

ALASKA LEGISLATURE COMMITTEE BILL FILES - 1987 - 1988 8879

SSHB 57 cont. 222

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

No. 1
CSSSHB 57(SA)
3/2/87

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

2. Other Expenditures:
- a) Travel: None.
 - b) Contractual:
 - Data Processing Chargeback \$5.0
 - c) Supplies: \$0.2
 - d) Equipment: Use existing equipment 0.0
- TOTAL COST \$33.4
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 21-25 be amended to read:

"Sec. 37.14.240 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. Recognizing the value to the ultimate goal of this legislation, 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
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

CHILDREN'S TRUST FUND LEGISLATION

Purpose: To create 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 & 1983 57	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 Clumbly 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. Commission 203/566-8410

Delaware	61 DE Laws 1983 C, 11, Sec 1	Voluntary income refund check-off (all or any amount); grants, gifts.	not available	Dept. of Children, Youth, and Families.	17-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 Strick Leg. Council 402/736-4115
Illinois	SIB 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 compre- hensive community-based services to reduce family dysfunction through child abuse and neglect.	Alex Reichl House Republican Staff 217/782-9603
Iowa *	IIB 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

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February 1985

Kansas **	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 Cntc 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 (1/3) 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

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North Carolina	SB 921	1981	Marriage License Fee (\$5); grants, gifts.	1984: \$257,000	State Board of Education	Inter-Agency Advisory Council for Community Schools.	Community-based programs.	Ann Miller Coordinator Child Abuse Prevention 919/733-6125
Ohio	HB 319	12/26/84	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 Lamm 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 401/274-2J00
South Carolina	A 3286	1984	State appropriation (\$20,000) one time start up; voluntary income tax refund, check-off (\$1+); 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 Thogersen Ex. Director Children's Trust Fund 803/256-7146
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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State	Bill No	Year	Voluntary private donation	Less than \$5,000	Dept. of Social Services	Div. of Family Services Board, policy making body appointed by Governor.	Not available	By what House Office of Legislative Research #01/533-5481
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 programs; 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 25%.	Jim Teverbaugh Washington Council for The Prevention of Child Abuse & Neglect 206/464-6151

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Wisconsin	SB 81	7/1/81	Birth certificate fee (\$7); 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,
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February 1985.

Alaska State Legislature

REPRESENTATIVE
PAT POURCHOT

HOUSE FINANCE COMMITTEE
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House of Representatives

MEMORANDUM

DATE: April 10, 1987

TO: House Finance Committee Members

FROM: Representative Pat Pourchot, Vice Chair
House Finance Committee 

SUBJECT: Draft CS SSHB 57 (Fin) "An Act establishing the Alaska children's trust fund..."

The draft CS SSHB 57 (Fin) contains the following substantive changes:

* SECTION 1.

Page 1, lines 14 - 26:

Sec. 37.14.200. ALASKA CHILDREN'S TRUST FUND ESTABLISHED.

-- No change.

Page 2, lines 1 - 26:

Sec. 37.14.205. POWERS AND DUTIES OF THE COMMISSIONER OF REVENUE.

- (1) - (10) This is a rewrite of AS 37.14.160 DUTIES OF COMMISSIONER OF REVENUE; combines Sections 2 and 3 of the State Affairs CS and Section 4 (AS 37.14.170) of the State Affairs CS.

The Finance CS designates the Commissioner of the Department of Revenue as the treasurer of the fund and delineates the powers and duties of the Commissioner as they relate to administration of the Alaska Children's Trust Fund.

Page 2, lines 27 - 29 and Page 3, lines 1 - 7:

Sec. 37.14.210. CONTRIBUTION TO THE ALASKA CHILDREN'S TRUST FUND.

- (a) In response to requests from the Department of Revenue and

committee members this section was rewritten to eliminate the problems associated with processing applications containing unique dollar or percentage amounts. This CS provides five choices for contributions: \$5, \$50, \$100, \$250, or the entire amount of the dividend.

Page 3, lines 8 - 19:

Sec. 37.14.220. ALASKA CHILDREN'S TRUST FUND BOARD ESTABLISHED.

