

# STATE OF ALASKA

## EXECUTIVE ORDER NO. 96

1996



1 Under the authority of art. III, sec. 23, of the Alaska Constitution, and in accordance  
2 with AS 24.08.210, I order the following:

3 \* **Section 1. FINDINGS.** As governor, I find that it would be in the best interests of  
4 efficient administration to transfer the responsibility for the administration of the Alaska  
5 children's trust to a new Alaska Children's Trust Board in the Office of the Governor to be  
6 dedicated to that trust obligation. The new board will have a specialized purpose and duties  
7 relating only to the trust, which will enable it to best carry out its trust obligations and serve  
8 the needs of Alaska's families and children.

9 \* **Sec. 2.** AS 18.50.225(d) is amended to read:

10 (d) The legislature may use the annual estimated balance of the account  
11 maintained by the commissioner of administration under AS 37.05.142 to make an  
12 appropriation to the Alaska children's trust [FUND] established under AS 37.14.200.

13 \* **Sec. 3.** AS 37.14.200 is amended to read:

14 ARTICLE 3. ALASKA CHILDREN'S TRUST [FUND].

15 Sec. 37.14.200. ALASKA CHILDREN'S TRUST [FUND] ESTABLISHED.

16 (a) The Alaska children's trust [FUND] is established as a separate endowment trust  
17 [FUND] of the state.

1 (b) The principal of the trust [FUND] consists of

2 (1) legislative appropriations to the trust [FUND]; and

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

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

8 \* Sec. 4. AS 37.14.210 is amended to read:

9 Sec. 37.14.210. POWERS AND DUTIES OF THE COMMISSIONER OF  
10 REVENUE. The commissioner of revenue is the treasurer of the trust [FUND] and  
11 has the power and duty to[:]

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

14 (2) receive all items of cash and investments belonging to the trust  
15 [FUND];

16 (3) collect the principal and income from investments owned or  
17 acquired by the trust [FUND] and deposit the amounts in separate principal and  
18 income accounts for the trust [FUND];

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

22 (5) exercise the powers of an owner with respect to the assets of the  
23 trust [FUND];

24 (6) maintain accounting records of the trust [FUND] in accordance  
25 with investment accounting principles and with distinction between the principal and  
26 income accounts of the trust [FUND];

27 (7) engage an independent firm of certified public accountants to  
28 annually audit the financial condition of the trust's [FUND'S] investments and  
29 investment transactions;

30 (8) enter into and enforce contracts or agreements considered necessary

1 for the investment purposes of the trust [FUND];

2 (9) report to the board [COMMISSION] the condition and investment  
3 performance of the trust [FUND];

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

7 \* **Sec. 5.** AS 37.14.220 is amended to read:

8 Sec. 37.14.220. ADMINISTRATION OF THE TRUST [FUND]. The trust  
9 [FUND] shall be administered by the Alaska Children's Trust Board [HUMAN  
10 RELATIONS COMMISSION].

11 \* **Sec. 6.** AS 37.14 is amended by adding a new section to read:

12 Sec. 37.14.225. TRUST BOARD ESTABLISHED. The Alaska Children's  
13 Trust Board is established in the Office of the Governor. The board is composed of

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

15 (2) the commissioner of health and social services or the  
16 commissioner's designee;

17 (3) the commissioner of education or the commissioner's designee; and

18 (4) four public members appointed by the governor; in appointing the  
19 public members, the governor shall give a preference to persons who have experience  
20 and expertise in

21 (A) children's or prevention programs; or

22 (B) private sector finance.

23 \* **Sec. 7.** AS 37.14.230 is amended to read:

24 Sec. 37.14.230. POWERS AND DUTIES OF THE BOARD  
25 [COMMISSION]. When acting as administrator of the trust [FUND], the board  
26 [COMMISSION] shall

27 (1) hold regular and special meetings it considers necessary; the board  
28 [COMMISSION] may hold meetings by teleconference;

29 (2) award grants from the net income of the trust [FUND] to  
30 community-based programs and projects that the board [COMMISSION] finds will

1 aid in the prevention of child abuse and neglect;

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

4 (4) before providing assistance to a program or project, approve written  
5 findings on the program or project that include a consideration of the means of  
6 measuring the effectiveness of the program or project;

