

Offered: 4/13/87  
Referred: Rules

5-0372X

Original sponsors: Goll, Brown,  
Ellis, et al.

1 IN THE HOUSE BY THE FINANCE COMMITTEE  
2 CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 57 (Finance) am  
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. 37.14.205. POWERS AND DUTIES OF THE COMMISSIONER OF REVE-  
28 NUE. The commissioner of revenue is the treasurer of the fund and has  
29 the following powers and duties under this section:

1 (1) to act as official custodian of the cash and invest-  
2 ments belonging to the fund by securing adequate and safe custodial  
3 facilities;

4 (2) to receive all items of cash and investments belonging  
5 to the fund;

6 (3) to collect the principal and income from investments  
7 owned or acquired by the state treasury and deposit the amounts in  
8 separate principal and income accounts for the fund;

9 (4) to invest and reinvest the assets of the fund as pro-  
10 vided in this section and as provided for the investment of surplus  
11 pension funds under AS 39.35.110(a), (c), (e), (f), (h) and (i);

12 (5) to exercise the powers of an owner with respect to the  
13 assets of the fund;

14 (6) to do all acts, whether or not expressly authorized,  
15 that the commissioner of revenue considers necessary or proper in  
16 administering the assets of the fund;

17 (7) to maintain accounting records of the fund in accor-  
18 dance with investment accounting principles and with distinction  
19 between the principal and income accounts of the fund;

20 (8) to engage an independent firm of certified public  
21 accountants to annually audit the financial condition of the fund's  
22 investments and investment transactions;

23 (9) to enter into and enforce contracts or agreements  
24 considered necessary for the investment purposes of the fund;

25 (10) to report to the board the condition and investment  
26 performance of the fund.

27 Sec. 37.14.210. CONTRIBUTION TO THE ALASKA CHILDREN'S TRUST  
28 FUND. (a) The Department of Revenue shall prepare the permanent fund  
29 dividend application to allow an applicant to contribute all or part

1 of a dividend to the Alaska children's trust fund as follows:

2 (1) \$25;

3 (2) \$50;

4 (3) \$100;

5 (4) \$250; or

6 (5) the entire amount of the dividend.

7 (b) The department shall pay contributions directly to the fund.

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

9 (a) The Alaska Children's Trust Fund Board is established in the  
10 Office of the Governor. The board is composed of the commissioner of  
11 health and social services, the commissioner of education, or their  
12 designees, the director of the office of child advocacy, the executive  
13 director of the Council on Domestic Violence and Sexual Assault, and a  
14 public member appointed by the governor.

15 (b) The board shall elect a member to chair the board.

16 (c) The staff of the office of child advocacy serves as the  
17 staff of the board.

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

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

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

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

26 (4) before providing assistance to a program or project,  
27 approve written findings on the program or project that include a  
28 consideration of the means of measuring the effectiveness of the  
29 program or project;

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

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

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

8 (8) submit to the governor and the legislature by Janu-  
9 ary 10 each year a report describing

10 (A) the child abuse and neglect prevention services  
11 that were provided by the programs and projects to which the  
12 board awarded grants; and

13 (B) the annual level of contributions, income, and  
14 expenses of the fund.

15 Sec. 37.14.240. FUND UTILIZATION. (a) The principal of the  
16 fund and any capital gains or losses realized on the principal shall  
17 be retained perpetually in the fund for investment as specified in  
18 AS 37.14.205, and may not be used for the awarding of grants.

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

21 (1) the awarding of grants;

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

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

25 (4) reimbursement to the Department of Revenue for the  
26 costs

27 (A) of establishing the fund;

28 (B) of making changes to the permanent fund dividend  
29 application under AS 37.14.210; and

1 (C) directly attributable to calculating and deposit-  
2 ing permanent fund dividend contributions to the fund.

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

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

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

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

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

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

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

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

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

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

3 (d) The amount of all grants awarded by the board during a  
4 12-month period to a single project or program may not exceed \$50,000.  
5 The board may not finance more than 75 percent of the cost of a pro-  
6 gram or project during each of the first two years for which the  
7 program or project receives a grant, 50 percent during each of the  
8 third and fourth years, and 25 percent during each year thereafter.

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

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

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

17 (1) the applicant has submitted a proposal that is accept-  
18 able to the board; and

19 (2) programs and projects ,if any, of the applicant that  
20 have previously received a grant from the board have complied with all  
21 requirements of that assistance and have performed with sufficient  
22 success or promise to warrant further financial assistance.

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

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

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

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

29 (4) "prevention of child abuse and neglect" includes

1 primary and secondary prevention programs;

2 (5) "primary prevention program" means an educational or  
3 training program intended to raise the awareness of and change atti-  
4 tudes concerning child abuse and neglect and its prevention;

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

8 \* Sec. 2. Notwithstanding the provisions of AS 37.14.230 and 37.14.240  
9 as enacted by sec. 1 of this Act,

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

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

18 \* Sec. 3. This Act takes effect July 1, 1987.