Changes in this section:

- (a) Reduce the number of board members from 9 to 5. Move the board from the Department of Revenue to the Office of the Governor.
- (b) Eliminate compensation for travel and per diem for all board members.
- (d) Office of child advocacy to serve as staff for Alaska Children's Trust Fund Board.

Page 4, lines 10 - 16:

Sec. 37.14.230. POWERS AND DUTIES OF BOARD.

- (8)(B) At the request of committee members, language was included that requires a report to be submitted to the governor and to the legislature by January 10 of each year and that the report shall include the amount of contributions made to the fund, the income of the fund and the expenses charged to the fund.

Page 5, line 2 and lines 3 - 4:

Sec. 37.14.240. FUND UTILIZATION.

- (b)(4)(B) Technical change (citation error).
- (b)(4)(C) At the request of a committee member, language was included to require the Department of Revenue to be reimbursed for costs directly attributable to calculating and depositing permanent fund dividend contributions to the fund.

Page 5, lines 8 - 29 and Page 6, lines 1 - 16:

Sec. 37.14.250. GRANTS.

-- No change.

Page 6, line 19:

Sec. 37.14.260. ELIGIBILITY FOR GRANTS.

- (1) Minor clarification of existing language.

Page 6, lines 25 - 29 and Page 7, lines 1 - 9:

Sec. 37.14.270. DEFINITIONS.

-- No change.

* SECTION 2

Page 7, lines 10 - 19:

-- No change. (Section 5 in State Affairs CS)

* SECTION 3

Page 7, line 20:

-- No change. (Section 6 in State Affairs CS)

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

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 57 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act establishing the Alaska children's trust
7 fund to provide a continuing source of revenue for
8 grants to community-based programs for the prevention
9 of child abuse and neglect; and providing for an
10 effective date."

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

12 * Section 1. AS 37.14 is amended by adding new sections to read:

13 ARTICLE 4. ALASKA CHILDREN'S TRUST FUND.

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

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

17 (b) The principal of the fund consists of

18 (1) permanent fund dividend contributions made under
19 AS 37.14.210;

20 (2) legislative appropriations to the fund; and

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

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

27 Sec. 37.14.205. POWERS AND DUTIES OF THE COMMISSIONER OF REVE-
28 NUE. The commissioner of revenue is the treasurer of the fund and has
29 the following powers and duties under this section:

1 (1) to act as official custodian of the cash and invest-
2 ments belonging to the fund by securing adequate and safe custodial
3 facilities;

4 (2) to receive all items of cash and investments belonging
5 to the fund;

6 (3) to collect the principal and income from investments
7 owned or acquired by the state treasury and deposit the amounts in
8 separate principal and income accounts for the fund;

9 (4) to invest and reinvest the assets of the fund as pro-
10 vided in this section and as provided for the investment of surplus
11 pension funds under AS 39.35.110(a), (c), (e), (f), (h) and (i);

12 (5) to exercise the powers of an owner with respect to the
13 assets of the fund;

14 (6) to do all acts, whether or not expressly authorized,
15 that the commissioner of revenue considers necessary or proper in
16 administering the assets of the fund;

17 (7) to maintain accounting records of the fund in accor-
18 dance with investment accounting principles and with distinction
19 between the principal and income accounts of the fund;

20 (8) to engage an independent firm of certified public
21 accountants to annually audit the financial condition of the fund's
22 investments and investment transactions;

23 (9) to enter into and enforce contracts or agreements
24 considered necessary for the investment purposes of the fund;

25 (10) to report to the board the condition and investment
26 performance of the fund.

27 Sec. 37.14.210. CONTRIBUTION TO THE ALASKA CHILDREN'S TRUST
28 FUND. (a) The Department of Revenue shall prepare the permanent fund
29 dividend application to allow an applicant to contribute all or part

1 of a dividend to the Alaska children's trust fund as follows:

2 (1) \$25;

3 (2) \$50;

4 (3) \$100;

5 (4) \$250; or

6 (5) the entire amount of the dividend.

7 (b) The department shall pay contributions directly to the fund.