7 (5) apply for, and use net income from the trust [FUND] to obtain,  
8 private and federal grants for the prevention of child abuse and neglect;

9 (6) solicit contributions, gifts, and bequests to the trust [FUND];

10 (7) keep audio tape recordings of each meeting of the board  
11 [COMMISSION] to be made available on request; and

12 (8) submit to the governor and make available to the legislature by  
13 February 1 each year a report describing

14 (A) the child abuse and neglect prevention services that were  
15 provided by the programs and projects to which the board [COMMISSION]  
16 awarded grants; and

17 (B) the annual level of contributions, income, and expenses of  
18 the trust [FUND].

19 \* Sec. 8. AS 37.14.240(a) is amended to read:

20 (a) Except as provided in (d) of this section, the principal of the trust [FUND]  
21 and any capital gains or losses realized on the principal shall be retained perpetually  
22 in the trust [FUND] for investment as specified in AS 37.14.210, and may not be used  
23 for the awarding of grants.

24 \* Sec. 9. AS 37.14.240(b) is amended to read:

25 (b) The net income of the trust [FUND] may be appropriated only for the  
26 following purposes:

27 (1) the awarding of grants;

28 (2) obtaining private and federal grants for the trust [FUND];

29 (3) soliciting contributions, gifts, and bequests for the trust [FUND];

30 and

1 (4) reimbursement to the Department of Revenue for the costs of  
2 establishing the trust [FUND].

3 \* **Sec. 10.** AS 37.14.240(d) is amended to read:

4 (d) Up to \$150,000 per year may be appropriated from the principal of the  
5 trust [FUND] for the administrative expenses of the board [COMMISSION] relating  
6 to AS 37.14.200 - 37.14.270.

7 \* **Sec. 11.** AS 37.14.250(a) is amended to read:

8 (a) In awarding grants from the net income of the trust [FUND], the board  
9 [COMMISSION] shall consider the proposals of a qualified applicant only after the  
10 applicant has submitted a detailed proposal in the form prescribed by the board  
11 [COMMISSION]. The board [COMMISSION] may not award a grant unless the  
12 board [COMMISSION] makes written findings that

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

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

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

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

23 \* **Sec. 12.** AS 37.14.250(b) is amended to read:

24 (b) The board [COMMISSION] may establish other requirements for the  
25 award of grants under this section if necessary to carry out the purpose of the trust  
26 [FUND].

27 \* **Sec. 13.** AS 37.14.250(c) is amended to read:

28 (c) The board [COMMISSION] shall award grants in amounts that

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

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

2 \* **Sec. 14.** AS 37.14.250(d) is amended to read:

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

9 \* **Sec. 15.** AS 37.14.250(f) is amended to read:

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

13 \* **Sec. 16.** AS 37.14.260 is amended to read:

14 Sec. 37.14.260. ELIGIBILITY FOR GRANTS. The board [COMMISSION]  
15 may award a grant to an applicant if

16 (1) the applicant has submitted a proposal that is acceptable to the  
17 board [COMMISSION]; and

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

22 \* **Sec. 17.** AS 37.14.270 is amended by adding new paragraphs to read:

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

24 (7) "trust" means the Alaska children's trust established in

25 AS 37.14.200.

26 \* **Sec. 18.** AS 37.14.270(3) and 37.14.270(4) are repealed.

27 \* **Sec. 19.** TRANSITION. (a) Litigation, hearings, investigations, and other proceedings  
28 pending under a law amended or repealed by this Order, or in connection with functions  
29 transferred by this Order, continue in effect and may be continued and completed  
30 notwithstanding a transfer or amendment or repeal provided for in this Order.

1 (b) Contracts, rights, liabilities, and obligations created by or under a law amended  
2 or repealed by this Order, and in effect on March 8, 1996, remain in effect notwithstanding  
3 this Order's taking effect. Records, equipment, appropriations, and other property of agencies  
4 of the state whose functions are transferred under this Order shall be transferred to implement  
5 the provisions of the Order.

6 \* **Sec. 20.** This Order takes effect March 9, 1996.

DATED: January 8, 1996

/s/ Tony Knowles  
Tony Knowles  
Governor