

SSSB 19

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

REQUEST: _____

Bill Version : SSSB 19

Publish Date : _____

Revision Date: _____

Agency Affected: Public Safety

Title: An Act relating to the Alaska
Children's Trust Corporation, etc.

BRU: Council on Domestic

Sponsor: Sen. Kerttula, Josephson...

Violence & Sexual Assault

Requestor: Senate HESS

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						
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	0	0	0	0	0	0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

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

Division: Council on Domestic Violence & Sexual Assault Date: 4-7-87

Approved by Commissioner: [Signature] Date: 4/8/87

Agency: Public Safety

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

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page _____ of _____

LEGISLATIVE FINANCE

JNR
4/8/87

518 19

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

Bill Version : SB No. 19
Publish Date : _____

REQUEST: _____
Revision Date: _____
Title: An Act relating to the Alaska
Children's Trust Corporation;
Sponsor: Kerttula
Requestor: _____

Agency Affected: Health & Social Services
BRU: Social Services
Youth Services
Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

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

CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
----------------	-----	-----	-----	-----	-----	-----

REVENUE	-0-	-0-	-0-	-0-	-0-	-0-
----------------	-----	-----	-----	-----	-----	-----

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

FULL-TIME	-0-	-0-	-0-	-0-	-0-	-0-
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

n/a

Prepared by: Yvonne M. Chase, Director *YMC* Phone: 465-3170
Division: Division of Family and Youth Services Date: 3/19/87

Approved by Commissioner: Myra M. Munson *Myra M. Munson* Date: 4/10/87
Agency: Department of Health and Social Services

Distribution (by preparer):

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

APR 14 1987

LEGISLATIVE FINANCE

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

18

Bill Version: SSSB 19

Publish Date: _____

REQUEST
Revision Date: _____
Title: Relating to the Ak Children' Trust Corp.; the Ak Children's trust fund: ...
Sponsor: Kerttula, Josephson & Szymanski
Requestor: HESS

Agency Affected: Revenue
BRU: Public Services - Permanent Fund Dividend
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	-	-	-	-	-	-
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
---------	---	---	---	---	---	---

REVENUE	0	0	0	0	0	0
---------	---	---	---	---	---	---

FUNDING: (Thousands of Dollars)

GENERAL FUND	-	-	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	-	-	-	-	-	-
TOTAL	0	0	0	0	0	0

POSITIONS:

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

ANALYSIS: Attach a separate page if necessary

Prepared by: Sally Smith *Sally Smith*
Division: Public Services

Phone: 465-2392
Date: March 31, 1987

Approved by: [Signature]
Commissioner: _____
Agency: Revenue

Date: 4/2/87

- Distribution (by Agency preparing fiscal note):
- Legislative Finance
 - Legislative Sponsor
 - Requestor
 - Office of Management & Budget
 - Impacted Agency(ies)
 - Senate Secretary

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STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

Bill Version: SS SB 19
Publish Date: _____

REQUEST: _____

Revision Date: _____
Title: Alaska Children's Trust
Corporation
Sponsor: Kerttula
Requestor: Senate Finance

Agency Affected: Department of Revenue
BRU: Treasury
Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

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

FUNDING: (Thousands of Dollars)

GENERAL FUND	-	-	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-

POSITIONS:

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

ANALYSIS: Attach a separate page for analysis.

Prepared By: Milt Barker *MB*
Division: Treasury

Phone: 465-2350
Date: April 2, 1987

Approved by Commissioner: *H. Malone*
Agency: Department of Revenue

Date: 4/2/87

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

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LEGISLATIVE FINANCE

5415

B

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

B

Bill Version: SB 19
Publish Date: _____

REQUEST _____

Revision Date: _____
Title: "An act establishing the Alaska children's trust corporation."
Sponsor: Kerttula, Josephson, Szymanski
Requestor: Judiciary and Finance

