

HB

57



Official Business

# Alaska State Legislature

## House

P.O. BOX V  
State Capitol  
Juneau, Alaska 99811

### STATE AFFAIRS COMMITTEE

### SPONSOR SUBSTITUTE FOR HOUSE BILL 57

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BILL NO: SS HB 57

DATE: February 24, 1987

TITLE: An Act establishing the Alaska children's trust fund to provide a continuing source of revenue for grants to community-based programs for the prevention of child abuse and neglect; and providing for an effective date

CONTACT: Barbara Miklos  
Executive Director  
Council on Domestic  
Violence and  
Sexual Assault

DEPARTMENT OF  
PUBLIC SAFETY

REVENUE

SS HB 57 establishes a children's trust fund which will provide a continuing source of revenue for grants to community-based programs for the prevention of child abuse and neglect. Prevention programs are crucial in protecting children and are often the first to receive budget cuts. This fund will not make up for the reductions to these programs but will provide a small but stable source of income that is greatly needed. Many states have established similar funds which guarantee that at least some prevention of child abuse and neglect programs will be funded even in times of economic hardship. Utilizing the staff of an existing agency will provide a cost-effective way to review, award and monitor these grants.

The Council has some concerns about the legislation including the fact that there will be additional costs created by this legislation which cannot be absorbed by the present budget, and there is no mechanism in the bill to address these costs. The following parts of Section 37.14.220 will create additional costs; the Council would suggest that these sections be revised or a mechanism established in the legislation to enable the board to recover costs from the trust fund: The board is to (1) hold regular and special meetings it considers necessary, (3) monitor approved programs and projects for compliance with AS 37.14.200-37.14.270 and provide operational and performance evaluations of programs and projects receiving financial assistance, and (7) keep minutes of each meeting of the board and send a certified copy of the minutes of each meeting of the board to the Governor and the Legislative Budget and Audit Committee. Also, even if meetings are held in conjunction with established Council meetings, the meetings for this board will require additional time for which at least public members should be compensated.

Other items of concern are whether it will be feasible for Council staff who are employees of the Department of Public Safety to work for a board in the Department of Revenue. Also, although the board is not solely comprised of Council members, the majority of the members are on the Council on Domestic Violence and Sexual Assault and there might be concerns from potential applicants that the different missions of the board and Council might create conflict. Lastly, by only providing for use of income from the fund which will be realized in a minimum of three years, there will be no opportunity to promote contributions to the fund and no evidence of results from contributions for quite a while. This may inhibit subsequent contributions.

This legislation addresses an important need in Alaska; therefore, the Council on Domestic Violence and Sexual Assault supports SS HB 57.



William R. Nix  
Acting Commissioner

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

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.

BY GOLL, BROWN, ELLIS,  
NAVARRE, BOYER, KOPONEN,  
LARSON, PHILLIPS, MENARD,  
DAVIS, DAVIDSON AND ULMER

1 IN THE HOUSE

*CR*

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  
fund to provide a continuing source of revenue for  
grants to community-based programs for the prevention  
of child abuse and neglect; and providing for an  
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ARTICLE 4. ALASKA CHILDREN'S TRUST FUND.

14

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

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

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(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

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24

(c) The net income of the fund shall be determined by the com-

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

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

*SOURCE  
AS*

*Net  
Income*

*Added*

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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  
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16 costs of establishing the fund and making changes to the permanent  
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22 FUND. The Department of Revenue shall prepare the permanent fund  
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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-  
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13 maintenance, or other support costs for the life of the program or  
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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  
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1 (1) the applicant has submitted a proposal as requested by  
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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  
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14 Sec. 37.14.160. DUTIES OF COMMISSIONER OF REVENUE. The commis-  
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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

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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.

2

**STATE OF ALASKA 1987 LEGISLATIVE SESSION  
FISCAL NOTE**

**REQUEST:** \_\_\_\_\_

Bill Version: HB 57  
Publish Date: 1-20-87

Revision Date: \_\_\_\_\_  
Title: Alaska Children's Trust Corp.

Agency Affected: Office of the Governor  
BRU: Executive Operations

Sponsor: Goll, Brown, Ellis, Navarre, Boyer  
Requestor: Larson, Phillips, Menard

Components: Alaska Children's Trust Corp.

HOUSE STATE AFFAIRS

**EXPENDITURES/REVENUES: (Thousands of Dollars)**

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		0	0	0	0	0
CAPITAL						
REVENUE						

**FUNDING: (Thousands of Dollars)**

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL		0	0	0	0	0

**POSITIONS:**

FULL-TIME						
PART-TIME						
TEMPORARY						

**ANALYSIS : (Attach a separate page if necessary)**

\_\_\_\_\_

Prepared by: Michael M. Nizich, Director Phone: 465-3616  
Division: Administrative Services Date: 2-20-87

Approved by Commissioner: Carol P. Kastelic Date: 2-20-87  
Agency: Office of the Governor

- Distribution (by preparer):
- Legislative Finance
  - Legislative Sponsor
  - Requestor
  - Office of Management and Budget
  - Impacted Agency(ies)
  - Senate Secretary

RECEIVED FEB 12 1987

Representative Fran Ulmer  
Alaska House of Representatives, Room 102  
Juneau, Alaska 99811

February 3, 1987

Dear Representative Ulmer:

As you and your 59 legislative colleagues have embarked on this 15<sup>th</sup> state body of law makers, you have the prayers, best wishes, and sometimes loyal opposition of most of your constituents. Most Alaskans do care, and participate in our government. Through you, we are our government.

My concern for your attention today, as when I wrote to all legislators in 1985 and 1986, is the start of our Alaskan Children's Trust Fund. Individual Alaska citizen's responses to both public meeting polls and private inquiries over the last 2 1/2 years has shown 70 to 80% consistency in support for individual's contributions to this successful means of child abuse prevention in over 37 states. Your early and careful attention to SB 19 and HB 57 is most sincerely solicited. The attached summary sheets will provide a background overview. Leaders of our Alaska Department of Health and Social Services are working closely with the bill sponsors and appropriate legislative committees, to improve our Alaska Children's Trust Fund. Our Alaska chapter of the American Academy of Pediatrics and Alaska State Medical Association have endorsed this approach to prevention of our widespread child abuse problem.

Realism prevails for us who have worked for years in this painful area of health and social need. None of us have illusions that Children's Trust Funds, or any other single new idea or system will quickly or easily do away with the countless generations of child abuse in

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human history. But, we have scientifically supported evidence that prevention does work. One of the first such university studies showed the costs of a select prevention program of \$12,000.00 compared quite favorably to the long term \$1,000,000.00 plus cost to the state for care of 5 seriously, physically abused children.

I am happy again to share some of the wisdom of Dr. C. Henry Kempe as he said: "Failure to treat the victim is a far more serious societal deficiency than failure to punish the perpetrator."

Thank you for your consideration and your caring for Alaska's children.

Sincerely,

George W. Brown, M.D.



# Children's Trust Fund

Thomas L. Birch



The Children's Trust Fund has become recognized as a winning approach to support programs for preventing child abuse.

Revenues to build the Children's Trust Funds are generated by surcharges on marriage licenses, birth certificates, or divorce decrees, or by specially designated refunds of the state income tax. Grants from the fund go to preventive programs for child and family abuse, and distribution of the grants is supervised by an advisory group of individuals with an interest in preventing child abuse.

Since 1980, advocates for abused and neglected children have worked toward the passage of legislation in seventeen states that creates new sources of funds for preventive services. Coalitions of advocates and legislators in at least as many other states are looking at the possibility of passing the Children's Trust Fund in their own assemblies. The idea has impetus behind it.

The Children's Trust Fund was conceived by Dr. Ray E. Helfer, a pediatrician nationally recognized in the field of child abuse and at that time a vice president of the National Committee for Prevention of Child Abuse (NCPA).

**Prevention is the focus of Helfer's idea.**

In an era of diminishing governmental budgets and scrutiny of public responsibilities, the Children's Trust Fund has emerged with a unique funding solution to boost programs for preventing child abuse.

Understandably, the Children's Trust Fund bill has been especially attractive to state legislators. This new legislative approach presents legislators an opportunity to fund programs they have traditionally neglected—for the prevention of child abuse and neglect—and at a time when depressed state economies and deficits of revenue inhibit the creation of new ventures, in a way that is apart from questions of appropriations and safe from cuts in state budgets.

The Children's Trust fund approach is flexible. Each state that has enacted the legislation—Alabama, Arizona, California, Illinois, Iowa, Kansas, Louisiana,

Michigan, Missouri, North Carolina, Rhode Island, South Carolina, South Dakota, Virginia, Washington, West Virginia and Wisconsin—differs in geographic size, population, demographics, economies and political ideologies. Yet each has taken the Children's Trust Fund and adapted the concept to suit its own constituency.

For example, while Virginia, Washington, Rhode Island, and Iowa have increased the fees for marriage licenses, California and Wisconsin put a surcharge on copies of birth certificates.

The state of Michigan took the lead with a different task. Its legislature enables taxpayers to designate up to \$2 of their state income tax refund to the Children's Trust Fund. Part of each year's receipts go to fund programs; the rest is invested, and earnings are credited to the trust fund. The refund checkoff will be halted when the fund reaches \$20 million. After that, programs will be financed from interest on the money in the account. Several other states have since enacted tax checkoffs to support their trust funds.

In states like Virginia and Iowa policy prohibits establishing a specially designated fund of state money. In those states extra fees from marriage licenses go into general revenues and then are passed along to support prevention programs.

