

HB

190

<target><bill>HB 190</bill><subject>HB
190</subject><comm>SF26</comm></target>

SENATE FINANCE COMMITTEE REPORT

DATE: 4/11/10

FURTHER:

DATE TURNED
IN TO OFFICE: 4/16/10

Finance Committee considered CS FOR HOUSE BILL NO. 190(FIN)

HB 190 CHILDREN'S TRUST

"An Act amending the Alaska children's trust and relating to the trust; establishing a children's trust grant account; relating to birth certificates and certificates of marriage; relating to special request Alaska children's trust license plates; and amending the State Procurement Code to exempt the Alaska children's trust and the Alaska Children's Trust Board."

and recommends:

- be replaced with SCS or CS _____ ()
- adopt previous SCS or CS _____ ()
- attached amendment(s)
- adopt _____ Letter of Intent
- further referral to _____ Committee

SENATE BILL:	
<input type="checkbox"/>	Same Title
<input type="checkbox"/>	New Title
<hr/>	
HOUSE BILL:	
<input type="checkbox"/>	Same Title
<input type="checkbox"/>	Technical Title Change
<input type="checkbox"/>	New Title w/ SCR # _____

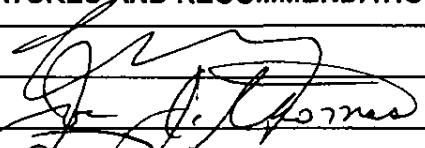
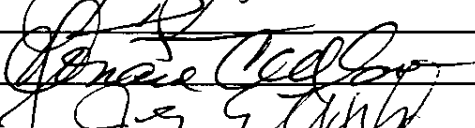
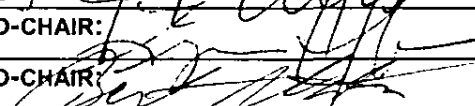
NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	Do PASS	Do NOT PASS	NO REC	AMEND
	THOMAS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	ELLISON	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
CO-CHAIR:		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
CO-CHAIR:		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 4
 Bill Version: CSHB 190(FIN)
 (H) Publish Date: 4/6/10

Identifier (file name): CSHB190-REV-TRS-04-04-10 Dept. Affected: Revenue
 Title: Alaska Children's Trust RDU: Taxation and Treasury
 Component: Treasury Division
 Sponsor: Representative Fairclough
 Requester: House Finance Committee Component Number: 121

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information						
		FY 2011	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
OPERATING EXPENDITURES								
Personal Services								
Travel								
Contractual								
Supplies								
Equipment								
Land & Structures								
Grants & Claims								
Miscellaneous								
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts								
1003 GF Match								
1004 GF								
1005 GF/Program Receipts								
1037 GF/Mental Health								
Other Interagency Receipts								
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2010) cost: _____

POSITIONS

Full-time	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Part-time	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Temporary	0.0	0.0	0.0	0.0	0.0	0.0	0.0

ANALYSIS: (Attach a separate page if necessary)

The Committee Substitute Bill is an amendment to the Alaska Children's Trust statute which allow the legislature to appropriate funds generated from birth and heirloom marriage certificates and trust license plates to the Alaska Children's Trust Grant Account and defines the assets of the trust to include appropriations, donations and income earned on investments of trust assets. Treasury would continue to invest the assets of the Trust and would calculate 5% of market value of the Trust on a three year average for appropriation to the grant fund. No appropriation is required as implementation will be carried out through existing personal services and custodial resources. The effect this bill will have on investment performance is unknown.

