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1 IN THE HOUSE

2 SPONSOR SUBSTITUTE FOR 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 establishing the Alaska children's trust
7 fund to provide a continuing source of revenue for
8 grants to community-based programs for the prevention
9 of child abuse and neglect; and providing for an
10 effective date."

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

12 * Section 1. AS 37.14 is amended by adding new sections to read:

13 ARTICLE 4. ALASKA CHILDREN'S TRUST FUND.

14 Sec. 37.14.200. ALASKA CHILDREN'S TRUST FUND ESTABLISHED. (a)

15 The Alaska children's trust fund is established as a separate endow-
16 ment trust fund of the state.

17 (b) The principal of the fund consists of

18 (1) permanent fund dividend contributions made under
19 AS 43.23.057;

20 (2) legislative appropriations to the fund;

21 (3) private and federal grants; and

22 (4) gifts, bequests, and contributions of cash or other
23 assets from a person.

24 (c) The net income of the fund shall be determined by the com-
25 missioner of revenue in accordance with investment accounting princi-
26 ples and in a manner that preserves the distinction between principal
27 and income.

28 Sec. 37.14.210. ALASKA CHILDREN'S TRUST FUND BOARD ESTABLISHED.

29 (a) The Alaska Children's Trust Fund Board is established in the

1 Department of Revenue. The board is composed of the commissioners of
2 revenue, health and social services, education, and public safety, the
3 attorney general, the three public members of the Council on Domestic
4 Violence and Sexual Assault, and the governor, or their designees.

5 (b) The board shall elect a member to chair the board. Members
6 serve without compensation and are not entitled to per diem or travel
7 expenses.

8 (c) The staff of the Council on Domestic Violence and Sexual
9 Assault serves as the staff of the board.

10 Sec. 37.14.220. POWERS AND DUTIES OF BOARD. The board shall

11 (1) hold regular meetings and special meetings it considers
12 necessary;

13 (2) award grants from the net income of the fund to
14 community-based programs and projects that the board finds will aid in
15 the prevention of child abuse and neglect;

16 (3) monitor approved programs and projects for compliance
17 with AS 37.14.200 - 37.14.270 and provide operational and performance
18 evaluations of programs and projects receiving financial assistance;

19 (4) before providing assistance to a program or project,
20 approve written findings on the program or project that include a
21 consideration of the means of measuring the effectiveness of the
22 program or project;

23 (5) apply for, and use net income from the fund to obtain,
24 private and federal grants to be awarded to the fund;

25 (6) solicit permanent fund dividend contributions and other
26 contributions, gifts, and bequests to the fund;

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

1 (8) submit to the governor and the legislature by Janu-
2 ary 10 each year a report describing the child abuse and neglect
3 prevention services that were provided by the programs and projects to
4 which the board awarded grants.

5 Sec. 37.14.230. FUND UTILIZATION. (a) The principal of the
6 fund and any capital gains or losses realized on the principal shall
7 be retained perpetually in the fund for investment as specified in
8 AS 37.14.170, and may not be used for the awarding of grants.

9 (b) The net income of the fund may be appropriated only for the
10 following purposes:

- 11 (1) the awarding of grants;
12 (2) obtaining private and federal grants for the fund;
13 (3) soliciting permanent fund dividend contributions and
14 other contributions, gifts, and bequests for the fund; and
15 (4) reimbursement to the Department of Revenue for the
16 costs of establishing the fund and making changes to the permanent
17 fund dividend application under AS 37.14.240.

18 (c) Realized net income that has not been appropriated, or that
19 has been appropriated but not expended, shall be invested until appro-
20 priated and expended.

21 Sec. 37.14.240. CONTRIBUTION TO THE ALASKA CHILDREN'S TRUST
22 FUND. The Department of Revenue shall prepare the permanent fund
23 dividend application to allow an applicant to contribute all or a part
24 of a dividend to the Alaska children's trust fund. The department
25 shall pay contributions directly to the fund.

26 Sec. 37.14.250. GRANTS. (a) In awarding grants under AS 37.-
27 14.200 - 37.14.270, the board shall consider the proposals of a qual-
28 ified applicant only after the applicant has submitted a detailed
29 proposal in the form prescribed by the board. The board may not award

1 a grant unless the board makes written findings that

2 (1) the proposed project, if successful, will help prevent
3 child abuse or neglect;

4 (2) the application for financial assistance contains an
5 adequate plan for project implementation, including both financial
6 feasibility and project effectiveness;

7 (3) the applicant demonstrates that sufficient technical
8 expertise is available to accomplish the objectives of the proposed
9 program or project; and

10 (4) the applicant has identified costs associated with and
11 ancillary to the project, additional governmental costs, future obli-
12 gations generated by the program or project, and necessary operating,
13 maintenance, or other support costs for the life of the program or
14 project.

15 (b) The board may establish other requirements for the award of
16 grants if necessary to carry out the purpose of the fund.

17 (c) The board shall award grants in amounts that

18 (1) are appropriate to the conditions of the applicant and
19 the proposed program or project; and

20 (2) will make the most effective use of the money avail-
21 able.

22 (d) The amount of all grants awarded by the board during a
23 12-month period to a single project or program may not exceed \$50,000.
24 The board may not finance more than 75 percent of the cost of a pro-
25 gram or project during the first year for which the program or project
26 receives a grant, 50 percent during the second year, and 25 percent
27 during each year thereafter.

28 Sec. 37.14.260. ELIGIBILITY FOR GRANTS. The board may award a
29 grant to an applicant if

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

3 (2) programs and projects of the applicant that have previ-
4 ously received a grant from the board have complied with all require-
5 ments of that assistance and have performed with sufficient success or
6 promise to warrant further financial assistance.

7 Sec. 37.14.270. DEFINITIONS. In AS 37.14.200 - 37.14.270

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

9 (2) "child abuse and neglect" has the meaning given in
10 AS 47.17.070;

11 (3) "fund" means the Alaska children's trust fund estab-
12 lished under AS 37.14.200.

13 * Sec. 2. AS 37.14.160 is amended to read:

14 Sec. 37.14.160. DUTIES OF COMMISSIONER OF REVENUE. The commis-
15 sioner of revenue is the treasurer of the funds created in AS 37.14.-
16 010, [AND] 37.14.110, and 37.14.200, and shall

17 (1) act as official custodian of the cash and securities
18 belonging to those funds and provide adequate safe deposit facilities
19 for each of them;

20 (2) receive cash belonging to those funds;

21 (3) collect the principal on securities acquired for each
22 fund established under AS 37.14.010, [AND] 37.14.110, and 37.14.200,
23 and credit each fund accordingly;

24 (4) collect interest and dividends earned on investments of
25 the funds established under AS 37.14.010, [AND] 37.14.110, and 37.14.-
26 200, and credit the income reserve account of each fund accordingly;

27 (5) invest and reinvest the principal of each fund in
28 accordance with AS 37.14.170.

29 * Sec. 3. AS 37.14.160 is amended by adding a new subsection to read:

1 (b) The commissioner of revenue shall prepare
2 (1) an annual accounting of the principal and income of the
3 fund created in AS 37.14.200; and
4 (2) long-range investment plans for the fund created in
5 AS 37.14.200.

6 * Sec. 4. AS 37.14.170(a) is amended to read:

7 (a) The commissioner of revenue, with the approval of each
8 [ADVISORY] board created in AS 37.14.020, [AND] 37.14.120, and 37.14.-
9 210, may invest the principal of the funds created in AS 37.14.010,
10 [AND] 37.14.110, and 37.14.200 in the same manner as specified for the
11 investment of surplus pension funds under AS 39.35.110.

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