

**SB**

**150**

SFIN

FILE

**SENATE FINANCE COMMITTEE REPORT**

DATE: 4/18/05

REPORTED OUT  
APR 25 2005  
SENATE FINANCE COMMITTEE

FURTHER:

Rules

DATE TURNED

IN TC OFFICE:

4/25/05

Finance Committee considered

SENATE BILL NO. 150

**SB 150 ALASKA CHILDREN'S TRUST FUND GRANTS**

"An Act repealing the limits on grants awarded from the Alaska children's trust fund."

and recommends:

- be replaced with \_\_\_\_\_ CS \_\_\_\_\_ (\_\_\_\_\_)
- adopt previous \_\_\_\_\_ CS SB 150 (HES)
- attached amendment(s)
- adopt Letter of Intent by \_\_\_\_\_ Committee
- further referral to \_\_\_\_\_ Committee

**CS Senate Bill:**

- Same Title
- New Title

**SCS House Bill:**

- Same Title
- Technical Title Change
- New Title w/ SCR # \_\_\_\_\_

**NEW FISCAL NOTE(S):**

Department	Date	Fiscal	Ind.	Zero	FN#

**PREVIOUS FISCAL NOTE(S):**

Department	Date	Fiscal	Ind.	Zero	FN#
DHS	4/05/05			✓	1

APPROPRIATION - no fiscal note

**SIGNATURES AND RECOMMENDATIONS:**

Hoffman  
Olson  
Dyson  
Stedman  
  
Willson  
Green

SIGNATURES AND RECOMMENDATIONS:	DO PASS	DO NOT PASS	NO REC	AMEND
<i>[Signature]</i>			✓	
<i>[Signature]</i>	✓			
<i>[Signature]</i>	✓			
COCHAIR: <i>[Signature]</i>	✓			
COCHAIR: <i>[Signature]</i>	✓			

APR 25 2005

SENATE FINANCE COMMITTEE

# FISCAL NOTE

STATE OF ALASKA  
2005 LEGISLATIVE SESSION

Fiscal Note Number: 1  
Bill Version: SB 150  
( S ) Publish Date: 4/18/05

Revision Date/Time (Note if correction): 04/06/2005  
Corrected

Dept. Affected: Health & Social Services

Title: REPEALING LIMITS ON GRANTS AWARDED BY THE ALASKA CHILDREN'S TRUST FUND RDU Children's Services

Component: Children's Trust Programs

Sponsor: SENATE (HES)

Requester: SENATE (HES)

Component No. 2251

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES (0)</b>						
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**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1037 GF/Mental Health						
Other(Specify Type-do not abbreviate)						
Other(Specify Type-do not abbreviate)						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2005) cost: \_\_\_\_\_

Mark this box (X) if funding for this bill is included in the Governor's FY 2006 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

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

The intent of Senate Bill 150 is to allow the Alaska Children's Trust (ACT) more flexibility in grant awards to benefit abused and neglected children. It's goal is to eliminate the cap or limit of dollars that can be awarded to any one grantee through the grant process. The bill also eliminates the current funding formula which is designed to allocate percentages of the cost of the program to be dispersed out over time.

Prepared by: Sherry Hill, Special Assistant to the Commissioner

Phone 465-1618

Division: Office of the Commissioner

Date/Time 04/06/2005

Approved by: Joel S. Gilbertson, Commissioner

Date 04/05/2005

Agency: Department of Health and Social Services



## Health, Education, and Social Services Committee Alaska State Senate

### SPONSOR STATEMENT

SB 150—*"An Act relating to the Alaska children's trust grant awards."*

The Alaska Children's Trust was created by the Legislature in 1988 to help fund programs around the state aimed at preventing child abuse and neglect. Under current law, the trust may spend the net income earned by the trust to fund community based prevention programs. However, current statute limits the size of grants to \$50,000 and provides a specific formula for funding grants. The Board of Trustees has requested additional flexibility in awarding grants. SB 150 removes the \$50,000 cap and refines the funding formula. The changes proposed by the bill will allow trustees flexibility in setting grant awards, authority to reduce grants and enforce requirements for program performance, and authority to require applicants to include self-sustainability plans in their proposals. There will be a four-year limit on grant awards. A chart describing the funding formula is provided below.

<u>Grant year</u>	<u>Previous funding amount</u>	<u>New funding amount</u>
1	up to 75% of costs	up to 75% of 1 <sup>st</sup> year costs
2	up to 75% of costs	up to 50% of 1 <sup>st</sup> year costs
3	up to 50% of costs	up to 25% of 1 <sup>st</sup> year costs
4	up to 50% of costs	up to 25% of 1 <sup>st</sup> year costs
5+	up to 25% of costs	N/A

## Article 03. ALASKA CHILDREN'S TRUST

Sec. 37.14.200. Alaska children's trust established.

(a) The Alaska children's trust is established as a separate endowment trust of the state.

(b) The principal of the trust consists of

(1) legislative appropriations to the trust; and

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

(c) The net income of the trust shall be determined by the commissioner of revenue in accordance with investment accounting principles and in a manner that preserves the distinction between principal and income.