Prepared by: Pamela Leary, Comptroller
 Division: Treasury Division
 Approved by: Ginger Blaisdell, Director
Administrative Services Division

Phone 465-2300
 Date/Time 04-02-10; 3:55pm
 Date 04-04-10; 4:04pm

FISCAL NOTE

STATE OF ALASKA
2009 LEGISLATIVE SESSION

Fiscal Note Number: 3
Bill Version: CSHB 190(FIN)
(H) Publish Date: 4/6/10

Identifier (file name): HB 190CS(FIN)-DHSS-CSM-04-03-10 Dept. Affected: Health & Social Services
Title: Alaska Children's Trust RDU: Children's Services
Component: Children's Services Management
Sponsor: Representative Fairclough
Requester: House Finance Committee Component Number: 2666

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information						
		FY 2010	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
OPERATING EXPENDITURES								
Personal Services								
Travel								
Contractual								
Supplies								
Equipment								
Land & Structures								
Grants & Claims								
Miscellaneous								
TOTAL OPERATING		0.0	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES

CHANGE IN REVENUES ()

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts								
1003 GF Match								
1004 GF								
1005 GF/Program Receipts								
1037 GF/Mental Health								
Other-AHFC Receipts								
TOTAL		0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2009) cost: _____

POSITIONS

Full-time								
Part-time								
Temporary								

ANALYSIS: (Attach a separate page if necessary)

Prepared by: Co-Chair Rep. Stoltze
House Finance Committee
Co-Chair Rep. Hawker
House Finance Committee

Phone 465-4958
Date/Time 4/5/2010 12:00PM
Date 4/5/2010

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 2
 Bill Version: CSHB 190(FIN)
 (H) Publish Date: 4/6/10

Identifier (file name): HB190CS(HSS)-CED-CRA-04-5-10 Dept. Affected: DCCED
 Title: Alaska Children's Trust RDU: Comm. Assist. and Econ. Dev.
 Sponsor: Representative Fairclough Component: Community and Regional Affairs
 Requester: House Finance Committee Component Number: 2879

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information						
		FY 2011	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
OPERATING EXPENDITURES								
Personal Services								
Travel								
Contractual								
Supplies								
Equipment								
Land & Structures								
Grants & Claims								
Miscellaneous								
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES								
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CHANGE IN REVENUES ()								
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts								
1003 GF Match								
1004 GF								
1005 GF/Program Receipts								
1037 GF/Mental Health								
Other Interagency Receipts								
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2009) cost: _____

POSITIONS

Full-time								
Part-time								
Temporary								

ANALYSIS: (Attach a separate page if necessary)

HB 190 makes several changes to the Alaska Children's Trust (ACT) board and trust account management. The Trust is to be managed by the Commissioner of Revenue with five percent of the market value of the unencumbered balance of the trust to be appropriated for awarding a named recipient grant by the Department of Commerce, Community and Economic Development to be used by the non-profit selected by the board to award subgrants to organizations and projects designed to prevent child abuse and neglect in Alaska.

The Department does not expect to need additional funds to manage this grant.

Prepared by: Tyson Fick, Legislative Liaison Phone 465-2503
 Division: Department of Commerce, Community and Economic Development Date/Time 4/5/10 12:00 AM
 Approved by: Emil Notti, Commissioner Date 4/5/2010
Department of Commerce, Community and Economic Development



Alaska State Legislature

Representative Anna Fairclough – House District 17

CS for House Bill 190 (FIN) (26-LS0502\K)

"An Act amending the Alaska children's trust and relating to the trust; relating to special request Alaska children's trust plates; and amending State Procurement Code to exempt the Alaska children's trust and the Alaska Children's Trust Board."

House Bill 190 establishes an Alaska Children's Trust (ACT) grant account in the general fund and provides for private restricted-use donations, and an annual legislative appropriation of five percent average market value (preceding three years) of the trust account into the grant account. In addition it exempts the ACT and the ACT board from the state procurement code and would require the board to establish regulations as required by state statute.

It would preserve the present revenue sources of children's trust license plates, birth and marriage certificates annually appropriated by the legislature into the grant account for child abuse and neglect prevention activities and programs.

The ACT board of directors is given the authority to enter into a joint arrangement with a non-profit entity or entities for grant-making and fundraising without delegating its duties or authority. ACT will continue to be managed by seven board of directors; including the Governor or designee, Commissioners of the Departments of Health and Social Services and Education and Early Development, four public members appointed by the Governor with expertise in children's or prevention programs including child abuse and neglect prevention programs.