The composition of the advisory group varies, too, from state to state. The Michigan statute mandates a board of 15 members; Iowa has an advisory council of five. Some states must include specified heads of governmental agencies on their boards; others draw all their members from the public. Governors make appointments in some states; elsewhere legislative leaders also have appointees. In Virginia, the advisory committee is selected by the commissioner of welfare.

Typically, the Children's Trust Fund program is administered through the state department of social services. However, the Alabama Child Abuse and Neglect Prevention Board, administering a fund supported by a state income tax checkoff, was created as an independent agency which will pay its own expenses

out of money collected. The Michigan council is an autonomous agency within the Department of Management and Budget.

Kansas, in April 1980, became the first state to create a Children's Trust Fund by placing a \$7 surcharge on each marriage license issued. Approximately \$170,000 is generated each year; grants from the Kansas fund are limited to \$15,000.

Applications run well above the numbers of programs that can receive grants. Last year, in one funding cycle, thirty-one new applications were made and only seven could be funded.

In another state, Iowa, the Child Abuse Advisory Council awarded trust fund grants in 11 community-based projects the first year. In its second year, \$312,000 was requested in applications for \$108,000 to be awarded.

These projects illustrate the kinds of activities funded in Iowa. A grant of \$4,500 went to a county child abuse council for a home visitor program training volunteers to visit new mothers in a rural county where lack of funds eliminated regular visits by Public Health nurses.

An educational program working with latch-key children providing materials to parents and children and offering a support group for mothers was assisted with a grant of \$2,500.

In Washington the Children's Trust Fund, which receives \$470,000 annually from a \$5 surcharge on marriage licenses, is looking at additional funding mechanisms to build a large self-sustaining fund.

Washington's statute, like that of most other states, allows the trust fund to accept "contributions, grants and gifts" and with that authority the Washington council has begun efforts to generate additional income.

Solicitations are being made to individuals and corporations. Long-range giving has been included. Information on the Children's Trust Fund has been developed for attorneys and accountants who work in estate and tax planning to advise their clients on charitable giving.

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## NDENCE

A unique effort to generate money for child abuse prevention through private enterprise is developing a line of products for marketing—a game and a greeting card. The objective is to raise public awareness of child abuse prevention and generate revenue for the Children's Trust Fund in Washington.

Before launching legislation for a Children's Trust fund in any state it is important to confront the political considerations that might arise about this approach to public funding.

First, the amount of money raised by a Children's Trust Fund is relatively small. Kansas takes in about \$170,000 a year, in Iowa the fund receives \$120,000. In Virginia and Washington around \$400,000 has been raised annually.

When compared to the budgetary demands for child welfare and other social services to children and families, this amount might seem unimportant. When viewed as support available solely for preventive efforts aimed at child abuse the money is significant. Because of the development of Children's Trust Funds, assistance that was non-existent is now supporting community prevention efforts.

Because a vote for Children's Trust Fund has been a popular one, the question has been raised whether passage of a trust fund would have a negative effect on regular appropriations for children's programs. Given such an "easy" vote, legislators might feel they have done their obligation to children's services and not be as responsive to other children's needs.

In fact advocates for the Children's Trust Fund have not encountered this attitude, and indeed many expect the opposite effect. With a Children's Trust Fund in place more positive attitudes have developed toward prevention of child abuse, and those who worked to pass Children's Trust Fund legislation are now looking to their legislators to increase funding through appropriations for prevention.

Indeed the Children's Trust Fund takes the pressure off the regular state social services budget to fund often neglected preventive services. In a time of limited funding the Children's Trust Fund has been advanced as a significant means to achieve the goal of preventing child abuse.

Through an emphasis on community-based programs selected by a citizens' advisory board, the Children's Trust Fund fosters the creation of local programs to prevent child abuse and shift some of the responsibility for planning to the local level.

With solid support going to preventive efforts, often for the first time because of the Children's Trust Fund, attention can be focused on prevention. We can show how it works. Administrators of public agencies and state legislators can be educated about prevention and regular appropriations can be forthcoming to increase the support for prevention engendered by a Children's Trust Fund.

Finally, in passing Children's Trust Fund legislation coalitions have formed and advocacy skills have developed. Advocates, many of whom worked with their legislators for the first time on the Children's Trust Fund, have tasted victory. They are ready now to take on other issues to help improve the lives of children.

*(Thomas L. Birch is Legislative Counsel to the National Child Abuse Coalition of which American Humane is a member)*

Children's trust funds originated in Kansas in 1980 and now 35 states have such funds. Their principal function is to provide grants to community-based agencies or groups for programs to prevent child abuse.

Although there is little opposition to the idea of a children's trust fund, difficulties arise when a funding mechanism must be chosen, especially in New Hampshire, which prides itself on frugality to the point of austerity. Most states use an optional checkoff procedure on state income tax forms or a surcharge on the cost of certified copies of birth certificates.

The method adopted in New Hampshire matches 1:1 state funds and contributions. For FY 1987, \$500,000 will be appropriated and set aside in a reserve for that purpose. Then, if contributions equal or exceed that amount, an additional \$500,000 is to be appropriated in FY 1988. An amount of \$100,000 is appropriated *ab initio* to permit establishing the fund. Assuming the continuing availability of federal grants on a 1:3 matching basis, the trust fund could, after two years, stand at \$2.8 million. It is hoped that the cost of administering the fund will be quite small so that essentially the entire income can be disbursed as grants or reinvested. As grantees are required also to match the amounts they receive from the fund, again on a 1:1 basis, only a minor fraction of the cost of a particular prevention program is being paid for by the state. In fact, as the endowment is not itself expended, one can say that no state money is actually being spent.

Creation of the Children's Trust Fund in New Hampshire and developing a mechanism for its funding is regarded by many as one of the most significant pieces of legislation to be enacted during the 1986 session. If, in spite of the obstacles, it could be done in this state, then there is no reason why it cannot be accomplished in the remaining 15 states.

*James H. Pannell  
State Representative,  
New Hampshire*

**Editor:**  
The unique funding mechanism of a recently created Children's Trust Fund in New Hampshire should be of interest to states that do not yet have a means to fund programs for the prevention of child abuse.  
The concept of creating chil-

Prepared by the  
National Committee for  
Prevention of Child Abuse

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## CHILDREN'S TRUST FUNDS

### OVERVIEW

Since 1980, advocates for abused and neglected children have established Children's Trust Funds in 31 states; 26 have been established in the last three years. The Children's Trust Fund establishes a permanent funding mechanism for child abuse and neglect prevention programs at the community level. It allows communities to coordinate and utilize their own local design and resources to administer programs according to their specific local needs. The National Committee for Prevention of Child Abuse views the Children's Trust Fund as an important funding vehicle for reaching its goal of a 20 percent reduction of child abuse by 1990.

The notion of a Children's Trust Fund was first conceived by Dr. Ray E. Helfer, a pediatrician nationally recognized in the field of child abuse, and at the time a vice-president of the National Committee for Prevention of Child Abuse. Dr. Helfer began to think about the fact that we have trust funds in our country to preserve our highways and our wildlife. Why not, he thought, a trust fund for our most important resource--our children. In June of 1979, the Kansas Chapter of the National Committee for Prevention of Child Abuse presented this concept to individuals representing children's advocacy groups, state agencies, and the legislative and executive branches of state government. The concept met with such wide appeal that individuals from over 35 private organizations and representatives from state government drafted legislation and gained passage of the first state's Children's Trust fund in the 1980 Kansas Legislative Session.

Philosophically, a Children's Trust fund is meant to create a continuing funding mechanism which promotes a directed focus on prevention programming for child abuse and neglect (in a few states family abuse is included) at the community level. The Children's Trust Fund provides start-up or expansion grants for community-based prevention programs. Revenues are generated from one or more of the following methods: an increased fee on marriage licenses, a surcharge on birth certificates, check-offs on the state income tax forms, an increased cost on divorce filings; an increased fee on death certificates. Guidelines for funding reflect a strong emphasis on volunteerism, collaboration, community need and support, evaluation, innovation, and potential of replication. Projects funded by the Children's Trust Funds represent a wide diversity of programs.

The governing body of a trust fund is intended to create a public/private partnership. In some states, existing bodies which have representation from state agencies, the state legislature, and the private sector have been charged with the responsibility of administering the trust fund. In other states where this model did not exist, a public advisory council of public and private sector representatives has been created.

Understandably, the Children's Trust Fund legislation has been especially attractive to state legislators. This approach presents legislators with an opportunity to fund programs they have traditionally neglected -- those for the prevention of child abuse and neglect. In addition the trust fund model can create a funding base which is protected from periodic depressions in state economies, and the potential of cuts in state budgets.

The Children's Trust Fund approach is flexible. Each state that has enacted the legislation differs in geographic size, population, demographics, economies and political ideologies. Yet each has taken the Children's Trust Fund and adopted the concept to suit its own constituency. The field is rich with models that might suit any state's situation. (See attached chart)

The 31 states with Children's Trust Funds are:

Alabama, Arizona, California, Delaware, Idaho, Illinois, Iowa, Kansas, Kentucky, Louisiana, Maine, Michigan, Missouri, Montana, Nevada, New Jersey, New Mexico, New York, North Dakota, North Carolina, Ohio, Oregon, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Virginia, Washington, West Virginia, and Wisconsin.

#### FUNDING MECHANISM

As previously stated, revenues to build the Children's Trust Funds have been generated by surcharges on marriage licenses, birth certificates, divorce decrees, death certificates, or by specifically designated checkoffs on state income tax forms.