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	-	28.2	17.0	17.0	17.0	17.0
TRAVEL	-	-	-	-	-	-
CONTRACTUAL	-	11.0	11.0	11.0	11.0	11.0
SUPPLIES	-	0.2	0.2	0.2	0.2	0.2
EQUIPMENT	-	-	-	-	-	-
LANDS & STRUCTURES	-	-	-	-	-	-
GRANTS, CLAIMS	-	-	-	-	-	-
MISCELLANEOUS	-	-	-	-	-	-
TOTAL OPERATING	-	39.4	28.2	28.2	28.2	28.2
CAPITAL	-	-	-	-	-	-
REVENUE	-	-	-	-	-	-

FUNDING: (Thousands of Dollars)

GENERAL FUND	-	39.4	28.2	28.2	28.2	28.2
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	-	-	-	-	-	-
TOTAL	-	39.4	28.2	28.2	28.2	28.2

POSITIONS:

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

ANALYSIS: Attach a separate page if necessary

(See attached)

Prepared By: Erwin B. Jones
Division: Administrative Services

Phone: 465-2313
Date: 3/23/87

Approved by Commissioner: _____
Agency: Revenue

Date: _____

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

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NOTE

LEGISLATIVE FINANCE

5819

Department of Revenue
Administrative Services Division
Fiscal Note Analysis
SS SB 19
3/23/87

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 nine 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) P. 3, line 21-24 intends that the income of the fund may be used to "reimburse the Department of Revenue for the costs of establishing and managing the fund and making changes to the permanent fund dividend application. . ." The income from the fund will not be available until FY89 and an appropriation will be required in FY88.
- 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. 5, p. 3, line 12-15 provides for contribution choices including all or part of the dividend amount (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 fund (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 and in the verification of this field. 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

2. Other Expenditures:

a) Travel: None.

b) Contractual:

Add additional page to
permanent fund dividend booklet \$6.0

Data Processing Chargeback \$5.0

TOTAL Contractual \$11.0

c) Supplies: \$0.2

d) Equipment: Use existing equipment 0.0

TOTAL COST \$39.4

3. Funding: General Fund.

4. Section Cost Analysis: N/A.

Computations: N/A.

Economic Impact: N/A.

Impact on Local Government: N/A.

Suggested Amendments:

It is suggested that P. 3, line 12-16 be amended to read:

"Sec. 37.14.210 CONTRIBUTION TO THE ALASKA CHILDREN'S TRUST FUND. The Department of Revenue shall prepare the permanent fund dividend application to allow an applicant to contribute [ALL OR A PART OF A DIVIDEND] \$5.00 to the Alaska children's trust fund. The department shall pay contributions directly to the fund."

The dollar amount of the contribution is unimportant to the administration of the PFD program, as long as it is fixed in amount and is less than the expected dividend. Allowing applicants to write in a unique dollar amount, or a unique percentage will render the timely balancing of warrant runs almost impossible and will result in errors due to legibility and resultant data capture errors. Due to this likelihood of error and the significant impact of such an error, each application with such a contribution indication will be verified (keyed twice). Offering this type of open choice will have a definite negative effect on the processing of all 540,000 PFD checks.

Attachments: Attachment A: "Summary of DP Needs"

Department of Revenue
Administrative Services Division
Fiscal Note Analysis
SS SB 19
Summary of Data Processing Requirements
3/23/87

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

POSITION PAPER

SPONSOR SUBSTITUTE FOR SENATE BILL NO. 19

For an Act entitled: "An Act relating to the Alaska Children's Trust Corporation; the Alaska children's trust fund; contributions to the trust fund from permanent fund dividends; and providing for an effective date."

SS SB 19 would establish a children's trust fund for the prevention of child abuse and neglect.

The Department strongly endorses children's trust fund legislation. Presently, 30 or more states have enacted children's trust funds. Dr. Ray Helfer, nationally known pediatrician and expert in child abuse cases, initiated the concept of children's trust funds. By augmenting social services delivery for the prevention of child abuse, the individual child and society will benefit. Prevention is critical to ending the destructive cycle of child abuse and neglect from one generation to the next.

