

ALASKA MENTAL HEALTH TRUST AUTHORITY

FULL BOARD OF TRUSTEES MEETING

January 25, 2018

8:30 a.m.

Taken at:

Elizabeth Peratrovich Hall
320 W. Willoughby Avenue
Juneau, Alaska

OFFICIAL MINUTES

Trustees present:

Mary Jane Michael, Chair

Carlton Smith

Laraine Derr

Paula Easley

Jerome Selby

Christopher Cooke

Greg Jones

Trust staff present:

Mike Abbott

Steve Williams

Miri Smith-Coolidge

Carley Lawrence

Katie Baldwin-Johnson

Andy Stemp

Kelda Barstad

Trustee Land Office present:

Wyn Menefee

Craig Driver

Sarah Morrison

Aaron O'Quinn

Also present: Verne Boerner; Mike Powers; Randall Burns; Commissioner Valerie Davidson; Monique Martin; Karen Forrest; Kathy Craft; Patrick Reinhart; Alison Klaus; Denise Daniello; Marie Darlin; Patrick Sidmore; Bev Schoonover; Teri Tibbet; Sandra Heffern; Brenda Moore; Robert Boghill, Jr.

PROCEEDINGS

CHAIR MICHAEL reconvenes and states that there is a meeting with the auditors on the legislative audit on February 1. She would like to see if the trustees are available for a teleconference special board meeting in the morning of February 2. The trustees agree on 11:00 a.m. She adds that the meeting needs to be noticed. She asks Mike Abbott to continue.

MR. ABBOTT announces that Kathy Craft, long-time team member that has been working on workforce development, has accepted a position at UAA College of Health as statewide director. He congratulates her.

(Applause.)

MR. ABBOTT states that she will be working with Jeff Jessee. He continues that she has agreed to continue to support the Trust over the next few months on workforce development. He thanks her for so much great service, and he looks forward to working with her on a bigger job.

CHAIR MICHAEL asks for any other announcements. There being none, she moves to the next statutory advisory update.

STATUTORY ADVISORY UPDATE

ALASKA MENTAL HEALTH BOARD/ADVISORY BOARD ON ALCOHOLISM AND DRUG ABUSE

MS. KULAS states that she is the new executive director for the Alaska Mental Health Board and Advisory Board on Alcoholism and Drug Abuse. With her are two of the board representatives: Brenda Moore, Chair of the Alaska Mental Health Board, and Bob Coghill from the Advisory Board on Alcoholism and Drug Abuse. She mentions that the State Suicide Prevention Council is also a part of their duties. She gives a brief history about her public health background and previous positions. She moves on to the mission of the boards, stating that they are charged with planning and coordinating behavioral health services funded by the State of Alaska. The joint mission is to advocate for programs and services that promote healthy, independent and productive Alaskans. She continues that the vision includes getting all Alaskans to be able to live their healthiest, most productive lives, and wanting to provide and promote meaningful opportunities to share ideas and experiences related to behavioral health and support solutions and constituent problems, and also engaging folks to really connect ideas in what they are doing. She states that problems are identified, and then we work with the communities to identify those solutions. She continues that work services are evaluated with the focus on clinical practice and client outcomes; tracking, identifying and promoting the programs that are achieving enormous success, and we have seen good outcomes. She moves to some of the major component accomplishments so far in FY18. One of the biggest things that the boards have been working on is Medicaid redesign and reform, the 1115 behavioral health demonstration waiver. She describes the direction the boards worked for engagement to draft the 1115 waiver concept paper to be part of that conversation with CMS within 2017. That was compiled and sent out for public comment, with 350 comments received. They were collected

