

**HOUSE BILL NO. 190**

IN THE LEGISLATURE OF THE STATE OF ALASKA  
TWENTY-SIXTH LEGISLATURE - FIRST SESSION

BY REPRESENTATIVES FAIRCLOUGH, Hawker, Holmes, Peggy Wilson

Introduced: 3/16/09

Referred: Health and Social Services, Finance

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act privatizing the Alaska children's trust as a separate endowment fund;  
2 providing for an administrator for the assets of the former trust; establishing conditions  
3 for a grant of the balance of the former Alaska children's trust; designating certain  
4 receipts as available for grants to the trust's successor; and providing for an effective  
5 date."

6 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

7 \* **Section 1.** AS 18.50.225(d) is amended to read:

8 (d) The legislature may use the annual estimated balance of the account  
9 maintained by the commissioner of administration under AS 37.05.142 to make an  
10 appropriation for a grant to a named recipient under AS 37.05.316 to hold in an  
11 endowment fund for child abuse and neglect prevention activities and programs  
12 [TO THE ALASKA CHILDREN'S TRUST ESTABLISHED UNDER AS 37.14.200].

13 \* **Sec. 2.** AS 18.50.272(e) is amended to read:

(e) The legislature may use the annual estimated balance of the account maintained by the commissioner of administration under AS 37.05.142 for the fees paid for heirloom certificates of marriage under (b) of this section to make an appropriation **for a grant to a named recipient under AS 37.05.316 to hold in an endowment fund for child abuse and neglect prevention activities and programs** [TO THE ALASKA CHILDREN'S TRUST ESTABLISHED UNDER AS 37.14.200].

\* **Sec. 3.** AS 28.10.181(t) is amended to read:

(t) Special request [ALASKA] children's **endowment fund** [TRUST] plates. Upon application by the owner of a motor vehicle, the department may design and issue registration plates representing the [ALASKA] children's **endowment fund** [TRUST UNDER AS 37.14.200]. The department may disapprove the issuance of registration plates under this subsection when the requested plates are a duplication of an existing registration.

\* **Sec. 4.** AS 28.10.421(d)(14) is amended to read:

(14) special request [ALASKA] children's **endowment fund** [TRUST] plates ..... \$100 plus the fee required for that vehicle under (b), (c), (h), or (i) of this section; the fee required by this paragraph shall be collected only on the first issuance and the replacement of special request plates; the commissioner of administration shall separately account for the fees received under this paragraph that the department deposits in the general fund; notwithstanding (g) of this section, the annual estimated balance in the account that is in excess of the cost of issuing special request plates may be appropriated by the legislature **as a grant to a named recipient under AS 37.05.316 to hold in an endowment fund for child abuse and neglect prevention activities and programs** [INTO THE PRINCIPAL OF THE ALASKA CHILDREN'S TRUST UNDER AS 37.14.200];

\* **Sec. 5.** AS 37.05.146(c)(20) is repealed and reenacted to read:

(20) receipts for birth certificates suitable for display (AS 18.50.225), heirloom certificates of marriage (AS 18.50.272), and special request children's endowment fund plates (AS 28.10.421(d)(14));

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

1           **Sec. 37.14.205. Management of endowment fund for prevention of child**  
2 **abuse and neglect.** (a) Under an appropriation for the purpose, the commissioner of  
3 revenue shall transfer the balance of the former Alaska children's trust, including any  
4 reserves and income, to a recipient organized for charitable purposes. The recipient  
5 shall hold and manage the amount transferred by the commissioner of revenue as a  
6 permanent endowment fund for child abuse and neglect prevention activities and  
7 programs, subject to the terms of a grant agreement under (b) of this section in which  
8 the recipient is the grantee.