The Department also endorses the concept of a trust fund managed by a board of private citizens and public officials knowledgeable about the issues of child abuse and neglect. Therefore, while the Department supports this bill, we would recommend the drafting changes listed below. Some of the suggested changes could possibly be placed in regulations developed by the board.

Under "Board of Directors", Section 47.12.020 (page 4, line 27), the bill requires two board members to be experts in investment management. The Department recommends that either there be only one investment manager, or that the size of the board be increased. The Department believes that the board must have individuals on the board with substantial knowledge of child abuse and neglect. Therefore, more community members with expertise in matters concerning child abuse and neglect should be on the board. In Michigan, for example, representatives of the religious, business, labor and legal communities, as well as professionals in child abuse preventive services, are members of the board. The State should also be represented on the board, in order to increase communication between the corporation and direct service agencies within the government. Finally, the board should reflect a geographic and cultural balance.

Other recommendations follow:

1. Under "Duties" (page 7, line 25), the Department suggests that the board be given responsibility to advocate for children. A Kansas statute, for example, provides that the "board shall provide advocacy for children."
2. The bill might also authorize the board to actively work to increase public awareness of the issues and problems involved in child abuse and neglect. Delaware law, for example, allows the board to "provide statewide educational and public informational seminars for the purpose of developing appropriate public awareness."

3. In addition to the requirements listed under "Financial Assistance" (page 8, line 10), the Department recommends that the bill require the board to develop a comprehensive, long range, statewide plan that would include demonstrating how the funds interface with other programs in the state.
4. The Department also recommends that an applicant for a grant be required to assess the child abuse and neglect prevention services available in the community and demonstrate, in the application, a need for the applicant's services based on that assessment. The applicant should also show how the grantee would coordinate with existing community services. This requirement would provide for integrated services and avoid duplication of services in a community. Idaho, for instance, requires that "consideration shall be given to factors such as need, coordination with or enhancement of existing services, and evidence of community support or volunteers for the program."
5. We would also recommend that the legislation require the board to determine how funding will be distributed and if geographic areas will be a factor in determining which programs receive corporation funding. States like Michigan require "collaborative community prevention programs in a specific geographical area."

The concept of a children's trust fund has the potential of addressing the prevention of child abuse and neglect in a comprehensive and long range approach.

RECOMMENDED: *Yvonne M. Chase*
Yvonne M. Chase, Director
Division of Family
and Youth Services

DATE: *April 13, 1987*

APPROVED: *Myra M. Munson*
Myra M. Munson, Commissioner
Department of Health
and Social Services

DATE: *April 13, 1987*

1 IN THE SENATE

BY KERTTULA, JOSEPHSON
AND SZYMANSKI

2

SPONSOR SUBSTITUTE FOR SENATE BILL NO. 19

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act relating to the Alaska Children's Trust

7

Corporation; the Alaska children's trust fund; con-

8

tributions to the trust fund from permanent fund

9

dividends; and providing for an effective date."

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

11

* Section 1. PURPOSE. The purpose of this Act is to ensure a continu-

12

ing source of money to pay for, and provide advocacy for, the prevention of

13

child abuse and neglect in Alaska.

14

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

15

Sec. 37.14.160. DUTIES OF COMMISSIONER OF REVENUE. The commis-

16

sioner of revenue is the treasurer of the funds created in AS 37.14.-

17

010, [AND] 37.14.110, and 37.14.200, and shall

18

(1) act as official custodian of the cash and securities

19

belonging to those funds and provide adequate safe deposit facilities

20

for each of them;

21

(2) receive cash belonging to those funds;

22

(3) collect the principal on securities acquired for each

23

fund established under AS 37.14.010, [AND] 37.14.110, and 37.14.200,

24

and credit each fund accordingly;

25

(4) collect interest and dividends earned on investments of

26

the funds established under AS 37.14.010, [AND] 37.14.110, and 37.14.-

27

200, and credit the income reserve account of each fund accordingly;

28

(5) invest and reinvest the principal of the funds estab-

29

lished under AS 37.14.010 and 37.14.110 [EACH FUND] in accordance with

1 AS 37.14.170;

2 (6) invest and reinvest the principal and income of the
3 fund established in AS 37.14.200 in accordance with AS 37.14.170.