and sent to DHSS for the next steps in the application, and then submitted it into CMS. She states that the next piece is the opioid misuse and addiction. The task force issued a broad set of recommendations to work on preventing, treating and supporting recovery from opioid misuse and addiction. That work was always grounded in the science of addiction and how opioids really affect the brain and the body. She moves to the Alaska Fetal Alcohol Spectrum Disorders Partnership, which is a statewide coalition of individuals diagnosed with FASD, their families, service providers, and other interested community members. This statewide work group worked on the educational component for foster families, as well as OCS workers. Adverse childhood experience is another component of the work which continues with the state and community partners in collecting information, analyzing data, and reporting out Alaska-specific information. She adds that there has been significant work on early childhood and mental health. She talks about the trauma-informed schools pilot project program where schools are using findings to better understand students' behaviors, and to support student achievement. This pilot project is working in Juneau, San Francisco and New York. She continues that doctors were worked with to ensure the screening for ACEs and incorporating that into the treatment. The resources that are standing out were added so that Alaskans can access them on the trauma-informed project. She states that for criminal justice reform, the re-entry coalitions were worked with to identify justice-involved individuals.

MS. MOORE states that the Statewide Suicide Prevention Council worked with the Department of Education, and staff created an eLearning module for all the educators that the public can access.

MS. KULAS states that they are also working with re-entry coalitions to identify the needs of individuals with behavioral health disorders, their handlers and providers of services. The next meeting is with API and the re-entry coalitions to identify how to better coordinate across programs.

MS. MOORE adds that it is also with the Statewide Housing and Homelessness Coalition. The coordinated entry system has been operating in Anchorage, and the statewide system is getting ready to be up and running. This will be to connect API with the Housing and Homelessness Resources because some of the patients that are released from the hospital are homeless and go back to shelters. She informs the trustees that API has an executive order that created an advisory board to API. The executive order sunsetted, and the API Governance Council felt that they wanted to continue with the advisory board, but it fell into limbo and was not as effective as it could have been.

MS. KULAS moves to the other pieces of the criminal justice reform and support. Teri Tibbet has done a fantastic job with advocacy training and providing educational materials to the re-entry coalition and getting people with experiences to testify on criminal justice reform. She moves into the advocacy efforts where Ms. Tibbet is working to train the grassroots advocates throughout the state on various topics, and also coordinating the weekly advocacy calls during the session.

MR. COGHILL states that an end-of-session legislative advocacy report will also be provided.

MS. KULAS states that soliciting the public input is another critical piece that came from consumers, families and community members at the board meetings that were held in Bethel and Ketchikan. Public input is critical to how the boards are prioritizing items and what is really being worked towards. She continues that working with the constituents to make Alaska a place where everyone has the opportunity for a meaningful life through access to holistic and a person-centered array of services that are delivered with competence, respect and compassion. She looks forward to growing partnerships in the coming years with the Trust and other partners.

MS. MOORE states that the Statewide Suicide Prevention Council is gearing up to release a new Statewide Suicide Prevention Plan. She continues that they will be meeting to finish up the work on all of the goals and strategies. She adds that the Suicide Prevention Council has worked closely with a number of partners, especially the Department of Education and Early Development.

MS. KULAS states that it will be voted on today to finalize it, and it should be released at the end of the month.

MS. BALDWIN-JOHNSON briefly highlights some of the examples in how staff partners with the boards. The work done is amazing, and she commends them on this. She then moves to the advocacy training and to the 1115 public outreach efforts. She reminds trustees that that was part of the funding approved for Medicaid reform.

MS. TIBBET states that it is important to say that the advocacy effort is a complete partnership with and paid for entirely by the Trust. She adds that all the trainings happen in collaboration with Trust staff, and it is co-managed together.

MR. COGHILL states that the advocacy has changed, and the Trust reorganized it. He adds that there is a way to go forward.

TRUSTEE EASLEY asks if there is a way to get data on how successful any of the programs are, both public and private, and whether a difference is being made in the substance abuse field.

MS. KULAS replies that making a call to DBH to identify how to start capturing the cost per patient will be worked on.

MR. STEMPEL states that this is a universal question when people try to allocate resources and match what is received for the money spent. He speaks to his experiences on the subject. He states that he can get information from the insurance side of things, and to ask if there is other data available.