In summary, HB 190 provides ACT and the ACT board with greater flexibility to create a more stable, streamlined and simplified administrative structure that would greatly enhance the Trust's ability to pursue its mission efficiently and effectively.

I urge your support on this piece of legislation.

Session: Alaska State Capitol • Juneau, AK 99801 • 907-465-3777 • Fax 907-465-2819

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Representative Anna_Fairclough@legis.state.ak.us



Alaska State Legislature

Representative Anna Fairclough – House District 17

CS for House Bill 190 (FIN) (26-LS0502\K)

"An Act amending the Alaska children's trust and relating to the trust; relating to special request Alaska children's trust plates; and amending State Procurement Code to exempt the Alaska children's trust and the Alaska Children's Trust Board."

Sectional Analysis

Section 1, 2, 3. Amends AS 18.50.225(d); 18.50.272(e); 28.10.421(d)(14)

Allows the legislature to appropriate funds generated from birth certificates and heirloom marriage certificates suitable for display; and Alaska children's trust license plates to the Alaska children's trust grant account.

Section 4. Amends AS 36.30.990(1)

Exempts the Alaska children's trust and the Alaska Children's Trust Board from the State Procurement Code.

Section 5. Amends AS 37.14.200(b)

Defines the assets of the trust to include appropriations, donations to the trust, and income earned on investments of trust assets.

Section 6. Repeals and reenacts AS 37.14.200(c)

Provides for the commissioner of revenue to manage the trust as an endowment.

Section 7. Amends AS 37.14.200 by adding new subsections AS 37.14.200(d)(e)(f)(g)

The commissioner of revenue shall provide reports to the board on condition and investment of the trust.

Allows the legislature to annually appropriate 5% of the market value, as calculated on a three year average, of the Alaska Children's Trust to the grant account.

Allows the legislature to appropriate from the principal of the trust up to \$150,000 for administrative expenses of the board; and appropriate expenses related to the commissioner of revenue's management of trust assets.

Explains that this section does not create a dedicated fund.

Section 8. Amends AS 37.14 by adding new section AS 37.14.205

Creates an Alaska children's trust grant account as an account in the general fund and allows the legislature to appropriate funds from the trust to the grant account.

Defines uses of the grant account to include making grants; obtaining private and federal; solicit contributions, gifts and bequests for the trust and grant accounts; and expend private restricted-use donations from the grant account without further appropriation.

Section 9. Amends AS 37.14.225

Defines the membership of the ACT board, and their qualifications.

Section 10. Amends AS 37.14.230

Describes the powers and duties of the ACT board, to include awarding grants, maintaining records of all donations to the trust and grant account; apply for and use funds from grant account to obtain private and federal grants for child abuse & neglect prevention programs; solicit donations to the grant account; account for interest earned on private restricted donations not fully expended.

Section 11. Amends AS 37.14.230 by adding new subsection AS 37.14.230(b)

Allows the Alaska Children's Trust Board to enter into joint arrangement with a private non-profit entity or entities for grant-making and fundraising without delegating its duties or authority.

Section 12. Amends AS 37.14 by adding new section AS 37.14.245

Allows the Alaska Children's Trust Board to adopt regulations not subject to the requirements of the Administrative Procedures Act.

Section 13. Amends AS 37.14.270 is repealed and reenacted

Defines board, grant account, private restricted-use donation, and trust.

Section 14. Amends AS 37.14.210, 37.14.240, 37.14.250, and 37.14.260 are repealed



Alaska State Legislature

Representative Anna Fairclough – House District 17

CS for House Bill 190 (FIN) 26-LS0502\K

"An Act amending the Alaska children's trust and relating to the trust; relating to special request Alaska children's trust plates; and amending State Procurement Code to exempt the Alaska children's trust and the Alaska Children's Trust Board."