4 * Sec. 3. AS 37.14.160 is repealed and reenacted to read:

5 Sec. 37.14.160. DUTIES OF COMMISSIONER OF REVENUE. The commis-
6 sioner of revenue is the treasurer of the funds created in AS 37.14.-
7 010 and 37.14.110 and shall

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

11 (2) receive cash belonging to those funds;

12 (3) collect the principal on securities acquired for each
13 fund established under AS 37.14.010 and 37.14.110 and credit each fund
14 accordingly;

15 (4) collect interest and dividends earned on investments of
16 the funds established under AS 37.14.010 and 37.14.110 and credit the
17 income reserve account of each fund accordingly;

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

20 * Sec. 4. AS 37.14.170 is amended by adding a new subsection to read:

21 (c) The commissioner of revenue may invest the principal and
22 income of the fund established under AS 37.14.200 in investments
23 described in AS 37.10.070(a)(1) - (12). The commissioner of revenue
24 may exercise powers under (b) of this section with respect to the fund
25 established under AS 37.14.200.

26 * Sec. 5. AS 37.14 is amended by adding new sections to read:

27 ARTICLE 4. ALASKA CHILDREN'S TRUST FUND.

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

29 The Alaska children's trust fund is established as a separate

1 endowment trust fund of the state.

2 (b) The principal of the fund consists of

3 (1) permanent fund dividend contributions made under
4 AS 37.14.210;

5 (2) legislative appropriations to the fund; and

6 (3) gifts, bequests, and contributions of cash or other
7 assets from a person.

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

12 Sec. 37.14.210. CONTRIBUTION TO THE ALASKA CHILDREN'S TRUST
13 FUND. The Department of Revenue shall prepare the permanent fund
14 dividend application to allow an applicant to contribute all or a part
15 of a dividend to the Alaska children's trust fund. The department
16 shall pay contributions directly to the fund.

17 Sec. 37.14.220. FUND INVESTMENTS AND APPROPRIATIONS. (a)
18 Except as provided in (b) of this section, the principal and income of
19 the fund shall be retained perpetually in the fund for investment as
20 specified in AS 37.14.170.

21 (b) The net income of the fund may be appropriated only to
22 reimburse the Department of Revenue for the costs of establishing and
23 managing the fund and making changes to the permanent fund dividend
24 application under AS 37.14.210.

25 Sec. 37.14.230. DEFINITION. In AS 37.14.200 - 37.14.230, "fund"
26 means the Alaska children's trust fund established under AS 37.14.200.

27 * Sec. 6. AS 47 is amended by adding a new chapter to read:

28 CHAPTER 12. ALASKA CHILDREN'S TRUST
29 CORPORATION AND FUND.

1 Sec. 47.12.010. ALASKA CHILDREN'S TRUST CORPORATION. (a) There
2 is created in the Office of the Governor the Alaska Children's Trust
3 Corporation.

4 (b) The Alaska Children's Trust Corporation is a nonprofit
5 public corporation of the state and an instrumentality of the state,
6 but has a legal existence independent of and separate from the state.
7 The exercise by the corporation of powers under this chapter is an
8 essential function of the state.

9 AS 47.12.020. BOARD OF DIRECTORS. (a) The corporation shall be
10 managed by a board of directors consisting of

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

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

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

16 (4) the chief guardian ad litem of the office of public
17 advocacy;

18 (5) a member of the Senate elected by the members of the
19 Senate;

20 (6) a member of the House of Representatives elected by the
21 members of the House of Representatives; and

22 (7) five members appointed by the governor as follows:

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

27 (B) two persons who have special knowledge or training
28 in the management of investments;

29 (C) a person who has special knowledge or training in

1 the evaluation of grant proposals and in grant management; and

2 (D) a person from the general public.