Sec. 37.14.210. Powers and duties of the commissioner of revenue. The commissioner of revenue is the treasurer of the trust and has the power and duty to

(1) act as official custodian of the cash and investments belonging to the trust by securing adequate and safe custodial facilities;

(2) receive all items of cash and investments belonging to the trust;

(3) collect the principal and income from investments owned or acquired by the trust and deposit the amounts in separate principal and income accounts for the trust;

(4) invest and reinvest the assets of the trust as provided in this section and as provided for the investment of funds under AS 14.25.180(c) and AS 37.14.170;

(5) exercise the powers of an owner with respect to the assets of the trust;

(6) maintain accounting records of the trust in accordance with investment accounting principles and with distinction between the principal and income accounts of the trust;

(7) engage an independent firm of certified public accountants to annually audit the financial condition of the trust's investments and investment transactions;

(8) enter into and enforce contracts or agreements considered necessary for the investment purposes of the trust;

(9) report to the board the condition and investment performance of the trust;

(10) do all acts, whether or not expressly authorized, that the commissioner of revenue considers necessary or proper in administering the assets of the trust.

Sec. 37.14.220. Administration of the trust. The trust shall be administered by the Alaska Children's Trust Board.

Sec. 37.14.225. Trust board established. The Alaska Children's Trust Board is established in the Office of the Governor. The board is composed of

- (1) the governor or a designee of the governor;
  - (2) the commissioner of health and social services or the commissioner's designee;
  - (3) the commissioner of education and early development or the commissioner's designee;
- and
- (4) four public members appointed by the governor; in appointing the public members, the governor shall give a preference to persons who have experience and expertise in
    - (A) children's or prevention programs; or
    - (B) private sector finance.

Sec. 37.14.230. Powers and duties of the board. When acting as administrator of the trust, the board shall

- (1) hold regular and special meetings it considers necessary; the board may hold meetings by teleconference;
- (2) award grants from the net income of the trust to community-based programs and projects that the board finds will aid in the prevention of child abuse and neglect;
- (3) monitor approved programs and projects for compliance with AS 37.14.200 - 37.14.270;
- (4) before providing assistance to a program or project, approve written findings on the program or project that include a consideration of the means of measuring the effectiveness of the program or project;
- (5) apply for, and use net income from the trust to obtain, private and federal grants for the prevention of child abuse and neglect;

- (6) solicit contributions, gifts, and bequests to the trust;
  - (7) keep audio tape recordings of each meeting of the board to be made available on request;
- and
- (8) submit to the governor and make available to the legislature by February 1 each year a report describing
    - (A) the child abuse and neglect prevention services that were provided by the programs and projects to which the board awarded grants; and
    - (B) the annual level of contributions, income, and expenses of the trust.

Sec. 37.14.240. Fund utilization.

- (a) Except as provided in (d) of this section, the principal of the trust and any capital gains or losses realized on the principal shall be retained perpetually in the trust for investment as specified in AS 37.14.210, and may not be used for the awarding of grants.
- (b) The net income of the trust may be appropriated only for the following purposes:
  - (1) the awarding of grants;
  - (2) obtaining private and federal grants for the trust;
  - (3) soliciting contributions, gifts, and bequests for the trust; and
  - (4) reimbursement to the Department of Revenue for the costs of establishing the trust.
- (c) Realized net income that has not been appropriated, or that has been appropriated but not expended, shall be invested until appropriated and expended.
- (d) Up to \$150,000 per year may be appropriated from the principal of the trust for the administrative expenses of the board relating to AS 37.14.200 - 37.14.270.

Sec. ~~37.14.250~~. Grants.

- (a) In awarding grants from the net income of the trust, the board shall consider the proposals of a qualified applicant only after the applicant has submitted a detailed proposal in the form prescribed by the board. The board may not award a grant unless the board makes written findings that
  - (1) the proposed project, if successful, will help prevent child abuse or neglect;

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

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

(4) the applicant has identified costs associated with and ancillary to the project, additional governmental costs, future obligations generated by the program or project, and necessary operating, maintenance, or other support costs for the life of the program or project.

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

(c) The board shall award grants in amounts that

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

(2) will make the most effective use of the money available.

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

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

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

Sec. 37.14.260. Eligibility for grants. The board may award a grant to an applicant if

(1) the applicant has submitted a proposal that is acceptable to the board; and

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

Sec. 37.14.270. Definitions. In AS 37.14.200 - 37.14.270

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

(2) "child abuse and neglect" has the meaning given "child abuse or neglect" in AS 47.17.290;

(3) "prevention of child abuse and neglect" includes primary and secondary prevention programs; in this paragraph

(A) "primary prevention program" means an educational or training program intended to raise the awareness of and change attitudes concerning child abuse and neglect and its prevention;

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

(4) "trust" means the Alaska children's trust established in AS 37.14.200.

## SENATE COMMITTEE REPORT First Committee of Referral

DATE: 3/21/05

FURTHER: Finance

Date of 5-Day Notice: 3/31/05  
(in accordance with Uniform Rule 23)

DATE TURNED  
IN TO OFFICE: 4.18.05

Health, Education and Social Services Committee considered

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### SB 150 ALASKA CHILDREN'S TRUST FUND GRANTS

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- Same Title  
 Technical Title Change  
 New Title w/ SCR # \_\_\_\_\_

**NEW FISCAL NOTE(S):**

Department	Date	Fiscal	Indet.	Zero	FN#
HSS				X	1

**PREVIOUS FISCAL NOTE(S):**

Department	Date	Fiscal	Indet.	Zero	FN#

APPROPRIATION - no fiscal note

**SIGNATURES AND RECOMMENDATIONS:**

Willson  
Elton  
Olson

SIGNATURES AND RECOMMENDATIONS:	Do PASS	Do NOT PASS	NO REC	AMEND
	✓			
			✓	
			✓	
Sen Green	✓			
CHAIR: Sen. Dyson, Chr.	✓			