

Introduced: 1/20/87
Referred: State Affairs, Health,
Education & Social Services and
Finance

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1 IN THE HOUSE

2 HOUSE BILL NO. 57

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the Alaska Children's Trust
7 Corporation; the Alaska children's trust fund; con-
8 tributions to the trust fund from permanent fund
9 dividends; and providing for an effective date."

10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

11 * Section 1. PURPOSE. The purpose of this Act is to ensure a continu-
12 ing source of money to pay for prevention and treatment of child abuse and
13 neglect in Alaska.

14 * Sec. 2. AS 47 is amended by adding a new chapter to read:

15 CHAPTER 12. ALASKA CHILDREN'S TRUST CORPORATION AND FUND.

16 Sec. 47.12.010. ALASKA CHILDREN'S TRUST CORPORATION. (a) There
17 is created in the Office of the Governor, the Alaska Children's Trust
18 Corporation.

19 (b) The Alaska Children's Trust Corporation is a public corpo-
20 ration of the state and an instrumentality of the state, but has a
21 legal existence independent of and separate from the state. The
22 exercise by the corporation of the powers conferred by this chapter is
23 an essential function of the state.

24 AS 47.12.020. BOARD OF DIRECTORS. (a) The affairs of the
25 corporation shall be managed by a board of directors consisting of the
26 governor or a designee of the governor, the commissioner of health and
27 social services or the commissioner's designee, and five other members
28 appointed by the governor as follows:

29 (1) a licensed physician who has practiced medicine in the

1 state, with a specialization in pediatrics, for at least five years;

2 (2) two persons who have special knowledge or training in
3 the management of investments; and

4 (3) two persons who have special knowledge or training in
5 the evaluation of grant proposals and in grant management.

6 (b) A member may be reappointed. The governor shall appoint
7 members for staggered four-year terms. If a vacancy occurs, the
8 governor shall appoint a member immediately to fill the vacancy for
9 the unexpired term. A board member's term ends upon any of the fol-
10 lowing occurrences:

11 (1) appointment of a successor;

12 (2) the board member's resignation or death;

13 (3) a declaration under AS 13 of the board member's dis-
14 ability;

15 (4) disqualification under (c) of this section; or

16 (5) the board member's removal by the governor.

17 (c) The governor may appoint a person to the board, and the
18 person may continue to serve, only if the person

19 (1) does not hold, and is not related within the second
20 degree of affinity or consanguinity to a person who holds a state,
21 federal, or municipal office, position, or employment, whether elec-
22 tive or appointive; and

23 (2) does not provide, and is not related within the second
24 degree of consanguinity or affinity to a person who provides child
25 care services to the state, the federal government, or an instrumen-
26 tality or subdivision of either, except for medical services provided
27 under a medical assistance program.

28 Sec. 47.12.030. MEETINGS OF BOARD. (a) The board shall elect a
29 chairman from among its membership at its annual meeting each year. A

1 majority of the members constitute a quorum for organizing the board,
2 conducting its business and exercising the powers of the corporation.
3 The board shall meet at the call of its chairman. The board shall
4 meet not less than once each three months.

5 (b) The board may meet and transact business by electronic media
6 if

7 (1) public notice of the time and locations where the
8 meeting will be held by electronic media has been given in the same
9 manner as if the meeting were held in a single location;

10 (2) participants and members of the public in attendance
11 can hear and have the same right to participate in the meeting as if
12 the meeting were conducted in person; and

13 (3) copies of pertinent reference materials, statutes,
14 regulations, and audio-visual materials are reasonably available to
15 participants and to the public.

16 (c) A meeting by electronic media as provided in this section
17 has the same legal effect as a meeting in person.

18 Sec. 47.12.040. COMPENSATION OF BOARD MEMBERS. Members of the
19 board shall serve without compensation, but the corporation may pay
20 per diem and travel expenses authorized by law for state boards under
21 AS 39.20.180.

22 Sec. 47.12.050. STAFF. The board may employ staff to administer
23 the corporation in accordance with this chapter, and to perform other
24 duties that the board may prescribe.

