

Fund Source Report

1098 ChildTrErn Children's Trust Earnings

Year Authorized	Year Repealed	Active?	Mental Health?	Duplicated?	Fund Group
1988		No	No	No	Designated General

No Appropriations during last 10 years

Legal Authority

AS 37.14.205

Source of Revenue

The Trust consists legislative appropriations, donations and interest earned from investment of the Alaska Children's Trust Fund Principal. This code refers only to earnings.

Restrictions on Use

AS 37.14.240 restricts the uses of the fund to awarding grants, obtaining private and federal grants for the Trust, soliciting contributions, gifts and bequests for the Trust, and reimbursing the Department of Revenue for the costs of establishing the Trust.

Description and History

Chapter 19, SLA 1988 established the Trust and the Alaska Children's Trust Board to oversee the community based grant program supported by the Trust. The Trust was established as an endowment to address the problems of child abuse and child neglect. This code was established to comply with a statutory requirement to preserve the distinction between principal (to be retained) and earnings (to support grants).

In 1990, the Board was abolished and oversight of the grant program fell to the Commission on Children and Youth. That Commission was consolidated into the Human Relations Commission in 1993. Funding for that Commission was removed from the FY94 budget.

In FY96, a \$6 million appropriation (from the Investment Loss Trust Fund) was added to the \$11,000 in private contributions that had been donated to date. Governor Knowles signed Executive Order 96, reestablishing the Children's Trust Board. The Governor requested that 1) the Trust be invested in "tobacco free" holdings as a statement that tobacco use causes serious harm to Alaska's children and 2) grants could support community efforts to curb tobacco use in general, and more particularly, to curb tobacco use by Alaska's children.

As originally established, principal and capital gains were to be retained in perpetuity, and net income of the Trust could be awarded as grants. The 1996 changes allowed up to \$150,000 of principal to be used annually by the board for administrative expenses. There is no history of charging administrative costs to principal before FY07.

Investment losses during the recession of 2008/9 eliminated net income available for grants. Chapter 115, SLA 2010 changed the amount available for grants from net income to a percent of market value--set at five percent--thereby eliminating the need for this fund code. The code was deactivated after FY11.

Fund Source Report

See
1099 Children's Trust Fund Principal