MS. KULAS states that the ASO, as part of the 1115 waiver, will try to get some advice on those pieces.

TRUSTEE COOKE comments on the cost of treatment and care, and the need to build into that equation the cost of not treating and caring for people. The cost to communities, businesses, and society. He states that one of the things you do is inform and make recommendations to the

Trust and others about concerns of the boards. He asks if there are any recommendations to the Trust.

MS. MOORE replies that the executive committees of the boards had the opportunity to meet with the executive staff of the Trust and shares some of the concerns. They were mostly around the legislation and moving forward. She states that the hope is to move forward with a new organizational structure and bylaws and charters in order to be able to work more effectively and efficiently together.

MR. WILLIAMS comments that those recommendations come through in an ongoing, realtime way, and then, in some very specific and targeted ways throughout the year. Staff is closely working with the advisory boards.

A brief discussion ensues.

CHAIR MICHAEL reminds trustees that future meeting dates for all the advisory boards are in the packet, and the next board meeting is in Barrow.

MR. ABBOTT highlights a few things and states that he was impressed with the boards and the quality of the teleconference conversations.

CHAIR MICHAEL states that next on the agenda is the approval of the FY18 budget modifications, Small Projects.

APPROVAL FY18 BUDGET MODIFICATION – SMALL PROJECTS

TRUSTEE SELBY makes a motion to approve the transfer of \$250,000 of FY18 Authority Grant Funds from the FY18 small projects line to the FY18 partnership/designated grants line.

TRUSTEE DERR seconds.

MR. ABBOTT states that staff recommends the approval of the motion and explains in detail.

MR. WILLIAMS gives a brief history and states that the small projects have been small innovative grants that nonprofits in the community can apply for to impact beneficiary lives. He states that 13 applications were received to date, about halfway through the fiscal year. None of them met the guidelines for small projects. These grants do not go through the State budget and are awarded directly to the community nonprofits. He describes the applications and grants in more detail.

A clarifying discussion ensues.

CHAIR MICHAEL asks for any objections.

There being no objection, the motion is approved.

PROGRAM AND PLANNING COMMITTEE REPORT

TRUSTEE COOKE states that there is a brief memo from Michael Baldwin about the last meeting of the Program and Planning Committee meeting, which was held January 4. It summarizes the presentations that were heard at that time. He continues that the next committee meeting is in mid-April. He adds that Mr. Baldwin has started the process of providing quarterly reports of grants approved at the staff level. He found it very useful in keeping aware of the flow of projects coming to and through the Trust.

CHAIR MICHAEL comments that she would like to have the opportunity to sit down and talk about issues in more depth.

TRUSTEE SELBY agrees and requests that for the April Planning Committee meeting that the staff bring some information to start discussing an API plan.

TRUSTEE JONES agrees, and suggests doing some short-term things, particularly at API. Facilities are in a crisis in almost every area of mental health. He asked the Commissioner's office to put together a basic scope and budget for the 24-bed expansion. There is the possibility that the Planning Committee is the place to look at it and work with the Department to get that done quickly. He would like that conversation of the Trust helping to get started.

TRUSTEE DERR states that she was encouraged when, yesterday, they said that they were using a wing in the Pioneer Home. She continues that we keep hearing that the Pioneer Homes cannot be full because they cannot hire the staff. There are Pioneer Homes all over the state and there is or may be an empty wing because they cannot put people in there because they do not have the staff. She suggests thinking outside of the box. There are facilities all over the state that are sitting vacant. She asks why communities can't begin to think about some of this inter-coordination.

TRUSTEE COOKE states that this requires planning and the only way to get change is by a broad community effort to demand that such facilities be utilized. He endorses that whole idea.

MS. BARSTAD states that the Pioneer Home has issued a request from the program staff which will be assisting in obtaining a contractor to look at a staffing study. This is very new, and she adds that some of that work is beginning.

TRUSTEE SELBY states the need to be creative and supports Trustee Jones' idea to move quickly on API. He adds that this is the kind of stuff he would like to see thought about in the whole process.