Some states have actually enacted more than one funding scheme, increasing the cost of birth certificates after having raised the marriage license fees, or passing an income tax checkoff on top of the surcharge on certificates. The cost of copies of death certificates and divorce filing fees have also been increased to support Children's Trust Funds.

Typically the money is located in a separate fund in the state treasury. In some states, though, policy prohibits establishing a specially designated fund of state money. In those cases, the extra fees from marriage licenses go into general

revenues and are then automatically passed along to the Children's Trust Fund advisory boards for grants to support preventive programs in child abuse.

#### ADMINISTRATION

Through the advisory boards which direct and administer the Children's Trust Funds, a public and private partnership has developed important new links to address the prevention of child abuse. States include on their boards statutorily specified heads of governmental agencies which are working to prevent child abuse -- education, social services, health, mental health, law enforcement, criminal justice. The advisory boards' public members are appointed by the governor and legislative leadership of the states. In most states the advisory board is attached to the department of social services for administrative support, but in some states the Children's Trust Fund board is an independent entity. The South Carolina Children's Trust Fund is a private, non-profit organization with a 501(c)(3) tax exempt status.

The responsibilities of boards vary from state to state, but they generally include both advisory and administrative duties. In administering the Children's Trust Fund, a board may hire staff to run the program; develop a state plan for the Children's Trust Fund; establish priorities for projects to be funded; develop eligibility criteria for grantees; review proposals; approve the awarding of grants; monitor expenditures of the trust fund; evaluate the effectiveness of the Children's Trust Fund; and submit an annual report to the legislature and the governor. As appointees of the governor and the leadership of the legislative branch of state government, board members are in a unique position to act as advocates for the prevention of child abuse.

#### DEFINITIONS

In the statute or in the administrative rules and regulations, oftentimes primary prevention and secondary prevention are defined. An example follows.

PRIMARY PREVENTION is taking measures to keep child abuse from happening before it has ever occurred. The key aspects of primary prevention efforts are as follows.

- It is offered to all members of a population;
- It is voluntary;
- It attempts to influence societal forces which impact on parents and children; and
- It seeks to promote positive family functioning rather than to just prevent problems.

Examples of primary prevention programs include educational programs in schools, parenting and prenatal support classes, "awareness" announcements in the media, etc.

SECONDARY PREVENTION is taking measures to keep child abuse from happening before it has occurred to a serious degree, but after certain warning signals have appeared. The major components of secondary prevention are as follows.

- It is offered to a pre-defined group of "at risk" individuals;
- It is voluntary;
- It is more problem-focused than primary prevention; and
- It seeks to prevent future parenting problems by focusing on the particular stresses of identified parents or guardians.

Examples of secondary programs include support programs for teenage parents, programs for parents of infants with specific problems, and programs for families with identifiable stresses.

#### POSSIBLE PROGRAMS

The following examples are intended to stimulate thinking and discussion about possible community-based prevention programs which could be funded by the Children's Trust Fund. An emphasis on volunteerism is encouraged.

SUPPORT PROGRAMS FOR NEW PARENTS -- The purpose of support programs for new parents, such as perinatal support programs, is to prepare individuals for the job of parenting. Such programs could include supports during both the pre- and postnatal periods. Prenatal programs can build on existing medical programs and educate about-to-be parents in child development, parent-child relationships, and adult relationships. Information on community resources available to new parents and to infants and children should be provided. In supplying information and in teaching skills for coping with the challenges of being parents, special emphasis should be placed on developing techniques useful in communicating with the new baby. One focus of these services should be to develop group activities that form a social network among new parents, thereby creating peer relations and peer support. Although such programs could be available to all parents, special attention should be made to all first-time parents, teenage parents, and single parents.

Prenatal and postnatal medical care is clearly important, particularly since low-birth-weight babies and babies otherwise sick in infancy are at risk for being abused. Many prospective parents now participate in prenatal care programs that go beyond the medical needs of the pregnant mother and the growing fetus to include attention to the demands of parenting. All prenatal

care programs should provide prospective parents with parenting education and other supports to ease the difficulties associated with having a new infant in the home.

Studies suggest that in families in which parent-child bonding is weak the child is at greater risk for abuse. Part of the function of perinatal support programs could, therefore, be to enhance parent-child bonding. Childbirth procedures involving both parents, rooming-in, and unlimited visiting privileges for parents with their infants are important. Minor changes in hospital procedures could facilitate opportunities for families to get to know their newest member, while enhancing the opportunities for early and effective parent-child bonding. Many hospitals offer prospective parents the opportunity to participate in programs that enhance the bonding process.

EDUCATION FOR PARENTS -- As a continuation of the prenatal program and as part of perinatal support programs, all new parents should have an opportunity to participate in a program to increase their skills in caring for a new baby. The programs may be directed toward the continuation of instruction in child care and child development.

Having a new infant in the home creates stress in any family. When, however, the infant requires extra or special care, stress can be greatly increased, putting the child at greater risk for abuse. To reduce the additional stresses created for parents by infants with special problems following birth--for example, premature babies or those with illnesses, abnormalities, or defects--a special educational support program could be made available. The program could focus on group support from parents with similar children, and it could educate parents about the particular needs of their child and how to deal with those needs in a family environment. Every attempt could be made to furnish supports that minimize distortion of the parents' perception of their new child. Separating newborns from their families to provide intensive care can require special adjustments for parents, and they could receive help that is sensitive to this unique stress.

Among the problems experienced by families with young children is isolation from and lack of knowledge about health and social services in the local community. Coupled with a lack of knowledge of how to detect and handle many childhood problems, this puts a family at risk for abuse. As an ongoing source of support and information for parents, educational support programs could include home visitor services that consist of periodic visits to the home following childbirth until the child begins school.

These visits should be made by a trained home health aide under the supervision of medical professionals. The aide could provide information and advice to parents on child care,

nutrition, and home management and could carry out routine health checkups on young children. In addition, the aide could refer parents to needed social and health services in the community. In some communities the services of the home visitor can be effectively rendered through a local well-baby program.

**LIFE SKILLS TRAINING FOR CHILDREN AND YOUNG ADULTS --** The purposes of life skills training are first to equip children, adolescents, and young adults with interpersonal skills and knowledge that are valuable in adulthood, especially in the parenting role; and second, to provide children with skills to help them protect themselves from being abused. Knowledge and skills can be imparted in a variety of ways; irrespective of the specific techniques, educational classes or supports could be provided through the school system and through adult education centers.

Skill and knowledge building could be stressed in areas of child development, family and life management, self-development, self-actualization, and methods of seeking help. All adolescents and young adults should know about all types of child abuse, what the warning signs are and how to reach out for help should they perceive the warning signs in themselves.

**SELF-HELP GROUPS AND OTHER NEIGHBORHOOD SUPPORTS --** Social isolation, not having anyone to turn to in times of need, plagues most families who are at high risk for abuse and neglect. The purpose of self-help groups is to reduce the isolation experienced by many parents through the development of peer support systems.

Beginning with social networks created through parent groups in the prenatal and perinatal programs, a variety of opportunities should be offered for parents to participate in group activities or to establish social contacts. Examples include parent groups stemming from local child care programs, Foster Grandparent Programs, Parents Anonymous, Parent Aide and comparable problem-oriented self-help or support groups. The mutual aid programs should also focus on the development or strengthening of neighborhood-based natural helping networks.

**FAMILY SUPPORT SERVICES --** Lacking anywhere to turn in times of crisis puts families at significantly greater risk for abuse or neglect. To provide immediate assistance to parents in times of stress, crisis care programs could be available on a 24-hour basis and could include the following services: telephone hot line, crisis caretakers, crisis baby-sitters, crisis nurseries, and crisis counseling.

Through these programs, parents facing immediate problems could receive immediate support to alleviate the stresses of a particular situation. Help could be available over the phone or through in-person counseling.

The program could also offer parents the options of having someone come into their homes on a temporary basis to assist with child and home care or of taking the child to a crisis nursery. Because crisis care is temporary and short-term, such programs should be equipped to refer parents to long-term services as needed.

**PROGRAMS FOR ABUSED CHILDREN** -- It has been argued that prevention of abuse is in part tied to providing therapeutic treatment to children or young people who have been abused or neglected. To minimize the long-term effects of abuse, age-appropriate treatment services should be available to all maltreated children.

Treatment programs for abused children should include a thorough diagnosis of physical and developmental (social, psychological and emotional) problems. Comprehensive therapeutic services should be offered to alleviate identified problems. Assistance should be rendered on the basis of an individual child's needs and could include individual and group services as well as an enriched day care program.

**EARLY AND REGULAR CHILD AND FAMILY SCREENING AND TREATMENT** -- Because abusive behavior is cyclic, many health and developmental problems in childhood can lead to behavioral problems in adulthood, including abusive behavior. For this reason detecting and treating health and developmental problems early in life is important. Early childhood screening and treatment programs should be seen as a continuation of the preschool screening services, such as those offered by the home visitor. The purpose of such programs should be to detect problems children may be having, including abuse and neglect, and to ensure that these children receive the necessary health, mental health, and other services that will best protect them from becoming abusive parents.

Screening and treatment programs exist throughout the United States in preschools and schools; they could be available to all children. All screening programs, however, need to be sensitive to the possibility that a child may be inappropriately labeled, with long-term negative consequences.