8 Sec. 37.14.220. ALASKA CHILDREN'S TRUST FUND BOARD ESTABLISHED.

9 (a) The Alaska Children's Trust Fund Board is established in the
10 Office of the Governor. The board is composed of the commissioner of
11 health and social services, the commissioner of education, or their
12 designees, the director of the office of child advocacy, the executive
13 director of the Council on Domestic Violence and Sexual Assault, and a
14 public member appointed by the governor.

15 (b) Board members serve without compensation and are not enti-
16 tled to per diem or travel expenses.

17 (c) The board shall elect a member to chair the board.

18 (d) The staff of the office of child advocacy serves as the
19 staff of the board.

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

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

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

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

28 (4) before providing assistance to a program or project,
29 approve written findings on the program or project that include a

1 consideration of the means of measuring the effectiveness of the
2 program or project;

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

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

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

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

12 (A) the child abuse and neglect prevention services
13 that were provided by the programs and projects to which the
14 board awarded grants; and

15 (B) the annual level of contributions, income, and
16 expenses of the fund.

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

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

23 (1) the awarding of grants;

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

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

27 (4) reimbursement to the Department of Revenue for the
28 costs

29 (A) of establishing the fund;

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

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

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

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

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

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

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

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

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

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

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

3 (2) will make the most effective use of the money avail-
4 able.

5 (d) The amount of all grants awarded by the board during a
6 12-month period to a single project or program may not exceed \$50,000.
7 The board may not finance more than 75 percent of the cost of a pro-
8 gram or project during each of the first two years for which the
9 program or project receives a grant, 50 percent during each of the
10 third and fourth years, and 25 percent during each year thereafter.

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

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

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

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

21 (2) programs and projects of the applicant that have previ-
22 ously received a grant from the board have complied with all require-
23 ments of that assistance and have performed with sufficient success or
24 promise to warrant further financial assistance.

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

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

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

29 (3) "fund" means the Alaska children's trust fund

1 established under AS 37.14.200;

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

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

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

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

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

16 (2) the Alaska Children's Trust Fund Board may not use the net
17 income of the Alaska children's trust fund until one year after the commis-
18 sioner of revenue begins depositing into the fund permanent fund dividend
19 contributions made under AS 37.14.210 as enacted by sec. 1 of this Act.

20 * Sec. 3. This Act takes effect July 1, 1987.
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Submitted to Committee

3-23-87

Bill placed in Subcommittee
to consider amendments

5-0372La

Hein

A M E N D M E N T

Offered in the HOUSE

By Goll

TO: CSSSHB 57(SA)

Page 1, after line 26:

Insert a new section to read:

"Sec. 37.14.205. POWERS AND DUTIES OF THE COMMISSIONER OF REVENUE. The commissioner of revenue is the treasurer of the fund and has the following powers and duties under this section:

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

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

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

(4) to invest and reinvest the assets of the fund as provided in this section and as provided for the investment of surplus pension funds under AS 39.35.110(a), (c), (e), (f), (h) and (i);

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

(6) to do all acts, whether or not expressly authorized, that the commissioner of revenue considers necessary or proper in administering the assets of the fund;

(7) to maintain accounting records of the fund in

accordance with investment accounting principles and with distinction between the principal and income accounts of the fund;

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

(9) to enter into and enforce contracts or agreements considered necessary, convenient, or desirable for the investment purposes of the fund;

(10) to report to the board the condition and investment performance of the fund."

Page 2, line 6:

Delete "revenue,"

Page 2, line 7, after "designees,":

Delete "and"

Page 2, line 8, after "Assault":

Insert ", and one other person appointed by the governor"

Page 3, line 19:

Delete "AS 37.14.170"

Insert "AS 37.14.205"

Page 6, line 5 - page 7, line 3:

Delete all material.

Renumber following bill sections accordingly.

STATE OF ALASKA
THE LEGISLATURE

POUCH Y STATE CAPITOL
JUNEAU, ALASKA 99811
907 465 3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

March 6, 1987

SUBJECT: Sectional analysis of CSSSHB 57 (State
Affairs)

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

Sec. 37.14.220 establishes the trust fund board, consisting of the commissioners of revenue, health and social services, education, and public safety, the attorney general, the governor, or their designees, and the three public members of the Council on Domestic Violence and Sexual Assault. Members serve without compensation. The three public members are entitled to per diem for attendance at board meetings, but when the board and the council meet on the same day per diem is paid only through the council. The staff of the council serves as the staff of the board.