Explanation of Changes

Version 26-LS5020\T – had constitutional issues based on the University Land Grant Supreme Court Decision prompting a total re-write of the bill. This version reaches a compromise between the Alaska Department of Law, legislative legal, the Alaska Children's Trust and Friends of the Alaska Children's Trust to provide continued support for child abuse and neglect prevention programs throughout the State of Alaska – version 26-LS5020\K adopted and passed out of House Finance Committee on April 5th, 2010.

Session: Alaska State Capitol • Juneau, AK 99801 • 907-465-3777 • Fax 907-465-2819
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Representative Anna Fairclough@legis.state.ak.us



April 5, 2010

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The Honorable Anna Fairclough
Alaska State Legislature
State Capitol, Room 421
Juneau, AK 99801-1182

Dear Representative Fairclough:

As a trustee of the Alaska Children's Trust (ACT) and a longtime supporter and former member of the Friends of the Alaska Children's Trust (FACT), I want to thank you for your leadership in sponsoring House Bill 190, an act amending the Alaska Children's Trust. Your attention and diligence to this matter could result in significantly impacting the incidence of child abuse and neglect in Alaska.

The Finance Committee Substitute for HB190 addresses head-on many of the issues that have made the FACT fundraising and ACT grantmaking processes cumbersome. In particular, the creation of a grant account within the general fund allows FACT volunteers to raise funds from individual Alaskans to support issue-specific grants. If enacted, Alaskans will for the first time have assurances that their gifts to ACT can be directed to a specific purpose.

The ACT and FACT have struggled to find a way to meet the original intent of donors and ensure that their gifts are treated with the highest level of stewardship. While the trustees and friends continue to believe that privatization of the Trust through a public-private sector partnership is still the best approach, this CS to HB190 goes a long way toward resolving issues that have confounded advocates for prevention of child abuse and neglect for many years.

I hope this legislation is favorably considered by your colleagues in the Alaska State Legislature.

Best regards,

Diane Kaplan
President

BOARD of
DIRECTORS

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Chairman
Morgan Christen
Jeff Cook
Douglas Eby
Adam Gibbons
Lile R. Gibbons
Anthony Mallott
Roberta Quintavell
Cathryn Rasmuson
Judy Rasmuson
Mary Louise Rasmuson
Natascha von Imhof

PRESIDENT
Diane Kaplan

replaced by 27

FISCAL NOTE

STATE OF ALASKA
2009 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: CSHB 190(HSS)
(H) Publish Date: 4/15/09

Identifier (file name): CSHB190(HSS)-DOR-TRS-4-14-09 Dept. Affected: Revenue
Title: Amendment to Alaska Children's Trust RDU: Taxation and Treasury
Sponsor: Rep Fairclough, Hawker, Holmes, Wilson Component: Treasury
Requester: House H&SS Component Number: 121

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information						
		FY 2010	FY 2010	FY 2011 ¹	FY 2012	FY 2013	FY 2014	FY 2015
OPERATING EXPENDITURES								
Personal Services								
Travel								
Contractual								
Supplies								
Equipment								
Land & Structures								
Grants & Claims								
Miscellaneous								
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts								
1003 GF Match								
1004 GF								
1005 GF/Program Receipts								
1037 GF/Mental Health								
Other Interagency Receipts								
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2009) cost:

POSITIONS

Full-time	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Part-time	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Temporary	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

ANALYSIS: (Attach a separate page if necessary)

The Committee Substitute Bill is an amendment to the the Alaska Children's Trust statute which would divest funds from the existing ACT Income fund managed by Treasury and transfer them to a 501(c)3 entity. Treasury would continue to invest the assets of the ACT Principal fund and would calculate 5% of market valu of the Principal fund balance for appropriation to the new 501(c)3 entity. No operating appropriation is required as implementation will be carried out through existing personal services and custodial resources. The effect this bill will have on investment performance is unknown.

Prepared by: Pamela Green, Comptroller
Division: Treasury Division
Approved by: Jerry Burnett, Deputy Commissioner
Department of Revenue

Phone 465-2300
Date/Time Monday; 4 pm
Date 4/13/2009