**CHILD CARE OPPORTUNITIES** -- The purpose of child care or day care programs is to furnish parents with regular or occasional out-of-home care for their children. While child care is a necessity in households in which all adults are employed, such

services are also beneficial for parents who do not work outside the home but who find continuous child care responsibilities very stressful. Child care programs also provide opportunities for children to learn basic social skills. Head Start programs in particular provide a rich mix of child care and child development services.

**COMMUNITY ORGANIZATION ACTIVITIES** -- To increase the availability of social service, health, and education resources and of the other supports that reduce family stress, community organization activities will be necessary. A community-based planning or coordinating body is certainly required, one that represents the views of different community groups and agencies. This body will have an important role in determining priorities for proposed prevention programs.

As programs are implemented, a plan for ongoing evaluation and assessment of them is also necessary. This will ensure that the programs are indeed effective, and that they are continually responsive to those they are intended to help.

**PUBLIC INFORMATION AND EDUCATION ON CHILD ABUSE PREVENTION** -- Public awareness campaigns have two complementary purposes. The first is to bring parents the message that being a parent is not easy, that all parents experience stress in their parenting role, and that it is all right to reach out for help. The second purpose is to provide parents with information about where to turn for help, particularly how to get in touch with local crisis care services.

Awareness on the part of professionals and volunteers is also essential to the effectiveness of a community's prevention programs. It is particularly important that those who come into contact with families, such as physicians and teachers, receive training in the dynamics of child abuse and information on the availability of prevention programs in the community.

#### EVALUATION

Perhaps the most difficult challenge facing the Children's Trust Fund personnel is that of evaluating how effective the trust fund is. Many of the Children's Trust Funds emphasize program monitoring and program evaluation. Advisory boards may be collecting information on program performance in the area of client outcomes, resource acquisition, productivity, and efficiency. However, there is a great need to assist local programs to define and develop outcome measures. There is increasing concern about the operation of these programs and their effect on the prevention of child abuse. A national network of Children's Trust Funds could provide a means by which technical assistance could be shared on evaluation, as well as other issues.

States which appear to have the longest history in addressing evaluation are: Kansas, Iowa, and Washington.

Both Kansas and Iowa have recently funded major projects with an emphasis on evaluation. The Kansas project (funded at \$46,980) is targeted to a specific population; black, single, female-headed households with young mothers who are pregnant or who have children under five years of age. The identified geographic region is a neighborhood of a fairly large metropolitan area. The service elements for the project involve nine different services clustered under the headings: services that develop parenting skills and enhance self esteem: services that reduce social isolation and develop support systems: services that assist parents in caring for their children: and services that assure access to community resources. The project will be evaluated by John Poertner D.S.W. with Kansas University.

The Iowa project (funded at \$24,001.92) will be evaluated by Ross A. Klein, MSW, Ph.D. of Iowa State University. This special project will implement a number of prevention programs in one county. The programs include: lay health visitor, respite care nurseries, sexual abuse prevention, parent aide education, support programs for young Moms, and the Nurturing Program--a program designed to modify inappropriate parenting belief and child rearing practices.

#### INNOVATIVE POSSIBILITIES

In Washington the Children's Trust Fund, which receives about \$400,000 annually from a \$5 surcharge on marriage licenses, is looking at additional funding mechanisms to build toward the goal of a self-sustaining fund that will provide on-going support for local projects. Washington's statute, like that of most other states, allows the Children's Trust Fund to accept "contributions, grants, or gifts in cash or otherwise from persons, associations, corporations or the federal government," and with that authority the Washington council has begun efforts to generate additional income.

Solicitations are made to individuals and corporations. Public service announcements have been televised asking for contributions to the Washington Children's Trust Fund. Long-range giving has not been overlooked. Packets of informational materials have been developed for attorneys and accountants who work in estate and tax planning. Information on the Washington Children's Trust Fund is available then to pass along to their clients who seek advice on charitable giving.

Also in Washington, a unique effort to generate money for child abuse prevention through private enterprise has brought together a group of designers, business advisers and child abuse prevention experts. This group develops a line of products for marketing, with the objective of raising the public

awareness of child abuse prevention and the Children's Trust Fund, and generating revenue for the fund. Children's furniture is now being manufactured for marketing with the proceeds from sales going to the Washington Children's Trust Fund.

States which have utilized the state income tax checkoff method as their funding mechanism can increase the amount of monies raised through public awareness campaigns about the trust fund and about child abuse prevention. Some states have been very successful receiving donated services from local public relations firms and related entities.

#### FEDERAL CHALLENGE GRANTS

The Child Abuse Prevention Federal Challenge Grant program provides incentives for states to establish funds to support child abuse prevention projects, money that has been historically lacking because of the need to direct limited resources toward treating the increasing numbers of children already abused. For every \$4 states make available in prevention funds the federal government will provide \$1 in matching support. At no time will the federal challenge grant to any state exceed an amount equal to 50 cents times the number of children in a state. The five million dollars appropriated is available through FY 86; and the program is authorized through 1990.

#### CONCLUSION

Indeed the Children's Trust Fund has proven its value everywhere. The variability of the legislation is one of its prime strengths. It presents a model for support of programs to prevent child abuse that is easily adaptable to the political demands of a state. Children's Trust Funds have passed in states with governments across the political spectrum, conservative as well as liberal.

A Children's Trust Fund takes the pressure off the regular state social services budget to fund often neglected preventive services. In a time of limited funding the Children's Trust Fund has been advanced as a significant means to achieve the goal of preventing child abuse.

Through an emphasis on community-based programs selected by a citizens' advisory board, the Children's Trust Fund fosters the creation of local programs to prevent child abuse and shifts some of the responsibility for planning to the local level.

With solid support going to preventive efforts, often for the first time because of the Children's Trust Fund, attention can be focused on prevention. Administrators of public agencies and state legislators can be educated about prevention and regular appropriations can be forthcoming to increase the support for prevention engendered by a Children's Trust Fund.

The challenge for the future is to address the numerous questions which arise as states establish Children's Trust Funds. Examples are:

1. What are the implementation problems associated with the trust fund and how can they most easily be overcome?
2. What types of public awareness campaigns are most effective for the state income tax checkoff method used on some trust funds?
3. When is a program prevention and when is it treatment? How exclusively preventive should trust funds be?
4. How do we evaluate the effectiveness of the funded programs? How do we measure the impact of the program? What methods can we use to assist communities in doing a self-evaluation of the program funded?
5. Can we establish a depository to systematically collect information on trust funds, and to share results of efforts?
6. How do we establish a procedure to promote replication of projects viewed as successful?
7. How do we maintain the intent of the legislation and the integrity of the model? How do we keep the focus on prevention, community, and volunteerism?
8. Are successful program models being assumed as a community responsibility after demonstration funding? How? Why?

Innovative, exciting possibilities are emerging as trust fund personnel begin to confront these questions. The National Committee for Prevention of Child Abuse acknowledges the critical need for a systemized plan for dissemination of information about and technical assistance to the development of Children's Trust Funds. As the uniqueness of the trust fund model may be vulnerable without appropriate resource information, the National Committee is committed to serving as a resource and as a catalyst in this effort.

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## CHILDREN'S TRUST FUND

Thomas L. Birch

### Introduction

The Children's Trust Fund has become recognized as a winning approach to support programs for preventing child abuse.

Since 1980, advocates for abused and neglected children have worked toward the passage of legislation in fourteen states that creates new sources of funds for preventive services. Coalitions of advocates and legislators in at least as many other states are looking at the possibility of passing the Children's Trust Fund in their own assemblies. The idea clearly has impetus behind it.

The Children's Trust Fund was first conceived by Dr. Ray E. Helfer, a pediatrician nationally recognized in the field of child abuse and at that time a vice president of the National Committee for Prevention of Child Abuse.

Prevention is the focus of Helfer's idea.

In an era of diminishing governmental budgets and scrutiny of public responsibilities, the Children's Trust Fund has emerged with a unique funding solution to boost programs for preventing child abuse.

Understandably, the Children's Trust Fund bill has been especially attractive to state legislators. This new legislative approach presents legislators an opportunity to fund programs they have historically neglected -- for the prevention of child abuse and neglect -- at a time when depressed state economies and deficits of revenue inhibit the creation of new ventures.

in a way that is apart from questions of appropriations and safe from cuts in state budgets.

There are two aspects to the Children's Trust Fund. One, an advisory group to establish priorities for distributing the fund is created from individuals with a demonstrated interest in preventing child abuse. Second, money to build the fund is generated by surcharges on marriage licenses, birth certificates or divorce actions, or by funds specially designated on income tax returns.

#### Components of the Legislation

Here is how the Children's Trust Fund has taken shape in the states that have enacted legislation -- Alabama, Arizona, California, Illinois, Iowa, Kansas, Louisiana, Michigan, Missouri, North Carolina, Rhode Island, Virginia, Washington and Wisconsin -- fourteen states that differ significantly in geographic size, population numbers, demographics, economies and political ideologies. Yet each has taken the Children's Trust Fund ideal of establishing a separate source of income to support community-based programs for preventing child abuse and passed a form of legislation to achieve that goal.

Kansas became the first state, on April 16, 1980, to create this select funding mechanism for programs to prevent child abuse. One piece of legislation increased the fee for a marriage license with a surcharge of seven dollars. The extra money goes into a new Family and Children's Trust Fund. Each year approximately \$170,000 are generated to support community-based programs for preventing child and family abuse.