3 (b) A member may be reappointed. The governor shall appoint
4 members for staggered four-year terms. If a vacancy occurs, the
5 governor shall appoint a member immediately to fill the vacancy for
6 the unexpired term. A board member's term ends upon any of the fol-
7 lowing occurrences:

8 (1) appointment of a successor;

9 (2) the board member's resignation or death;

10 (3) a declaration under AS 13 of the board member's dis-
11 ability; or

12 (4) the board member's removal by the governor.

13 Sec. 47.12.030. MEETINGS OF BOARD. (a) The board shall elect a
14 chairman from among its membership at each annual meeting of the
15 board. A majority of the members constitutes a quorum for organizing
16 the board, conducting its business, and exercising the powers of the
17 corporation. The board shall meet at the call of its chairman. The
18 board shall meet not less than once each three months.

19 (b) The board may meet and transact business by electronic media
20 if

21 (1) public notice of the time and locations where the
22 meeting will be held by electronic media has been given in the same
23 manner as if the meeting were held in a single location;

24 (2) participants and members of the public in attendance
25 can hear and have the same right to participate in the meeting as if
26 the meeting were conducted in person; and

27 (3) copies of pertinent reference materials, statutes,
28 regulations, and audio-visual materials are reasonably available to
29 participants and to the public.

1 (c) A meeting by electronic media as provided in this section
2 has the same legal effect as a meeting in person.

3 Sec. 47.12.040. COMPENSATION OF BOARD MEMBERS. Members of the
4 board serve without compensation, but the corporation may pay per diem
5 and travel expenses authorized by law for state boards under AS 39.-
6 20.180.

7 Sec. 47.12.050. STAFF. The board may employ not more than three
8 persons to administer the corporation under this chapter and to per-
9 form other duties that the board may prescribe.

10 Sec. 47.12.060. CONFLICTS OF INTEREST. A member or employee of
11 the board may not acquire an interest, direct or indirect, in a corpo-
12 ration, company, association, or project owned, controlled, invested
13 in, or assisted by the corporation. If a member or employee owns or
14 controls this type of interest, the member or employee shall immedi-
15 ately disclose the interest in writing to the board and refrain from
16 participating in an activity relating to that interest.

17 Sec. 47.12.070. POWERS. In carrying out the corporate powers of
18 the corporation, the board may

19 (1) adopt, alter, and use a corporate seal;

20 (2) prescribe, adopt, amend, and repeal by-laws;

21 (3) sue and be sued in the name of the corporation;

22 (4) enter into agreements necessary to the exercise of
23 board powers and functions;

24 (5) accept grants from and contract with the federal gov-
25 ernment, the state, or political subdivisions of the state, and to
26 that end, comply with the provisions of federal, state, or local
27 programs where necessary;

28 (6) accept grants, endowments, and contributions from
29 sources other than those specified in (5) of this section, to be held

1 and used for the purposes of the corporation;

2 (7) appear for the corporation before boards, commissions,
3 departments, or other agencies of municipal, state, or federal govern-
4 ment;

5 (8) acquire, hold, use, lease, sell, or otherwise dispose
6 of property or an interest in property;

7 (9) hold patents, copyrights, trademarks, royalties, or
8 other evidence of protection or exclusivity issued under law;

9 (10) prepare, publish, and distribute technical studies,
10 reports, bulletins, and other appropriate materials;

11 (11) use the income of the Alaska children's trust fund as
12 provided in AS 47.12.080;

13 (12) adopt regulations governing the exercise of corporate
14 powers and duties;

15 (13) do all acts and things necessary or desirable to carry
16 out the purposes of the corporation.

17 Sec. 47.12.080. ALASKA CHILDREN'S TRUST FUND. The Alaska chil-
18 dren's trust fund is established in the corporation, consisting of
19 money or assets appropriated, transferred, or contributed to the
20 corporation, and payments of principal and interest on investments
21 made by the corporation. During each fiscal year the board may expend
22 up to one-fourth of the unrestricted money in the fund. The remainder
23 of the fund and capital gains shall be retained in the fund for in-
24 vestments described in AS 37.10.070(a)(1) - (12).