CHAIR MICHAEL states that the Program & Planning Committee would like to meet more frequently and more intensely. She moves to the Resource Management Committee report.

RESOURCE MANAGEMENT COMMITTEE REPORT

TRUSTEE SMITH states that the committee met on January 4 and took up two consultations. After consultation, the committee concurred. He would like for Mr. Menefee to speak to the process of consultation.

MR. MENEFEE explains that the Trust Land Office has projects that have started or were applied for and need consideration. One, there is a valid proposal, and, in the interest of the Trust, a best-interest decision was prepared. Regarding the best-interest decision, the regulations say that before public notice can be issued, there is a need to consult with the Board of Trustees. He states that with the new charters and bylaws there are different levels at which the value of the transaction requires either going to the CEO and consult by informing and receiving feedback. It goes to the Resource Management Committee or the Full Board because of the different levels of value. He explains in more detail, and then states that the purpose of the consultation is to actually provide background and information about the benefits of the transaction for feedback.

TRUSTEE JONES makes a motion that the Alaska Mental Health Board of Trustees concur with the Executive Director of the Trust Land Office's decision that the land exchange contemplated by the Alaska Mental Health Land Exchange Act of 2017 is in the best interest of the Trust, as required by 22 SLA 17, Section 6(a)(2).

TRUSTEE SMITH seconds.

MR. MENEFEE states, for the record, that this exchange is of great value to the Trust in the sense of having assets that are by communities that we are not able to develop. There is much resistance, conditional-use permits, and everything else that will thwart the Trust from really realizing gains from some of these properties that are next to the communities. He adds that the communities want them protected, and they want their recreational trails, scenic backdrops all protected. He continues that by doing this exchange with the U.S. Forest Service, the assets will be repositioned into an area that can be developed. They are prime timber assets and there are contractors that will want those timber lands. Timber is a harvestable crop that will grow again. The aspect of bringing in the \$40 million is anticipated with \$15 million from the first sale. This is a very lucrative transaction. He highly suggests doing this.

There being no objection, the motion is approved.

TRUSTEE SELBY makes a motion that the Alaska Mental Health Authority Board of Trustees concurs with the Executive Director of the Trust Land Office to dispose of a portion of Trust parcels SM-7016, DM-7015, SM1530-A01, SM-1505-A01, and SM-1506-01, through the selling of a conservation easement, lease, deed restriction, restrictive covenant or other conveyance or instrument restricting certain surface use activities for purposes of retaining or protecting wetland values of the Trust property.

TRUSTEE JONES seconds.

MR. MENEFEE states that this is one of the asset types of doing mitigation marketing. In a situation like this, some the assets to be conserved in a certain way and getting value for that is to set aside some of the assets. That value is sold to conservation. He continues that, in this case, Donlin Gold, a mining company, has to get 401 permits from the Corps of Engineers. If they are going to fill or destroy wetlands, they have to mitigate for that. The way the Corps allows for that is to conserve other areas of wetlands. He adds that wetlands are not key for development, for putting structures on. They are undesired because it is hard to develop on them. He states that this is a good use of wetlands in a very remote location, and he highly recommends this sale of wetlands.

TRUSTEE COOKE states that through inheritance he owns a small number of shares of Calista Corporation, which he believes has a financial interest or ownership interest with Donlin Gold, LLC. To avoid any appearance of conflict of interest, he declares that connection and will abstain from the vote on the motion.

TRUSTEE EASLEY states that she supports the motion and reminds everyone that Alaska has more wetlands than all of the other states combined. She continues, if a compensatory mitigation is going to be done, do it on dry land. She expounds on this with examples.

MR. MENEFEE states that the point is valid, but the challenge is that federal law that drives the Corps is used equally across all the Nation. He continues that until laws actually change, the Corps is required to do this.

There being no objection, the motion is approved.

TRUSTEE COOKE states that he abstained.

CHAIR MICHAEL calls a break.

(Break.)