Another bill passed the Kansas legislature at the same time establishing a 14-member Children and Youth Advisory Committee. It consists of nine state agency members and five individuals appointed by the governor from interested citizens representing children and youth. This advisory body acts as the advocate for children in the governor's office. Its members advise state agencies serving children and recommend statutory policy to the governor and the legislature. The Division of Services to Children and Youth administers the Kansas Family and Children's Trust Fund under the guidance of this advisory committee.

By examining the separate provisions of states' Children's Trust Fund bills, we are able to see how the law's adaptability applies to diverse political and practical demands.

The following discussion traces the components of Children's Trust Fund legislation with examples from state laws to illustrate the variety of responses. The field is rich with models that might suit any state's situation. Modifications are simply smart reactions to political reality.

Funding the Fund: First, Children's Trust Fund legislation establishes a mode of income.

Seven states -- Arizona, Iowa, Kansas, North Carolina, Rhode Island, Virginia and Washington -- have increased the fees for marriage licenses, adding five to ten dollars to the cost of a license that then goes to build the Children's Trust Fund. The money in most states is deposited directly in the state treasury for this specially designated fund.

(In Arizona, which like Kansas, Virginia and Rhode Island shares its

fund with domestic violence programs, 20 percent of the ten additional dollars from the marriage license fee goes to the Child Abuse Prevention and Treatment Fund while 80 percent is for the domestic violence shelter fund. Arizona also increased by six dollars the cost of filing for divorce, with one-third going to child abuse prevention and two-thirds to domestic violence.)

Laws in two states have put a surcharge on copies of birth certificates: Wisconsin increased the cost by two dollars; California has added four dollars and funds are returned to the counties from which the certificates were ordered. A portion will go to a California state Children's Trust Fund collected from counties that choose not to participate and from birth certificates ordered through the state. (An exemption from the surcharge is made for an applicant to a public agency that requires a certified copy of a birth certificate.)

The state of Michigan took a different tack, one followed later by six other states -- Alabama, Arizona, California, Illinois, Louisiana and Missouri. Advocates working with the Michigan legislature on a Children's Trust Fund bill were told that in a state with such a high rate of unemployment and extreme budget deficits, no cost, not even that of a marriage license, could be increased. The legislation that evolved now enables taxpayers to designate up to two dollars, or four dollars for a couple filing a joint return, of their state income tax refund to the Children's Trust Fund.

(In Louisiana, a taxpayer may designate all or any portion of the refund as a donation to the fund, and Missouri makes additional provision

for a donation through the income tax return if no refund is available.)

The money collected from the income tax checkoff goes into a separate fund in the Michigan department of treasury. Half of each year's receipts go to fund programs. The rest is invested and earnings are credited to the trust fund. The refund checkoff in Michigan will be halted when the fund's endowment reaches \$20 million. After that, programs will be financed from the interest on the money in the account.

Two states have actually enacted more than one funding scheme. California and Arizona in 1983 passed legislation providing checkoffs on the state income tax forms to go to Children's Trust Funds, having already increased the cost of birth certificates (California) and marriage licenses and divorce filings (Arizona) to build funds.

Most states do not restrict contributions to the Children's Trust Fund to specific sources of income, be they extra fees from marriage licenses or designated dollars from income tax returns. The typical enabling legislation also allows the Children's Trust Fund to receive "contributions, grants, or gifts in cash or otherwise from persons, associations, corporations, or the federal government", as Washington's law says. This feature empowers the state to embark on other fundraising schemes that could dramatically increase the size of the fund.

The necessary requirement in developing support for the Children's Trust Fund is that it come from a reliable source of money apart from the regular appropriations. Connecticut passed a bill in 1983 that appeared to create a

Children's Trust Fund but in fact it only appropriated money to the general fund for child abuse prevention activities. The Wisconsin bill originally would have only provided a general revenue appropriation to create so-called Children's Trust Fund. Before the legislation was enacted in Wisconsin the statutory language was improved to provide an extra fee on birth certificates to build the trust fund. The objective of a Children's Trust Fund is diluted by having a regular appropriation on budget derived from no specific source generating those funds, with no potential for building income were the appropriated funds to be invested.

Typically the money is located in a separate fund in the state treasury. In some states, though, policy prohibits establishing a specially designated fund of state money. In those cases, like Virginia and Iowa, the extra fees from marriage licenses go into general revenues and are then automatically passed along to the Children's Trust Fund advisory boards for grants to support preventive programs in child abuse.

Advisory Board: The composition of the advisory committee varies, too, from state to state. The Michigan statute mandates a board of fifteen; in Iowa five members comprise the advisory council. Some states must include on their boards specified heads of governmental agencies -- education, social services, health and justice are typical; others draw all their members from among the public. The governors make appointments in most cases; elsewhere legislative leaders also have appointees. In Arizona, the director of the department of economic security appoints the board members.

The legislation typically establishes the composition of the board with a stated number of individuals representing particular interests in the prevention of child abuse.

In Michigan the Child Abuse and Neglect Prevention Board's fifteen members are: director of social services; director of mental health; director of public health; superintendent of public instruction; director of the department of state police; and ten public members appointed by the governor, with senate approval, for terms of three years, including the chair.

The Michigan public members must have a knowledge of child abuse and neglect; represent the state's population; and be representative of labor, business, religion, the legal community, and professionals and volunteers in child abuse preventive services.

Washington's 11-member Council on Child Abuse and Neglect includes the chair and four members appointed by the governor from the public who are selected for their interest and expertise in the prevention of child abuse. The secretary of social and health services and the superintendent of public instruction serve with the governor's appointees as voting members. Four additional appointees are legislators named by the House and Senate majority and minority leaders serving as non-voting members.

In Virginia, the Advisory Committee is established not by legislation but through the implementation plan developed by the department of welfare for the Virginia Family Violence Prevention Program. Its nine to eleven

members are selected by the commissioner of welfare from volunteers and advocates for abused children, providers of services, and corporate and business people. The Virginia Chapter of the National Committee for Prevention of Child Abuse and Virginians Against Domestic Violence may each recommend up to twelve appointees to the Advisory Council. Staff of the department of welfare may also make recommendations.

The Kansas Children and Youth Advisory Committee is composed of fourteen members who elect their own chair and officers. Five public members appointed by the governor for three-year terms comprise interested citizens representing children and youth. The other committee members include : secretary of health and environment; secretary of social and rehabilitation services; secretary of human resources; commissioner of education; chief justice of the Kansas supreme court; two senators appointed by the president of the senate; and two representatives appointed by the speaker of the house.

Iowa's legislation provides for a five-citizen advisory council.

In California the Children's Trust Fund is administered at the county level. Policy is directed by county multidisciplinary councils which advise the county boards of supervisors.

The North Carolina Children's Trust Fund utilizes a pre-existing board, the Interagency Advisory Council on Community Schools, as its Council on Prevention of Child Abuse to guide the administration of the new fund.

The responsibilities of boards vary from state to state also, but they

generally include both advisory and administrative duties. In administering the Children's Trust Fund, a board may:

- hire staff to run the program;
- develop a state plan for the Children's Trust Fund;
- establish priorities for projects to be funded;
- develop eligibility criteria for grantees;
- review proposals;
- approve the awarding of grants;
- monitor expenditures of the trust fund;
- evaluate the effectiveness of the Children's Trust Fund; and
- submit an annual report to the legislature and the governor.

As appointees of the governor and the leadership of the executive and legislative branches of state government, board members are in a unique position to act as advocates for the prevention of child abuse. Accordingly, board members are statutorily empowered to recommend to the governor and the legislature policy and legislative changes for the improvement of child abuse prevention activities, to encourage public awareness about the prevention of child abuse, and, as the Kansas statute says, "provide advocacy for children in the governor's office and other public and private, state and local agencies affecting children."

Location of the Board/Administration: In most states the advisory board is attached to the department of social services, but again, as the following examples show, the administrative arrangements vary from state

to state. The placement of the board within the state's governmental structure can have an important impact on the board's visibility and political strength.

In Kansas, the Children's Trust Fund board is statutorily guaranteed "office space and assistance" by the department of social and rehabilitation services, with the administrative support coming through the division of services to children and youth.

The Alabama Child Abuse and Neglect Prevention Board, administering a fund supported by a state income tax checkoff, was created as an independent agency which will pay its own expenses out of money collected. In addition, up to three percent of the funds collected may be paid to the state department of revenue for its expenses in handling the collection.

The Arizona trust fund is administered by the department of economic security which is limited by statute to no more than five percent for its costs.

California's trust fund is financed by a surcharge on copies of birth certificates. (New legislation creates a second funding source through an income tax checkoff.) The funds are administered by a local voluntary board appointed by each county board of supervisors. Where no county board is designated, that county's money goes into a state Children's Trust Fund, along with receipts from copies of birth certificates ordered from the state, and is administered by the state department of social services, which may use up to five percent of the money for administrative expenses. In either case, the registrar -- county or state -- is entitled to keep

no more than ten percent of the funds to defray the cost of the collection.

The Child Abuse Advisory Council in Iowa works through the department of social services but the fund is administered, by statutory requirement, through contract with a private agency "with maximum use of voluntary administrative services."

The Children's Trust Fund in Louisiana, another state with an income tax checkoff, is administered by the department of health and human resources.

In Michigan, the first state to enact a tax checkoff, the Children's Trust Fund is established as an autonomous agency within the department of management and budget, which lends administrative support to the advisory board paid for from the trust fund.

North Carolina's Children's Trust Fund, which receives surcharges from marriage licenses, is provided support services and staff by the department of public instruction which administers the program under the guidance of the Advisory Council on Prevention of Child Abuse, for this purpose a designation of the existing Interagency Advisory Council on Community Schools.

