant account established in AS 37.14.205 [PRINCIPAL OF THE ALASKA CHILDREN'S TRUST UNDER AS 37.14.200];

* **Sec. 4.** AS 36.30.990(1) is amended to read:

(1) "agency"

(A) means a department, institution, board, commission, division, authority, public corporation, the Alaska Pioneers' Home, the Alaska Veterans' Home, or other administrative unit of the executive branch of state government;

(B) does not include

- (i) the University of Alaska;
- (ii) the Alaska Railroad Corporation;
- (iii) the Alaska Housing Finance Corporation;
- (iv) a regional Native housing authority created under AS 18.55.996 or a regional electrical authority created under AS 18.57.020;
- (v) the Department of Transportation and Public Facilities, in regard to the repair, maintenance, and reconstruction of vessels, docking facilities, and passenger and vehicle transfer facilities of the Alaska marine highway system;
- (vi) the Alaska Aerospace Corporation;

(vii) the Alaska Retirement Management Board;

(viii) the Alaska Seafood Marketing Institute;

(ix) the Alaska children's trust and the Alaska

Children's Trust Board;

* **Sec. 5.** AS 37.14.200(b) is amended to read:

(b) The [PRINCIPAL OF THE] trust consists of

(1) legislative appropriations to the trust; [AND]

(2) **donations to the trust; and**

(3) income earned on investments of trust assets appropriated by the legislature to the trust [GIFTS, BEQUESTS, AND CONTRIBUTIONS OF CASH OR OTHER ASSETS FROM A PERSON].

* **Sec. 6.** AS 37.14.200(c) is repealed and reenacted to read:

(c) The commissioner of revenue shall manage the trust as an endowment, with the goal that the purchasing power of the trust will not diminish over time without regard to additional contributions that may be made to the trust. The commissioner shall invest the assets of the trust in a manner likely to yield at least a five percent real rate of return over time. The commissioner may commingle the assets of the trust with other public funds for purposes of investment.

* **Sec. 7.** AS 37.14.200 is amended by adding new subsections to read:

(d) In carrying out the investment duties under AS 37.14.200 - 37.14.270, the commissioner of revenue has the powers and duties set out in AS 37.10.071. The commissioner shall provide reports to the board on the condition and investment performance of the trust.

(e) As soon as is practicable after July 1 of each year, the commissioner of revenue shall determine the average of the market values of the trust on June 30 for the immediately preceding three fiscal years. The commissioner shall identify five percent of that amount as available for appropriation to the grant account from which the board may award grants under AS 37.14.230. The commissioner shall also report as available for appropriation a total of amounts previously identified as available for appropriation to the grant account that have not been appropriated.

(f) The legislature may appropriate from the principal of the trust up to

1 \$150,000 each year for the administrative expenses of the board relating to
2 AS 37.14.200 - 37.14.270. The legislature may also appropriate from the principal of
3 the trust expenses related to the commissioner of revenue's management of trust
4 assets.

5 (g) Nothing in this section creates a dedicated fund.

6 * **Sec. 8.** AS 37.14 is amended by adding a new section to read:

7 **Sec. 37.14.205. Alaska children's trust grant account.** (a) The Alaska
8 children's trust grant account is established as an account in the general fund. The
9 legislature may appropriate funds to the grant account from

- 10 (1) the trust account in the amount described in AS 37.14.200(e);
11 (2) program receipts from special request Alaska children's trust plates
12 under AS 28.10.421(d)(14);
13 (3) program receipts from birth certificates under AS 18.50.225;
14 (4) program receipts from certificates of marriage under AS 18.50.272;
15 (5) private restricted-use donations; and
16 (6) any other source.

17 (b) The board may use money in the grant account for the following purposes
18 and without further appropriation:

- 19 (1) to make grants under AS 37.14.230;
20 (2) to obtain private and federal grants for the trust and the grant
21 account;
22 (3) to solicit contributions, gifts, and bequests for the trust and the
23 grant account;
24 (4) to expend private restricted-use donations in conformity with the
25 donor's restrictions.

26 * **Sec. 9.** AS 37.14.225 is amended to read:

27 **Sec. 37.14.225. Trust board established.** The Alaska Children's Trust Board
28 is established in the Office of the Governor. The board is composed of

- 29 (1) the governor or a designee of the governor;
30 (2) the commissioner of health and social services or the
31 commissioner's designee;

(3) the commissioner of education and early development or the commissioner's designee; and

(4) four public members appointed by the governor [; IN APPOINTING THE PUBLIC MEMBERS, THE GOVERNOR SHALL GIVE A PREFERENCE TO PERSONS] who have experience and expertise in

(A) children's or prevention programs, including child abuse and neglect prevention programs; or

(B) private sector finance.