25 Sec. 47.12.060. CONFLICTS OF INTEREST. A member or employee of
26 the board may not acquire an interest, direct or indirect, in a corpo-
27 ration, company, association, or project owned, controlled, invested
28 in, or assisted by the corporation. If a member or employee owns or
29 controls such an interest, the member or employee shall immediately

1 disclose the interest in writing to the board and refrain from partic-
2 ipating in an activity relating to that interest.

3 Sec. 47.12.070. POWERS. In carrying out the corporate powers of
4 the corporation, the board may

5 (1) adopt, alter, and use a corporate seal;

6 (2) prescribe, adopt, amend, and repeal by-laws;

7 (3) sue and be sued in the name of the corporation;

8 (4) enter into agreements necessary to the exercise of
9 board powers and functions;

10 (5) accept grants from and contract with the federal gov-
11 ernment, the state, or political subdivisions of the state, and to
12 that end, comply with the provisions of federal, state, or local
13 programs where necessary;

14 (6) accept grants and contributions from sources other than
15 those specified in (5) of this section, to be held and used for the
16 purposes of the corporation;

17 (7) appear for the corporation before boards, commissions,
18 departments, or other agencies of municipal, state, or federal
19 government;

20 (8) acquire, hold, use, lease, sell, or otherwise dispose
21 of property or an interest in property;

22 (9) hold patents, copyrights, trademarks, royalties, or
23 other evidence of protection or exclusivity issued under law;

24 (10) prepare, publish, and distribute technical studies,
25 reports, bulletins, and other appropriate materials;

26 (11) invest in investments described in AS 37.10.070(a)(1) -
27 (12);

28 (12) expend the income of the Alaska children's trust fund,
29 and expend as much as one-half of the unrestricted contributions to

1 the corporation during each year, to provide financial assistance
2 under this chapter;

3 (13) adopt regulations governing the exercise of corporate
4 powers and duties;

5 (14) do all acts and things necessary or desirable to carry
6 out the purposes of the corporation.

7 Sec. 47.12.080. ALASKA CHILDREN'S TRUST FUND. The Alaska chil-
8 dren's trust fund is established in the corporation, consisting of
9 money or assets appropriated, transferred, or contributed to the
10 corporation, and payments of principal and interest on investments
11 made by the corporation. The trust fund shall be used to finance
12 projects that qualify for assistance under this chapter, and to pay
13 the operating expenses of the corporation. If money remains in the
14 development capital fund after financing projects that qualify for
15 assistance under this chapter and after paying the operating expenses
16 of the corporation, the money shall be invested by the corporation in
17 investments described in AS 37.10.070(a)(1) - (12).

18 Sec. 47.12.090. DUTIES. In carrying out the purposes of this
19 chapter the board shall

20 (1) expend all of the income of the Alaska childrens' trust
21 fund for operating expenses of the corporation or to provide financial
22 assistance as described in (2) of this section;

23 (2) provide financial assistance for programs and projects
24 that the board finds will aid communities in the prevention and treat-
25 ment of child abuse and neglect;

26 (3) keep minutes of each meeting of the board and send a
27 certified copy of the minutes to the governor and the Legislative
28 Budget and Audit Committee;

29 (4) monitor approved programs and projects for compliance

1 with this chapter and provide operational and performance evaluations
2 of programs and projects receiving financial assistance;

3 (5) before providing assistance to a program or project,
4 prepare written findings on the program or project that include a
5 consideration of the means of measuring the effectiveness of the
6 program or project.

7 Sec. 47.12.100. FINANCIAL ASSISTANCE. (a) In providing finan-
8 cial assistance under this chapter the board shall consider the pro-
9 posals of a qualified applicant only after the applicant has submitted
10 a detailed proposal in the form prescribed by the board. The board
11 may not approve financial assistance unless the board makes written
12 findings that

13 (1) the proposed project, if successful, will help a local
14 community prevent or treat child abuse or neglect;

15 (2) the application for financial assistance contains an
16 adequate plan for project implementation, including both financial
17 feasibility and project effectiveness;

18 (3) the applicant demonstrates that sufficient technical
19 expertise is available to accomplish the objectives of the proposed
20 program or project; and

21 (4) the applicant has identified costs associated with and
22 ancillary to the project, additional governmental costs, future obli-
23 gations generated by the program or project, and necessary operating,
24 maintenance, or other support costs for the life of the program or
25 project.