The Washington council is an independent entity within the governor's office. It receives some administrative services through an interagency agreement with the department of social and health services.

Eligible Grantees: Eligibility requirements of the Children's Trust Fund are designed to promote the establishment of local programs for

the prevention of child abuse.

Virginia solicits grant applications from public and private nonprofit organizations which can match funds with local resources and demonstrate an ability to continue the project after the grant has been terminated.

Rural areas must receive an equitable share of the funds.

Michigan recognizes three classes of grantees.

Private nonprofit or public organizations must receive the approval of local councils, provide a match of 50 percent in money or in kind, and be able to provide consultation on program development.

Eligibility is extended to local councils which do not provide direct services but whose purpose is the development of community prevention programs. They too must match their grant funds and demonstrate an ability to help in the development of preventive programs.

The Michigan Child Abuse and Neglect Prevention Board is also eligible for support to defray its expenses in administering the trust fund.

In California grants are designated for private nonprofit organizations giving direct services in prevention and intervention.

The Illinois legislation provides funding for abused children shelters, child abuse prevention and treatment programs, and five demonstration projects involving multi-disciplinary investigation teams through 1985 (after which there are plans to amend the statute to strengthen the child abuse prevention aspects). Priority will go to new and existing programs that offer the broadest range of services to the community.

CHILDREN'S TRUST FUND LEGISLATION

Purpose: 6 a special funding mechanism to provide child abuse prevention services through community-based agencies.

STATE	LEGISLATION/ EFFECTIVE DATE	MECHANISM	FUNDS GENERATED	ADMINISTRATION	ADVISORY COMMITTEE	PROCESS	CONTACT
Alabama	HB 56 & 57 1983	Voluntary income tax refund check-off (\$2); grants, gifts.	1984:\$134,000 expected 1985: \$400,000	Funding-Dept. of Revenue; dept. of Pensions & Security Programs	14-member State Child Abuse & Neglect Prevention Board.	Support organizations to operate programs for direct service provisions.	Jane Nichols Legislative Fiscal Office 205/261-1067
Arizona	HB 2212 7/29/82	Voluntary income tax refund check-off (\$2); marriage license surcharge (\$2); divorce filing fee (\$10).	1982:\$100,000	Department of Economic Security	None.	Provide financial assistance to community treatment programs that offer direct services to abused children/parents.	Pat Clumbley Staff, House of Representatives 602/255-3250
California	AB 2994 1982	Fee for duplicate birth certificate (\$4); gifts, grants.	1984:\$400,000	Dept. of Social Services	County Board of Supervisors may designate a voluntary local commission.	Grants to private non-profit organizations providing direct services in prevention and intervention.	Chet Olson Assembly Select Committee on Child Abuse 916/445-7486
	AB 607 1983	Voluntary income tax refund check-off (\$3).	1984:\$430,000	Dept. of Social Services	Advisory Committee within DSS and select co-advisors.		
Connecticut	SB 2006 7/1/83	Grants/gifts	\$60,000 appropriated (\$50,000 spent; \$10,000 left in fund to accrue interest.	Dept. of Children & Youth Services	Commissioner of Dept. of Children & Youth Services can appoint advisory committee.	Commissioner adopts rules and regs. which may be approved by legislature.	Kathy Wright Leg. Commis- sioners 203/566-8410

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Delaware	65 DE Law 1984 C.111, Sec 1	Voluntary income refund check-off (all or any amount); grants, gifts.	not available	Dept. of Children, Youth, and Families.	12-member Dela- ware Children's Trust Fund Board of Directors; 8 appointed by Governor; 1 shall be chair- person of Juve- nile Justice Advisory Group; 1 each appointed by Secretary of following de- partments; Chief Judge of Family Courts; Dept. of Services for Children, Youth and Families, Health & Social Services; Dept. of Public In- struction; & Family Courts.	Grants totaling no more than \$15,000 awarded to programs that provide preven- tion services and improve coordination among state agencies. (Organization agrees to match the grant, at least 25% 1st year and 50% during the second and subsequent years.)	Tom Shields Leg. Council 302/736-4114
Illinois	SHB 537 1983	Voluntary state income tax re- fund check-off (up to \$10).	estimated 1984:\$100,000 actual 1984: \$500,000.	Dept. of Children & Family Services	Statewide citi- zen's committee on child abuse and neglect.	Grants for comprehen- sive community-based services to reduce family dysfunction through child abuse and neglect.	Alex Reichl House Republican Staff 217/782-9603
Iowa *	HB 2393 1982	Marriage license surcharge (\$5)	1982:\$120,000 1983:\$116,000 1984:\$125,000	State Dept. of Social Services	5-member board attach- ed to Dept. of Social Services.	Dept. contracts with a community-based agency	Norm Ostbloom Executive Dir. Iowa Chapter Nat'l Cmte for Prevention of Child Abuse 515/281-6327

Kansas AA	SB 609 & SB 677	4/16/80	Marriage license surcharge (\$7) Fee on live birth registration (\$4) (General fund and then allocated to trust fund)	1984:\$141,000  1984:\$300,000	Div. of Services to Children & Youth	14-member Children and Youth Advisory Committee to: 1. Act as advocate for children in the Governor's office; 2. Advise Secretary & Director of Services to Children & Youth.	Grants limited to \$20,000 to community-based preventive or educational projects can be funded for 4 years; at: 100% 1st year, 80% 2nd year, 60% 3rd year, 40% 4th year.	January Scott Executive Dir. Kansas Cmtc for Prevention of Child Abuse 913/354-7738
Kentucky	HB 486	1984	Voluntary income tax refund check off (\$2); grants, gifts.	Not available	Attorney General's office 5-exofficio to serve by virtue of office.	10 member public, 5-exofficio to serve by virtue of office. Child Sexual Abuse & Exploitation Board.	Provides financial assistance to organizations to further prevent & treat abuse.	Dianna McClure Leg. Research Commission 502/564-8100
Louisiana	Act 481	1983	Legislative Appropriation (\$45,000) income tax refund check-off (no specific amount); grants, gifts.	1984:\$45,000	Dept. of Health & Human Resources	7-member Children's Trust Fund Board; 2 from general public; 1 each from House and Senate; Secretary of Health & Human Resources; 1 each from Medical Society and Parents Anonymous.	Programs for preventing physical and sexual abuse and neglect of children.	Michael Mielke Dept. of Health & Human Resources 504/342-6784

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Michigan	HB 4664 1982	Voluntary income tax refund check-off (\$2); part of each year's receipts (%) go to fund programs, rest is invested & earnings are credited to trust fund; ceiling of \$20 million & programs are funded from earned interest; separate fund established in Dept. of Treasury, donations.	1983 & 1984 \$1.5 mil.	Michigan Child Abuse & Neglect Prevention Board; autonomous agency within Dept. of Management & Budget.	15-member Board; 5 appointed by major state dept. heads involved in abuse & neglect; Education, Mental Health, Police, Health & Social Services; 10 appointed by Governor with consent of Senate.	3 classes of grantees private & public organizations providing 50% match, local councils (also match).	David Mills Director Children's Trust Fund 517/373-4321
Missouri	HB 550 9/28/83	Voluntary state income tax refund check-off (\$2); grants, gifts.	1984:\$147,000	Office of Administration	15-member Children's Trust Fund, within, yet independent of Office of Admin. 11 public members appointed by Governor, 2 Senators appointed by President Pro Tem, 2 House members appointed by Speaker.	Contract with public or private agencies, schools to establish community-based educational & services prevention programs.	Kathy Ruckman House Research Staff 314/751-2979
New York	S 21047 1984	State appropriation, grants, gifts.	\$2 mil approp by Governor to Trust Fund.  \$250,000 appropriated for administrative expenses.	Commission of Social Services	17-member advisory Board.	Provide grants to public and not for profit agencies for establishing & extending programs to prevent violence or provide service to victims.	Ruth Sabo NY Assembly Staff 518/455-4371

North Carolina	SB 921	1984	Marriage License fee (\$5); grants, gifts.	1984: \$157,000	State Board of Education	Inter-Agency Advisory Council for Community Schools.	Community-based programs.	Sam Miller Coordinator Child Abuse Prevention 919/733-4125
Ohio	HB 419	12/26/83	Birth certificate fee (\$2); divorce and dissolution decrees (\$10); death certificate (\$2); grants, gifts, federal funds.	Expected: \$2,490,000 (\$150,000 to be used for expenses.	Children's Trust Fund Board upon recommendation of Criminal Justice Services within the Dept. of Development.	Children's Trust Fund Board: 7 members appointed by Governor; Director of Health & Human Services also a member.	Provides grants to programs to prevent child abuse & neglect.	Anita Lunn Legislative Services Comm. 614/466-5939
Rhode Island	S 0577	7/1/83	Marriage License surcharge (\$2); grants, gifts, bequests.	1984: \$70,000	Dept. of Children & Their Families	State Advisory Council for Children and Their Families	Community-based programs for preventing problems of families & children; grants for education programs; evaluate projects & programs & disseminate information & techniques.	Joachim Weissfeld Attorney Member of Advisory Council 401/274-2300
South Carolina	A 3286	1984	State appropriation (\$20,000) one time start up; voluntary income tax refund, check-off (\$11); gifts, grants.	Expected: \$150,000	Non-profit organization administered by 9-member Board of Trustees.	9-member Board of Trustees to be appointed by Governor.	Provide grants to private non-profit organizations to stimulate innovative prevention and treatment programs.	Harriet Thorgersen Ex. Director Children's Trust Fund 803/256-2146
South Dakota	HB 1197	1984	Surcharge on birth certificates (\$2); gifts & grants & appropriation of \$40,000.	Expected: \$40,000	Department of Social Services	None	Grants to non-profit organizations to establish or continue community based education and prevention projects.	Mark Zickrick Leg. Research Council 605/773-3251