25 Sec. 47.12.090. DUTIES. In carrying out the purposes of this
26 chapter the board shall

27 (1) provide financial assistance for programs and projects
28 that the board finds will aid communities in the prevention of child
29 abuse and neglect;

1 (2) monitor approved programs and projects for compliance
2 with this chapter and provide operational and performance evaluations
3 of programs and projects receiving financial assistance;

4 (3) expend not more than one-eighth of the income of the
5 Alaska children's trust fund for administrative expenses of the corpo-
6 ration;

7 (4) keep minutes of each meeting of the board and send a
8 certified copy of the minutes to the governor and the Legislative
9 Budget and Audit Committee.

10 Sec. 47.12.100. FINANCIAL ASSISTANCE. (a) In providing finan-
11 cial assistance under this chapter the board shall consider the pro-
12 posals of a qualified applicant only after the applicant has submitted
13 a detailed proposal in the form prescribed by the board. The board
14 may not approve financial assistance unless the board makes written
15 findings that

16 (1) the proposed project, if successful, will help a local
17 community prevent child abuse or neglect;

18 (2) the application for financial assistance contains an
19 adequate plan for project implementation, including both financial
20 feasibility and project effectiveness;

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

24 (4) the applicant has identified costs associated with and
25 ancillary to the project, additional governmental costs, future obli-
26 gations generated by the program or project, and necessary operating,
27 maintenance, or other support costs for the life of the program or
28 project.

29 (b) Before providing financial assistance for a program or

1 project the board shall establish a means of measuring the effective-
2 ness of the program or project.

3 (c) The board shall grant financial assistance that

4 (1) is appropriate to the conditions of the applicant and
5 the proposed program or project; and

6 (2) will make the most effective use of the funds avail-
7 able.

8 (d) In providing financial assistance under this chapter the
9 board shall give a preference to nonprofit corporations.

10 (e) The amount of assistance paid by the board during a 12-
11 month period to a single project or program may not exceed the lesser
12 of 25 percent of the unrestricted resources of the corporation or
13 \$1,000,000.

14 Sec. 47.12.110. ELIGIBILITY FOR FINANCIAL ASSISTANCE. The board
15 may provide financial assistance to an applicant if

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

18 (2) programs and projects of the applicant that have previ-
19 ously received financial assistance from the corporation have complied
20 with all requirements of that assistance and have shown sufficient
21 success or promise to warrant further financial assistance.

22 Sec. 47.12.120. REPORTS AND PUBLICATIONS. (a) The corporation
23 shall publish an annual report by January 10 of each year for distri-
24 bution to the governor, the legislature, and the public. The report
25 shall be written in easily understandable language, shall consider the
26 assigned duties of the corporation, and shall include

27 (1) a financial statement audited by an independent outside
28 auditor;

29 (2) a statement of the corporation's investments under this

1 chapter, including an appraisal of the investments at market value;

2 (3) a description of corporation investment activity during
3 the period covered by the report;

4 (4) a summary of the services for prevention and treatment
5 of child abuse and neglect that were provided by the programs or
6 projects assisted by the corporation; and

7 (5) other information the members of the board believe
8 would be of interest to the governor, the legislature, and the public.

9 (b) The annual income statement and balance sheet of the corpo-
10 ration shall be published in at least one newspaper in the state.

11 (c) The corporation may publish other relevant reports.

12 Sec. 47.12.130. OPERATING BUDGET. The operating budget of the
13 corporation is not subject to the Executive Budget Act (AS 37.07).
14 The fiscal year of the corporation ends on June 30.

15 Sec. 47.12.140. ANNUAL AUDIT. The corporation shall have its
16 financial records audited annually by an independent outside auditor.
17 The legislative auditor may prescribe the form and content of the
18 financial records of the corporation and shall be given access to
19 these records at any reasonable time requested.

20 Sec. 47.12.150. COOPERATION WITH STATE AGENCIES. Departments
21 and agencies of the state shall provide services, facilities, and
22 information that is not required by law to be kept confidential, at
23 the request of the corporation. The corporation shall reimburse a
24 department or agency for unusual expenses reasonably incurred on the
25 corporation's behalf.

