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Referred: Health, Education &
Social Services and Finance

5-0372L

Original sponsors: Goll, Brown,
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1 IN THE HOUSE BY THE STATE AFFAIRS COMMITTEE
2 CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 57 (State Affairs)
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 37.14.210;
20 (2) legislative appropriations to the fund; and
21 (3) gifts, bequests, and contributions of cash or other
22 assets from a person.
23 (c) The net income of the fund shall be determined by the com-
24 missioner of revenue in accordance with investment accounting princi-
25 ples and in a manner that preserves the distinction between principal
26 and income.
27 Sec. 37.14.210. CONTRIBUTION TO THE ALASKA CHILDREN'S TRUST
28 FUND. The Department of Revenue shall prepare the permanent fund
29 dividend application to allow an applicant to contribute all or a part

1 of a dividend to the Alaska children's trust fund. The department
2 shall pay contributions directly to the fund.

3 Sec. 37.14.220. ALASKA CHILDREN'S TRUST FUND BOARD ESTABLISHED.

4 (a) The Alaska Children's Trust Fund Board is established in the
5 Department of Revenue. The board is composed of the commissioners of
6 revenue, health and social services, education, and public safety, the
7 attorney general, and the governor, or their designees, and the three
8 public members of the Council on Domestic Violence and Sexual Assault.

9 (b) The three public members of the Council on Domestic Violence
10 and Sexual Assault shall serve on the board without compensation.
11 They are not entitled to travel expenses, but they are entitled to per
12 diem under AS 39.20.180 for each day or portion of a day spent in
13 actual meeting for which they are not otherwise entitled to per diem
14 as members of the council. Other members serve without compensation
15 and are not entitled to per diem or travel expenses.

16 (c) The board shall elect a member to chair the board.

17 (d) The staff of the Council on Domestic Violence and Sexual
18 Assault serves as the staff of the board.

19 Sec. 37.14.230. POWERS AND DUTIES OF BOARD. The board shall

20 (1) hold regular meetings and special meetings it considers
21 necessary; if a meeting is held, it shall be held in the same general
22 location and on the same dates, or on a date or dates immediately
23 preceding or following, a regular meeting of the Council on Domestic
24 Violence and Sexual Assault;

25 (2) award grants from the net income of the fund to com-
26 munity-based programs and projects that the board finds will aid in
27 the prevention of child abuse and neglect;

28 (3) monitor approved programs and projects for compliance
29 with AS 37.14.200 - 37.14.270;

1 (4) before providing assistance to a program or project,
2 approve written findings on the program or project that include a
3 consideration of the means of measuring the effectiveness of the
4 program or project;

5 (5) apply for, and use net income from the fund to obtain,
6 private and federal grants for the prevention of child abuse and
7 neglect;

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

10 (7) keep audio tape recordings of each meeting of the board
11 to be made available on request; and

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

16 Sec. 37.14.240. FUND UTILIZATION. (a) The principal of the
17 fund and any capital gains or losses realized on the principal shall
18 be retained perpetually in the fund for investment as specified in
19 AS 37.14.170, and may not be used for the awarding of grants.

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

22 (1) the awarding of grants;

23 (2) obtaining private and federal grants for the fund;

24 (3) soliciting permanent fund dividend contributions and
25 other contributions, gifts, and bequests for the fund; and

26 (4) reimbursement to the Department of Revenue for the
27 costs of establishing the fund and making changes to the permanent
28 fund dividend application under AS 37.14.210.

29 (c) Realized net income that has not been appropriated, or that

1 has been appropriated but not expended, shall be invested until appro-
2 priated and expended.

3 Sec. 37.14.250. GRANTS. (a) In awarding grants from the net
4 income of the fund, the board shall consider the proposals of a qual-
5 ified applicant only after the applicant has submitted a detailed
6 proposal in the form prescribed by the board. The board may not award
7 a grant unless the board makes written findings that

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

10 (2) the application for financial assistance contains an
11 adequate plan for project implementation, including both financial
12 feasibility and project effectiveness;

13 (3) the applicant demonstrates that sufficient technical
14 expertise is available to accomplish the objectives of the proposed
15 program or project; and

16 (4) the applicant has identified costs associated with and
17 ancillary to the project, additional governmental costs, future obli-
18 gations generated by the program or project, and necessary operating,
19 maintenance, or other support costs for the life of the program or
20 project.

21 (b) The board may establish other requirements for the award of
22 grants under this section if necessary to carry out the purpose of the
23 fund.

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

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

27 (2) will make the most effective use of the money avail-
28 able.

29 (d) The amount of all grants awarded by the board during a

1 12-month period to a single project or program may not exceed \$50,000.
2 The board may not finance more than 75 percent of the cost of a pro-
3 gram or project during each of the first two years for which the
4 program or project receives a grant, 50 percent during each of the
5 third and fourth years, and 25 percent during each year thereafter.

6 (e) A recipient of a grant may not use more than 10 percent of
7 the grant for administration of the program or project.

8 (f) To the extent consistent with the terms or conditions of the
9 grant, a private or federal grant awarded to the board shall be dis-
10 tributed in the same manner as provided for grants under this section
11 and AS 37.14.260.

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

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

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

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

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

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

24 (3) "fund" means the Alaska children's trust fund estab-
25 lished under AS 37.14.200;

26 (4) "prevention of child abuse and neglect" includes pri-
27 mary and secondary prevention programs;

28 (5) "primary prevention program" means an educational or
29 training program intended to raise the awareness of and change

1 attitudes concerning child abuse and neglect and its prevention;

2 (6) "secondary prevention program" means a service intended
3 to reach high-risk groups and to prevent the occurrence or recurrence
4 of child abuse and neglect.

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

6 Sec. 37.14.160. DUTIES OF COMMISSIONER OF REVENUE. The commis-
7 sioner of revenue is the treasurer of the funds created in AS 37.14.-
8 010, [AND] 37.14.110, and 37.14.200, and shall

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

12 (2) receive cash belonging to those funds;

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

16 (4) collect interest and dividends earned on investments of
17 the funds established under AS 37.14.010, [AND] 37.14.110, and 37.14.-
18 200, and credit the income reserve account of each fund accordingly;

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

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

22 (b) The commissioner of revenue shall prepare

23 (1) an annual accounting of the principal and income of the
24 fund created in AS 37.14.200; and

25 (2) long-range investment plans for the fund created in
26 AS 37.14.200.

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

28 (a) The commissioner of revenue, with the approval of each
29 [ADVISORY] board created in AS 37.14.020, [AND] 37.14.120, and

1 37.14.220, may invest the principal of the funds created in AS 37.14.-
2 010, [AND] 37.14.110, and 37.14.200 in the same manner as specified
3 for the investment of surplus pension funds under AS 39.35.110.

4 * Sec. 5. Notwithstanding the provisions of AS 37.14.230 and 37.14.240
5 as enacted by sec. 1 of this Act,

6 (1) until July 1, 1988, the Alaska Children's Trust Fund Board
7 may use not more than \$50,000 from the principal of the Alaska children's
8 trust fund for the purposes specified in AS 37.14.240(b)(2) and (3) as
9 enacted by sec. 1 of this Act;

10 (2) the Alaska Children's Trust Fund Board may not use the net
11 income of the Alaska children's trust fund until one year after the commis-
12 sioner of revenue begins depositing into the fund permanent fund dividend
13 contributions made under AS 37.14.210 as enacted by sec. 1 of this Act.

14 * Sec. 6. This Act takes effect July 1, 1987.