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Utah	HB 59	1984	Voluntary private donation	Less than \$5,000	Dept. of Social Services	Div. of Family Services Board, policy making body appointed by Governor.	Not available	Bryant Howe Office of Legislative Research 801/531-5481
Virginia ***	S 279	4/9/82	Surcharge on marriage license (\$10)	\$400,000 annually	Dept. of Social Services	Established through implementation plan for Virginia Family Violence Prevention program; has 9-11 members, advises Dept. of Welfare.	Solicits grant apps. from public & private non-profit organizations, divide evenly between child abuse & domestic violence programs.	Jane Horwood House Appropriation Staff 804/786-1837
Washington	HB 179	1982	Marriage license surcharge (\$5)	Estimated \$470,000/year.	Washington Council for the Prevention of Child Abuse & Neglect.	11-member Council on Child Abuse & Neglect; 5 appointed by Governor; 1 each appointed by Secretary of Dept. of Social Services, Speaker of the House, President of the Senate, Superintendent of Public Instruction.	Grants for community education or child abuse prevention--match 2%.	Jim Teverbaugh Washington Council for the Prevention of Child Abuse & Neglect 206/464-6151

Wisconsin	SB 31	7/1/83	Birth certificate fee (\$2); private contributions	\$290,000	Dept. of Health & Social Services	Child Abuse & Neglect Prevention Board; 14 members; 8 appoint at large by Governor; 1 Governor designee; 1 each from Dept. of Health & Social Services; Dept. of Public Instruction; House and Senate.	Grants limited to \$15,000 for community-based programs or crisis care, early identification of at-risk children on matching basis.	Elaine Olson Ex. Director Children's Trust Fund 608/266-6871
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\* In Iowa, funds go into general revenue and are passed through to this fund.

\*\* In Kansas, these funds may not be used for abortion and they are shared between programs for child abuse prevention and services for battered women.

\*\*\* In Virginia, money goes to general revenues and is passed on to programs. Must be passed again next session - don't actually have trust fund.

For more information, contact: Joan Smith,  
National Conference of State Legislatures  
1125 17th Street, Suite 1500  
Denver, Colorado 80202  
303/292-6600

February 1985.

STATE OF ALASKA 1987 LEGISLATIVE SESSION  
FISCAL NOTE

8

Bill Version: SSHB 57

Publish Date: \_\_\_\_\_

REQUEST

Revision Date: \_\_\_\_\_

Agency Affected: Department of Revenue

Title: "...Ak children's trust fund to provide a continuing source of revenue for..."

BRU: Revenue- Permanent Fund Dividend

Sponsor: Goll, Brown, Ellis, Navarre, etc.

Components: \_\_\_\_\_

Requestor: State Affairs

EXPENDITURES/REVENUES: (Thousands of Dollars)

<u>OPERATING</u>	<u>FY 87</u>	<u>FY 88</u>	<u>FY 89</u>	<u>FY 90</u>	<u>FY 91</u>	<u>FY 92</u>
PERSONAL SERVICES	-	-	-	-	-	-
TRAVEL	-	-	-	-	-	-
CONTRACTUAL	-	-	-	-	-	-
SUPPLIES	-	-	-	-	-	-
EQUIPMENT	-	-	-	-	-	-
LAND & STRUCTURES	-	-	-	-	-	-
GRANTS/CLAIMS	-	-	-	-	-	-
MISCELLANEOUS	-	-	-	-	-	-
<u>TOTAL OPERATING</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>

<u>CAPITAL</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
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<u>REVENUE</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
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FUNDING: (Thousands of Dollars)

GENERAL FUND	-	-	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	-	-	-	-	-	-
<u>TOTAL</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>

POSITIONS:

FULL-TIME	-	-	-	-	-	-
PART-TIME	-	-	-	-	-	-
TEMPORARY	-	-	-	-	-	-

ANALYSIS: Attach a separate page if necessary

Prepared by: Sally Smith  
Division: Public Services

Phone: 465-2392

Date: February 24, 1987

Approved by: H. Malcom  
Commissioner: \_\_\_\_\_  
Agency: Revenue

Date: 2/24/87

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management & Budget
- Impacted Agency(ies)
- Senate Secretary

8

STATE OF ALASKA 1987 LEGISLATIVE SESSION  
FISCAL NOTE

Bill Version: SS HB 57  
Publish Date: \_\_\_\_\_

REQUEST: \_\_\_\_\_

Revision Date: \_\_\_\_\_  
Title: Alaska Children's Trust Fund

Agency Affected: Department of Revenue  
BRU: Treasury

Sponsor: Goll  
Requestor: House State Affairs

Components: \_\_\_\_\_

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
<b>OPERATING</b>						
PERSONAL SERVICES	-	-	-	-	-	-
TRAVEL	-	-	-	-	-	-
CONTRACTUAL	-	-	-	-	-	-
SUPPLIES	-	-	-	-	-	-
EQUIPMENT	-	-	-	-	-	-
LANDS & STRUCTURES	-	-	-	-	-	-
GRANTS, CLAIMS	-	-	-	-	-	-
MISCELLANEOUS	-	-	-	-	-	-
<b>TOTAL OPERATING</b>	-	-	-	-	-	-
<b>CAPITAL</b>	-	-	-	-	-	-
<b>REVENUE</b>	-	-	-	-	-	-

FUNDING: (Thousands of Dollars)

GENERAL FUND	-	-	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	-	-	-	-	-	-
<b>TOTAL</b>	-	-	-	-	-	-

POSITIONS:

FULL-TIME	-	-	-	-	-	-
PART-TIME	-	-	-	-	-	-
TEMPORARY	-	-	-	-	-	-

ANALYSIS: Attach a separate page for analysis.

Prepared By: Milt Barker *MB*  
Division: Treasury  
Approved by Commissioner: Hugh Mulone *FOR*  
Agency: Department of Revenue

Phone: 465-2350  
Date: February 25, 1987  
Date: 2/25/87

Distribution (by preparer):  
Legislative Finance  
Legislative Sponsor  
Requestor  
Office of Management and Budget  
Impacted Agency(ies)  
Senate Secretary

STATE OF ALASKA 1987 LEGISLATIVE SESSION  
FISCAL NOTE

8

REQUEST \_\_\_\_\_

Bill Version: SSHB 57  
Publish Date: \_\_\_\_\_

Revision Date: \_\_\_\_\_  
Title: "An act establishing the Alaska children's trust fund..."  
Sponsor: Goll, Brown, et al  
Requestor: House State Affairs

Agency Affected: Revenue  
BRU: Administrative Services  
Components: \_\_\_\_\_

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
OPERATING						
PERSONAL SERVICES	-	29.2	17.0	17.0	17.0	17.0
TRAVEL	-	-	-	-	-	-
CONTRACTUAL	-	5.0	5.0	5.0	5.0	5.0
SUPPLIES	-	0.2	0.2	0.2	0.2	0.2
EQUIPMENT	-	-	-	-	-	-
LANDS & STRUCTURES	-	-	-	-	-	-
GRANTS, CLAIMS	-	-	-	-	-	-
MISCELLANEOUS	-	-	-	-	-	-
TOTAL OPERATING	-	33.4	22.2	22.2	22.2	22.2
CAPITAL	-	-	-	-	-	-
REVENUE	-	-	-	-	-	-

FUNDING: (Thousands of Dollars)

GENERAL FUND	-	33.4	22.2	22.2	22.2	22.2
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	-	-	-	-	-	-
TOTAL	-	33.4	22.2	22.2	22.2	22.2

POSITIONS:

FULL-TIME	-	-	-	-	-	-
PART-TIME	-	4	3	3	3	3
TEMPORARY	-	-	-	-	-	-

ANALYSIS: Attach a separate page if necessary

(See attached)

Prepared By: Ervin B. Jones  
Division: Administrative Services

Phone: 465-2313  
Date: 2/25/87

Approved by Commissioner: H. Malone  
Agency: Revenue

Date: 2/25/87

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)
- Senate Secretary

Department of Revenue  
Administrative Services Division  
Fiscal Note Analysis  
SS HB 57  
2/25/87

Assumptions:

1. The bill will take effect for the 1988 permanent fund dividend year and application. The 1987 dividend application has already been printed.
2. There are seven other bills which if signed into law, would result in some form of "check-off" on the 1988 dividend application. The Department of Revenue has no insight as to which, and how many, of these bills will become law. This fiscal note, and all related fiscal notes, is prepared on the assumption that the subject bill is the only bill of this nature which will become law. The passage of multiple bills with varying formulas (\$5, half of dividend, all or part of dividend, etc.) will inevitably have a compounding effect. Whereas there may be savings in some areas, there will be increased costs in others.
- 3) All costs of administering this law will be borne by the general fund, of which the trust fund is an account.
- 4) The incremental cost of computer resources will result in a chargeback by the Department of Administration.
- 5) Whereas the cost of programming changes will be a one-time cost, the cost of document review, data capture, data processing chargeback, and the extra page in the dividend application will be continuing.
- 6) Contributions will only be honored to the extent of available funds. Garnishments and assignments will take precedence in the order established by statute. Contributions will then be honored in the order listed on the form schedule, which will be in the order they become law.
- 7) Sec. 1, p. 3, line 21-24 provides for contribution choices from 1¢ to the unknown full value of the dividend in increments of 1¢ (See suggested amendment.)