26 Sec. 47.12.160. PUBLIC ACCESS TO INFORMATION. Information in
27 the possession of the corporation is a public record, except that
28 information that discloses the identity of an individual served by a
29 program or project funded by the corporation is confidential and is

1 not subject to inspection and copying under AS 09.25.110 - 09.25.121.
2 Confidential information in the possession of the corporation may be
3 disclosed only by court order or if its production is required in a
4 court proceeding. The corporation may publish statistics presented in
5 a manner that prevents the identification of an individual.

6 Sec. 47.12.170. CONTRIBUTION TO THE ALASKA CHILDREN'S TRUST
7 FUND. The Department of Revenue shall prepare the permanent fund
8 dividend application to allow an applicant to contribute all or a part
9 of a dividend to the Alaska children's trust fund. The department
10 shall pay contributions directly to the fund.

11 Sec. 47.12.900. DEFINITIONS. In this chapter, unless the con-
12 text indicates otherwise,

13 (1) "applicant" means a person making application to the
14 corporation for financial assistance;

15 (2) "board" means the board of directors of the Alaska
16 Children's Trust Corporation;

17 (3) "child abuse and neglect" has the meaning given in
18 AS 47.17.070;

19 (4) "corporation" means the Alaska Children's Trust Corpo-
20 ration;

21 (5) "prevention of child abuse and neglect" includes pri-
22 mary and secondary prevention programs;

23 (6) "primary prevention program" means an educational or
24 training program intended to raise the awareness of and change atti-
25 tudes concerning child abuse and neglect and its prevention;

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

29 * Sec. 7. AS 39.25.110 is amended by adding a new paragraph to read:

1 (24) employees of the Alaska Children's Trust Corporation.

2 * Sec. 8. Notwithstanding AS 39.05.055, the terms of the members ini-
3 tially appointed by the governor to the board of directors of the Alaska
4 Children's Trust Corporation under AS 47.12.020, enacted by sec. 6 of this
5 Act, may be for any term of four years or less in order to stagger the
6 terms.

7 * Sec. 9. On the day that the amount of the principal and income of the
8 fund established under AS 37.14.200, as enacted by sec. 5 of this Act,
9 equals \$500,000, the commissioner of revenue shall

10 (1) report this fact to the governor, lieutenant governor, the
11 presiding officer of each house, and the revisor of statutes;

12 (2) prepare an accounting of the principal and income of the
13 fund; and

14 (3) transfer the principal and income of the fund to the fund
15 established under AS 47.12.080, as enacted by sec. 6 of this Act.

16 * Sec. 10. AS 37.14.170(c), 37.14.200, 37.14.210, 37.14.220, and 37.-
17 14.230 are repealed.

18 * Sec. 11. Sections 1, 2, 4, 5, and 9 of this Act take effect July 1,
19 1987.

20 * Sec. 12. Sections 3, 6 - 8, and 10 of this Act take effect on the day
21 specified in sec. 9 of this Act.

SENATE COMMITTEE REPORT

FIRST COMMITTEE OF REFERRAL

Date of 4/8/87 5-DAY NOTICE
IN ACCORDANCE WITH UNIFORM RULE 23

FURTHER:

JUDICIARY
FINANCE

**FISCAL NOTE(S) ATTACHED 4 **
IN ACCORDANCE WITH AS 24.08.035
(see below)

3/9/87

DATE TURNED INTO OFFICE 4/14/87

Mr. President:

HESS

Committee considered SSSB 19

Alaska Children's Trust Corporation; the Alaska children's trust fund; contributions to the trust fund from permanent fund dividends; efd.

and recommended:

replace with CS _____ same title

attached amendment(s) and new title

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

letter of intent adopted and attached

✓ ** Committee attached or adopted fiscal note(s)
 zero fiscal impact /

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

Joe Joseph
J. Kutz

Paul Frank Do Pass
Chairman signature and recommendation

Committee Backup Attached