26 (b) The board shall grant financial assistance that

27 (1) is appropriate to the conditions of the applicant and
28 the proposed program or project; and

29 (2) will make the most effective use of the funds

1 available.

2 (c) The amount of assistance paid by the board during a 12-month
3 period to a single project or program may not exceed the lesser of 25
4 percent of the unrestricted resources of the corporation or
5 \$1,000,000. The board may not finance more than 75 percent of the
6 cost of a program or project during a 12-month period.

7 Sec. 47.12.110. ELIGIBILITY FOR FINANCIAL ASSISTANCE. The board
8 may provide financial assistance to an applicant if

9 (1) the applicant has submitted a proposal as requested by
10 the board; and

11 (2) programs and projects of the applicant that have previ-
12 ously received financial assistance from the corporation have complied
13 with all requirements of that assistance and have performed with
14 sufficient success or promise to warrant further financial assistance.

15 Sec. 47.12.120. REPORTS AND PUBLICATIONS. (a) The corporation
16 shall publish an annual report by January 10 of each year for distri-
17 bution to the governor, the legislature, and the public. The report
18 shall be written in easily understandable language, shall consider the
19 assigned duties of the corporation, and shall include

20 (1) a financial statement audited by an independent outside
21 auditor;

22 (2) a statement of the corporation's investments under this
23 chapter, including an appraisal of the investments at market value;

24 (3) a description of corporation investment activity during
25 the period covered by the report;

26 (4) a summary of the services for prevention and treatment
27 of child abuse and neglect that were provided by the programs or
28 projects assisted by the corporation; and

29 (5) other information the members of the board believe

1 would be of interest to the governor, the legislature, and the public.

2 (b) The annual income statement and balance sheet of the corpo-
3 ration shall be published in at least one newspaper in the state.

4 (c) The corporation may publish other relevant reports.

5 Sec. 47.12.130. OPERATING BUDGET. The operating budget of the
6 corporation is not subject to the Executive Budget Act. The fiscal
7 year of the corporation ends on June 30.

8 Sec. 47.12.140. ANNUAL AUDIT. The corporation shall have its
9 financial records audited annually by an independent outside auditor.
10 The legislative auditor may prescribe the form and content of the
11 financial records of the corporation and shall be given access to
12 these records at any reasonable time requested.

13 Sec. 47.12.150. COOPERATION WITH STATE AGENCIES. Departments
14 and agencies of the state shall provide information, services, and
15 facilities at the request of the corporation. The corporation shall
16 reimburse the department, agency, or corporation for unusual expenses
17 reasonably incurred on the corporation's behalf.

18 Sec. 47.12.160. PUBLIC ACCESS TO INFORMATION. Information in
19 the possession of the corporation is a public record, except that
20 information that discloses the identity of an individual served by a
21 program or project funded by the corporation is confidential and is
22 not subject to inspection and copying under AS 09.25.110 - 09.25.121.
23 Confidential information in the possession of the corporation may be
24 disclosed only by court order or if its production is required in a
25 court proceeding. The corporation may publish statistics presented in
26 a manner that prevents the identification of an individual.

27 Sec. 47.12.200. DEFINITIONS. In this chapter, unless the con-
28 text indicates otherwise,

29 (1) "applicant" means a person making application to the

1 corporation for financial assistance;

2 (2) "board" means the board of directors of the Alaska
3 Children's Trust Corporation;

4 (3) "corporation" means the Alaska Children's Trust Corpo-
5 ration.

6 * Sec. 3. AS 43.23 is amended by adding a new section to read:

7 Sec. 43.23.057. CONTRIBUTION TO THE ALASKA CHILDREN'S TRUST
8 FUND. The department shall prepare the permanent fund dividend appli-
9 cation to allow an applicant to contribute all or a part of a dividend
10 to the Alaska children's trust fund. The department shall pay contri-
11 butions directly to the Alaska Children's Trust Corporation (AS 47.-
12 12).

13 * Sec. 4. Notwithstanding AS 39.05.055, the initial appointments by the
14 governor to the board of directors of the Alaska Children's Trust Corpo-
15 ration under AS 47.12.020, enacted by sec. 2 of this Act, shall be as
16 follows: the terms of three of the members shall expire on January 1,
17 1989, and the terms of two of the members shall expire on January 1, 1991.

18 * Sec. 5. This Act takes effect July 1, 1987.