Program Summary:

The provision of a new contribution decision on the dividend application will cause additional administrative cost in several areas:

- a) An additional page added to each application, a schedule of contribution decisions.
- b) The computer system will need to be changed to account for the change in the program, to establish new accounting controls for the almost infinite warrant values, and to provide for the transfer of funds to the trust account (see Attachment A).

- c) Each of approximately 540,000 PFD applications will need to be visually reviewed and coded as to decision on the contribution decision. Each application will be data captured with additional attention and keystrokes expended on each positive decision.
- d) Due to the complexity of balancing and certifying warrant runs with varying warrant amounts, additional temporary staff will be required to balance the weekly warrant runs from October through December of each year.

1. Positions

1 PPT Analyst/Programmer V, R21  
 @ \$5,638.47/Mo including salary  
 and benefits for 2 months = \$11.2

PCN 04-1125 would be funded for an additional two months, in accordance with Attachment A. Ongoing maintenance of new programs would be accomplished by existing staff.

1 PPT Document Processor I, R7  
 @ \$2,117.76/Mo, including salary and  
 benefits for 3 months = \$6.3

This position would assist in the manual review and coding of 540,000 applications for the new contribution decision. This position represents the equivalent of the additional time and effort.

1 PPT Data Processing Clerk I, R8,  
 @ \$2,221.64/Mo, including salary and  
 benefits for 2 months = \$4.4

This position would assist in the data capture of the additional contribution decisions. The position represents the equivalent value of the additional time and effort.

1 PPT Document Processor I, R7,  
 @ \$2,117.76/Mo, including salary  
 and benefits, for 3 months = \$6.3

This position will assist in the balancing and verification of the weekly warrant runs from October 1 through December 31 each year.

TOTAL Personal Services \$28.2

Department of Revenue  
Administrative Services Division  
Fiscal Note Analysis  
SSHB 57  
Summary of Data Processing Requirements  
2/25/87

Wang data entry processing	75.0 hours
Includes:	Data entry Batch lists Corrections Wang to IBM transfer
IBM Update jobs	30.0 hours
Includes:	Edits Batch listings Log sheets
DMS Online programs for lookup and changes	37.5 hours
Nightly Update of Changes	22.5 hours
Warrant Jobs	90.0 hours
Includes:	Printing warrants with different amounts. Include check stub messages. Modify warrant registers as needed for balancing. Create new program(s) for transferring accumulated contributions to the Alaska Children's Trust Fund, and to account for the reserve necessary due to returned and cancelled PFD warrants.
Miscellaneous	45.0 hours
Includes:	Setting up test files on IBM Systems testing Administrative functions, i.e. paper work required by Admin. DP to add files and programs to tables.
TOTAL HOURS	300.0 hours

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**STATE OF ALASKA 1987 LEGISLATIVE SESSION  
FISCAL NOTE**

**REQUEST:** \_\_\_\_\_

Revision Date: \_\_\_\_\_

Title: An Act relating to the Alaska children's trust fund to provide etc.

Sponsor: Goll, Brown, etc.

Requestor: House State Affairs

Bill Version: SS HB 57

Publish Date: 2/18/87

Agency Affected: Public Safety

BRU: Council on Domestic Violence and Sexual Assault

Components: \_\_\_\_\_

**EXPENDITURES/REVENUES: (Thousands of Dollars)**

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

CAPITAL						
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REVENUE						
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**FUNDING: (Thousands of Dollars)**

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**POSITIONS:**

FULL-TIME						
PART-TIME						
TEMPORARY						

**ANALYSIS : (Attach a separate page if necessary)**

SS HB 57 does not allow for funding board operations and staff costs. If SS HB 57 is revised so on-site evaluations of funded programs are not required, it might be possible to absorb this responsibility with existing Council staff. However, there will be costs associated with board meetings that need to be accounted for.

Prepared by: Barbara Miklos, Executive Director *mm* Phone: 465-4356

Division: Council on Domestic Violence & Sexual Assault Date: 2/25/87

Approved by Commissioner: [Signature] Date: 2/25/87

Agency: Department of Public Safety

**Distribution (by preparer):**

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)
- Senate Secretary

BILL NO: SS HB 57

DATE: February 24, 1987

TITLE: An Act establishing the Alaska children's trust fund to provide a continuing source of revenue for grants to community-based programs for the prevention of child abuse and neglect; and providing for an effective date

CONTACT: Barbara Miklos  
Executive Director  
Council on Domestic  
Violence and  
Sexual Assault

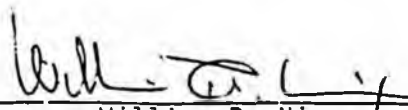
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SS HB 57 establishes a children's trust fund which will provide a continuing source of revenue for grants to community-based programs for the prevention of child abuse and neglect. Prevention programs are crucial in protecting children and are often the first to receive budget cuts. This fund will not make up for the reductions to these programs but will provide a small but stable source of income that is greatly needed. Many states have established similar funds which guarantee that at least some prevention of child abuse and neglect programs will be funded even in times of economic hardship. Utilizing the staff of an existing agency will provide a cost-effective way to review, award and monitor these grants.

The Council has some concerns about the legislation including the fact that there will be additional costs created by this legislation which cannot be absorbed by the present budget, and there is no mechanism in the bill to address these costs. The following parts of Section 37.14.220 will create additional costs; the Council would suggest that these sections be revised or a mechanism established in the legislation to enable the board to recover costs from the trust fund: The board is to (1) hold regular and special meetings it considers necessary, (3) monitor approved programs and projects for compliance with AS 37.14.200-37.14.270 and provide operational and performance evaluations of programs and projects receiving financial assistance, and (7) keep minutes of each meeting of the board and send a certified copy of the minutes of each meeting of the board to the Governor and the Legislative Budget and Audit Committee. Also, even if meetings are held in conjunction with established Council meetings, the meetings for this board will require additional time for which at least public members should be compensated.

Other items of concern are whether it will be feasible for Council staff who are employees of the Department of Public Safety to work for a board in the Department of Revenue. Also, although the board is not solely comprised of Council members, the majority of the members are on the Council on Domestic Violence and Sexual Assault and there might be concerns from potential applicants that the different missions of the board and Council might create conflict. Lastly, by only providing for use of income from the fund which will be realized in a minimum of three years, there will be no opportunity to promote contributions to the fund and no evidence of results from contributions for quite a while. This may inhibit subsequent contributions.

This legislation addresses an important need in Alaska; therefore, the Council on Domestic Violence and Sexual Assault supports SS HB 57.



William R. Nix  
Acting Commissioner

STATE OF ALASKA  
THE LEGISLATURE

POUCHY STATE CAPITOL  
JUNEAU, ALASKA 99811  
907 465 3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

February 24, 1987

SUBJECT: Sectional analysis of SSHB 57  
TO: Representative Peter Goll  
FROM: Edward H. Hein *EHA*  
Legislative Counsel

Section 1 adds several new sections of law to AS 37.14. Sec. 37.14.200 establishes the Alaska children's trust fund and provides that it consists of permanent fund dividend contributions, legislative appropriations, private and federal grants, and gifts, bequests, and cash or other contributions. This section also directs the commissioner of revenue to determine the net income of the fund according to investment accounting principles and to preserve the distinction between principal and income.

Sec. 37.14.210 establishes the trust fund board, consisting of the commissioners of revenue, health and social services, education, and public safety, the attorney general, the three public members of the Council on Domestic Violence and Sexual Assault, and the governor, or their designees. Members serve without compensation. The staff of the Council serves as the staff of the board.

Sec. 37.14.220 specify the powers and duties of the board, including awarding grants from the net income of the fund, soliciting contributions to the fund, and applying for private and federal grants.

Sec. 37.14.230 provides that the principal of the fund and any capital gains or losses remain in the fund to be invested. Net income of the fund may be spent to award grants, obtain grants, solicit contributions to the fund, and reimburse the Department of Revenue for start-up costs of the fund and the permanent fund dividend check-off. Net income that is not appropriated shall continue to be invested.

Sec. 37.14.240 directs the Department of Revenue to prepare the permanent fund dividend application to allow contributions to the Alaska children's trust fund.

Sec. 37.14.250 provides for the application for and award of grants from the fund. This section specifies findings that the board must make before awarding a grant, including that the recipient's program, if successful, will help prevent child abuse and neglect, that there is an adequate plan of implementation, that the applicant has necessary expertise, and that costs have been identified. The board may establish additional requirements. Grants are limited to \$50,000 per 12-month period and may not exceed 75 percent of the cost of a program during the first year of the grant, 50 percent during the second year, and 25 percent thereafter.

Sec. 37.14.260 specifies eligibility criteria for grant applicants, including submission of a proposal and past successful performance.

Sec. 37.14.270 defines "board", "child abuse and neglect", and "fund".

Sec. 2 of the bill inserts references to the Alaska children's trust fund in AS 37.14.160, duties of the commissioner of revenue.

Sec. 3 of the bill gives two new duties to the commissioner of revenue relating to accounting and investment planning for the fund.

Sec. 4 inserts references to the fund and the board in AS 37.14.170 to specify that investments of the principal of the fund shall be as provided for pension funds under AS 39.35.110.

Sec. 5 provides a July 1, 1987 effective date.

EHH:csh  
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