Sec. 37.14.230 specifies 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. As an economy measure, board

meetings will be held in conjunction with meetings of the council.

Sec. 37.14.240 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 or expended shall continue to be invested.

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 two years of the grant, 50 percent during the third and fourth years, and 25 percent thereafter. Program administration costs are limited to 10 percent of the grant. As far as possible, private and federal grants to the board shall be distributed the same way as grants from the fund.

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", "fund", "prevention of child abuse and neglect", "primary prevention program", and "secondary prevention program".

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

Sec. 3 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.

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. Child 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 an 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 men, 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, and the objective is to raise 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 state. The five million dollars appropriated is available through FY 66; and the program is authorized through 1971.

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 preventative 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 preventative 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 sponsored 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 recognition 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.

CHILDREN'S TRUST FUND LEGISLATION

Purpose: To create 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 Chumbley 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. Commissioners 203/566-8410

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					<p>or directors, appointed by Governor; I shall be chairperson of Juvenile Justice Advisory Group; I each appointed by Secretary of following departments; Chief Judge of Family Courts; Dept. of Services for Children, Youth and Families, Health & Social Services; Dept. of Public Instruction; & Family Courts.</p>	<p>Improve coordination among state agencies. (Organization agrees to match the grant, at least 25% 1st year and 50% during the second and subsequent years.)</p>	
Illinois	SIB 537 1983	Voluntary state income tax refund check-off (up to \$10).	estimated 1984:\$100,000 actual 1984:\$500,000.	Dept. of Children & Family Services	Statewide citizen's committee on child abuse and neglect.	Grants for comprehensive 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 attached 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

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Florida **	SB 609 K 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 Ctr 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 Kielke 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 (1/2) 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.	1981 & 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 Hillin Director Children's Trust Fund 517/373-4371
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

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North Carolina	SB 971	1981	Marriage license fee (\$5); grants, gifts.	1984:\$257,000	State Board of Education	Inter-Agency Advisory Council for Community Schools.	Community-based programs.	Don Miller Coordinator Child Abuse Prevention 919/731-6125
Ohio	HB 319	12/26/84	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.	Arlita Lunn Legislative Services Comm. 614/466-5919
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 (\$1+); 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 Thøgersen Ex. Director Children's Trust Fund 803/256-7146
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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Ill. ab	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	Bevart Howe Office of Legislative Research 801/511-5481
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 programs; 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 Herwood 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 25%.	Jim Teverbaugh Washington Council for The Prevention of Child Abuse & Neglect 206/464-6151

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Wisconsin	SB 81	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.

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

CORRECTION

**THIS DOCUMENT
HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY**

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

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
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 43.23.057;

20 (2) legislative appropriations to the fund;

21 (3) private and federal grants; and

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

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

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

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

1 Department of Revenue. The board is composed of the commissioners of
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
6 fund and any capital gains or losses realized on the principal shall
7 be retained perpetually in the fund for investment as specified in
8 AS 37.14.170, and may not be used for the awarding of grants.

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

11 (1) the awarding of grants;

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

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

15 (4) reimbursement to the Department of Revenue for the
16 costs of establishing the fund and making changes to the permanent
17 fund dividend application under AS 37.14.240.

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

21 Sec. 37.14.240. CONTRIBUTION TO THE ALASKA CHILDREN'S TRUST
22 FUND. The Department of Revenue shall prepare the permanent fund
23 dividend application to allow an applicant to contribute all or a part
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-
12 gations generated by the program or project, and necessary operating,
13 maintenance, or other support costs for the life of the program or
14 project.

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
29 grant to an applicant if

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

3 (2) programs and projects of the applicant that have previ-
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
10 AS 47.17.070;

11 (3) "fund" means the Alaska children's trust fund estab-
12 lished under AS 37.14.200.

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

14 Sec. 37.14.160. DUTIES OF COMMISSIONER OF REVENUE. The commis-
15 sioner of revenue is the treasurer of the funds created in AS 37.14.-
16 010, [AND] 37.14.110, and 37.14.200, and shall

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

4 (2) long-range investment plans for the fund created in
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.