* **Sec. 10.** AS 37.14.230 is amended to read:

Sec. 37.14.230. Powers and duties of the board. The [WHEN ACTING AS ADMINISTRATOR OF THE TRUST, THE] board shall

(1) hold regular and special meetings it considers necessary; the board may hold meetings by teleconference;

(2) award grants from the grant account [NET INCOME OF THE TRUST] to community-based programs [AND PROJECTS] that the board finds will aid in the prevention of child abuse and neglect;

(3) monitor approved programs [AND PROJECTS] for compliance with AS 37.14.200 - 37.14.270 and specified grant conditions;

(4) maintain records for all donations to the trust and the grant account; the records must reflect the amount of the donation, the date of the donation, the donor's intent, if any, with respect to how the donation is to be used, the account into which the donation was deposited, and the manner in which the donation was expended [BEFORE PROVIDING ASSISTANCE TO A PROGRAM OR PROJECT, APPROVE WRITTEN FINDINGS ON THE PROGRAM OR PROJECT THAT INCLUDE A CONSIDERATION OF THE MEANS OF MEASURING THE EFFECTIVENESS OF THE PROGRAM OR PROJECT];

(5) apply for, and use funds from the grant account [NET INCOME FROM THE TRUST] to obtain[,] private and federal grants for the prevention of child abuse and neglect;

(6) solicit contributions, gifts, and bequests to the trust and the grant

account;

(7) keep **electronic** [AUDIO TAPE] recordings of each meeting of the board to be made available on request; and

(8) submit to the governor and make available to the legislature by February 1 each year a report describing

(A) the child abuse and neglect prevention services that were provided by the programs [AND PROJECTS] to which the board awarded grants; and

(B) the annual level of contributions, income, and expenses of the trust **and the grant account;**

(9) make arrangements with the commissioner or a financial depository to manage private restricted-use donations that are not fully expended and account for any interest earned on the donations.

* **Sec. 11.** AS 37.14.230 is amended by adding a new subsection to read:

(b) The board may enter into joint arrangements with a private nonprofit entity or entities for the purpose of making grants and fundraising for the support of child abuse and neglect prevention programs. In entering into a joint arrangement, the board may not delegate its duties or authority under AS 37.14.200 - 37.14.270.

* **Sec. 12.** AS 37.14 is amended by adding a new section to read:

Sec. 37.14.235. Staff. The Department of Health and Social Services shall provide staff for the board.

* **Sec. 13.** AS 37.14 is amended by adding a new section to read:

Sec. 37.14.245. Regulations. (a) The board may adopt regulations to implement AS 37.14.200 - 37.14.270. Regulations adopted by the board are not subject to AS 44.62 (Administrative Procedure Act). The board shall comply with the requirements of AS 44.62.310 and 44.62.312.

(b) Notwithstanding (a) of this section, a regulation adopted under AS 37.14.200 - 37.14.270 shall be published in the Alaska Administrative Register and Alaska Administrative Code for informational purposes. A regulation adopted under this section shall conform to the style and format requirements of the drafting manual for administrative regulations that is published under AS 44.62.050.

(c) At least 30 days before the adoption, amendment, or repeal of a regulation under this section, the board shall provide notice of the action that is being considered. The notice must include publication in a newspaper of general circulation in the state.

(d) A regulation adopted under this section takes effect 30 days after adoption by the board unless a later effective date is stated in the regulation.

(e) Notwithstanding the other provisions of this section, a regulation may be adopted, amended, or repealed, effective immediately, as an emergency regulation. For an emergency regulation to be effective, the board must find that the immediate adoption, amendment, or repeal of the regulation is necessary. The board shall, within 10 days after adoption of an emergency regulation, give notice of the adoption under (c) of this section. An emergency regulation adopted under this subsection may not remain in effect past the date of the next regular meeting of the board unless the board complies with the procedures set out in this section and adopts the regulation as a permanent regulation.

(f) In this section, "regulation" has the meaning given in AS 44.62.640(a).

* **Sec. 14.** AS 37.14.270 is repealed and reenacted to read:

Sec. 37.14.270. Definitions. In AS 37.14.200 - 37.14.270, unless the context otherwise requires,

(1) "board" means the Alaska Children's Trust Board;

(2) "grant account" means the Alaska children's trust grant account established in AS 37.14.205;

(3) "private restricted-use donation" means a donation related to the prevention of child abuse and neglect where a donor specifies in writing that the donation be used for any purpose other than to be placed in the corpus of the trust and invested with trust assets;

(4) "trust" means the Alaska children's trust established in AS 37.14.200.

* **Sec. 15.** AS 37.14.210, 37.14.240, 37.14.250, and 37.14.260 are repealed.