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Original sponsors: Goll, Brown,
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1 IN THE HOUSE BY THE JUDICIARY COMMITTEE
2 SENATE CS FOR CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 57 (Judiciary)
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 fund and deposit the amounts in separate
8 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

11 (1) the governor or a designee of the governor;

12 (2) the commissioner of health and social services or the
13 commissioner's designee;

14 (3) a member of the Council on Domestic Violence and Sexual
15 Assault elected by the council;

16 (4) the director of the office of public advocacy or the
17 director's designee;

18 (5) the commissioner of education or the commissioner's
19 designee;

20 (6) a member of the senate elected by the members of the
21 senate;

22 (7) a member of the house of representatives elected by the
23 members of the house of representatives; and

24 (8) three members appointed by the governor as follows:

25 (A) a licensed physician with a specialty in pediat-
26 rics who has practiced medicine in the state for at least five
27 years and who is an expert in the subject of child abuse and
28 neglect; and

29 (B) two public members, one of whom is a recognized

1 expert in the subject of child abuse and neglect.

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

3 (c) The staff of the office of child advocacy serves as the
4 staff of the board.

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

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

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

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

13 (4) before providing assistance to a program or project,
14 approve written findings on the program or project that include a
15 consideration of the means of measuring the effectiveness of the
16 program or project;

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

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

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

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

26 (A) the child abuse and neglect prevention services
27 that were provided by the programs and projects to which the
28 board awarded grants; and

29 (B) the annual level of contributions, income, and

1 expenses of the fund.

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

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

8 (1) the awarding of grants;

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

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

12 (4) reimbursement to the Department of Revenue for the
13 costs

14 (A) of managing the fund;

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

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

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

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

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

29 (2) the application for financial assistance contains an

1 adequate plan for project implementation, including both financial
2 feasibility and project effectiveness;

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

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

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

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

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

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

19 (d) The amount of all grants awarded by the board during a
20 12-month period to a single project or program may not exceed \$50,000.
21 The board may not finance more than 75 percent of the cost of a pro-
22 gram or project during each of the first two years for which the
23 program or project receives a grant, 50 percent during each of the
24 third and fourth years, and 25 percent during each year thereafter.

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

27 (f) To the extent consistent with the terms or conditions of the
28 grant, a private or federal grant awarded to the board shall be dis-
29 tributed in the same manner as provided for grants under this section

1 and AS 37.14.260.

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

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

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

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

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

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

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

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

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

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

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

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

1 (2) the Alaska Children's Trust Fund Board may not use the net
2 income of the Alaska children's trust fund until one year after the commis-
3 sioner of revenue begins depositing into the fund permanent fund dividend
4 contributions made under AS 37.14.210 as enacted by sec. 1 of this Act.
5 * Sec. 3. This Act takes effect July 1, 1987.