9           (b) The transfer of assets of the former Alaska children's trust under this  
10 section is subject to execution of an agreement between the Department of Commerce,  
11 Community, and Economic Development and a grantee that establishes grant  
12 conditions that, in addition to usual and customary provisions, include the following:

13                   (1) the grantee shall execute a grant agreement to specify the  
14 conditions and use of the grant funds under this subsection;

15                   (2) amounts of the former Alaska children's trust shall be held in and  
16 managed as a permanent endowment fund that is qualified as a component fund of the  
17 grantee under 26 C.F.R. 1.170A-9(f)(11) (Federal Income Tax Regulations), as  
18 amended;

19                   (3) the principal of the endowment fund may not be expended;  
20 however, not more than \$150,000 may be expended during each fiscal year from the  
21 principal for grant administration expenses of the corporate grant administrator;

22                   (4) the grantee shall maintain a reserve to finance grants and grant  
23 administration operations at a consistent level from year to year; an initial reserve  
24 account shall be established on transfer of the assets of the former Alaska children's  
25 trust to the named recipient grantee at four times the amount paid in grants under  
26 former AS 37.14.230(2) for the fiscal year preceding the year in which the transfer is  
27 completed;

28                   (5) the grantee may provide for the distribution of amounts from the  
29 interest on the endowment fund to the corporate grant administrator for the charitable  
30 purpose of preventing child abuse and neglect; and

31                   (6) the grantee shall annually report the investment performance of the

1 endowment to the commissioner of revenue and the board of directors of the corporate  
2 grant administrator in AS 37.14.215.

3 (c) If the grantee ceases to exist or is unable to fulfill the purposes of the grant  
4 agreement, as determined by the board of directors of the corporate grant administrator  
5 or the commissioner of revenue, the balance of the grant reverts to the state treasury.

6 (d) The legislature may appropriate money that has reverted to the state  
7 treasury under (c) of this section for the prevention of child abuse and neglect.

8 \* **Sec. 7.** AS 37.14 is amended by adding a new section to read:

9 **Sec. 37.14.215. Corporate grant administrator.** (a) Authority for  
10 administration of grants received to aid in the prevention of child abuse and neglect  
11 from the endowment fund established under AS 37.14.205 and from the income of the  
12 fund is vested in a corporate grant administrator. The corporate grant administrator is  
13 independent from the charitable grantee identified in AS 37.14.205. The corporate  
14 grant administrator shall be organized as a nonprofit corporation under AS 10.20. The  
15 corporate name of the corporate grant administrator may include the words, "the  
16 children's endowment trust."

17 (b) The board of directors of the corporate grant administrator described in (a)  
18 of this section consists of nine members, as follows:

19 (1) the commissioner of health and social services or the  
20 commissioner's designee;

21 (2) the commissioner of education and early development or the  
22 commissioner's designee;

23 (3) four members appointed by the governor; and

24 (4) three additional members selected by the members identified in (1)  
25 - (3) of this subsection.

26 (c) The board of directors of the corporate grant administrator shall

27 (1) hold regular and special meetings as the board of directors  
28 considers necessary and may hold meetings by teleconference;

29 (2) award grants from the endowment fund under AS 37.14.205 to  
30 community-based programs and projects that the board finds will aid in the prevention  
31 of child abuse and neglect;

1 (3) monitor the community-based programs and projects to which  
2 grants are awarded for compliance with the goals of the endowment fund;

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

6 (5) apply for, and use amounts received from the endowment fund  
7 described in AS 37.14.205 to obtain private and federal grants for the prevention of  
8 child abuse and neglect;

9 (6) solicit contributions, gifts, and bequests to the endowment fund  
10 described in AS 37.14.205;

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

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

15 (A) the child abuse and neglect prevention services that were  
16 provided by the programs and projects to which the board of directors awarded  
17 grants; and

18 (B) the annual level of contributions, income, and expenses of  
19 the endowment fund.

20 \* **Sec. 8.** AS 37.14.200, 37.14.210, 37.14.220, 37.14.225, 37.14.230, 37.14.240, 37.14.250,  
21 37.14.260, and 37.14.270 are repealed.

22 \* **Sec. 9.** The uncodified law of the State of Alaska is amended by adding a new section to  
23 read:

24 CONTINGENT EFFECT. This Act is contingent on passage by the Twenty-Sixth  
25 Alaska State Legislature and enactment into law of a bill appropriating an amount equal to the  
26 unencumbered balance of the former Alaska children's trust, established under AS 37.14.200,  
27 as a grant to a named recipient under AS 37.05.316, as described in AS 37.14.205, added by  
28 sec. 6 of this Act, for community-based programs and projects in the state that aid in the  
29 prevention of child abuse and neglect.

30 \* **Sec. 10.** If, under sec. 9 of this Act, this Act takes effect, it takes effect on the effective  
31 date of the appropriation described in sec. 9 of this Act.