TRUSTEE SELBY commends Mr. Menefee and staff, particularly with regard to the land exchange effort that has been made here.

(Applause)

CHAIR MICHAEL states that next is the Audit & Risk Committee.

AUDIT & RISK COMMITTEE REPORT

TRUSTEE DERR states that the Audit and Risk Committee met on January 4 and received the audit from BDO. She turns it over to Mr. Stemp.

MR. STEMPE states that the final report document was passed out and is substantially the same document that was presented at the committee. He notes that the committee made some recommendations to improve the level of detail around the real investments. That change was

made in the final report, and the footnote was expanded to include that information. He continues that he summarized the key points from the auditor's report. The third bullet point talks about upcoming changes. This area is going to impact all governmental entities that are participating in the PERS system. This is the second half of the changes to accounting around retirement. He sums up the auditor's report and the presentation of the final published report for the trustees' consideration.

TRUSTEE DERR makes a motion that the Audit and Risk Committee recommends the Full Board of Trustees accept the Trust audit report as presented by BDO in this final document.

TRUSTEE SELBY seconds.

There being no objection, the motion is approved.

TRUSTEE COOKE asks if the Trust has a contract with BDO to perform future audits.

MR. STEMP replies that BDO was the auditor on contract between the Trust. The relationship and the communications of the Authority is outside of management. They work for the board, and they are independent of management in reporting back. It is an objective review of the results. He states that they have an agreement with the Trust with an option to extend the agreement. In his opinion, their work is satisfactory, with no expectation of changing the arrangement.

TRUSTEE SMITH asks to review how this new committee will function during the year.

MR. STEMP states that this is a very positive, very proactive step in terms of governance. He continues that by having this committee there is a proactive model and there are more opportunities for communication, as well as collaboration between the trustees and the auditors. It is designed to complement the existing work, and to give more resources and tools to discharge the duties of the trustees.

MR. POWERS asks if there is any training for committee members on some of the nuances associated with that audit.

MR. STEMP replies that he will pass out an excellent handout.

CHAIR MICHAEL moves to the Finance Committee.

FINANCE COMMITTEE REPORT

TRUSTEE SELBY states that the Finance Committee met on January 4 and had some actions.

TRUSTEE SELBY made a motion that the Full Board of Trustees approve the Finance Committee's recommendation to consolidate the inflation-proofing account into the main investment portfolio.

TRUSTEE JONES seconds.

MR. STEMPEL states that there was money identified, and the segregated portion of the reserves, and the request is to consolidate that money into the main body of the Trust investments. He continues that this will simplify the administration of the assets. He adds that the significance of this action is that it does permanently commit that \$5 million to the Trust investment portfolio.

TRUSTEE DERR asks what the remaining inflation-proofing liability is.

MR. STEMPEL replies that he will get that number updated.

There being no objection, the motion is approved.

TRUSTEE SELBY makes a motion that the Full Board of Trustees approve the Finance Committee's recommended motion to authorize the transfer of \$21,111,000 from the Alaska Permanent Fund Budget Reserve accounts to the Mental Health Settlement Income Account to finance the FY2018 base disbursement calculation.

TRUSTEE JONES seconds.

MR. STEMPEL states that this action will move out of the investment accounts and be transferred over for our regular operations of the Trust.

TRUSTEE DERR asks if this changes the bottom line on the budget.

MR. STEMPEL replies no.

There being no objection, the motion is approved.

TRUSTEE SELBY concludes his report, and states that he has one item that he would like the board to consider. He continues that his two esteemed colleagues on his left have done a lot of work for this board over many years. He requests that the board invite them to the May meeting of the board and maybe have a recognition dinner for the two parting colleagues. He thinks that the board should have this as a routine part of acknowledging people's contributions to the organization.

TRUSTEE EASLEY states that it has been more than 20 years for some of the trees, and she asks that someone might do an aerial survey to see if some of the old trees are getting old enough to cut again.

TRUSTEE JONES states that it takes 50 years.

MR. MENEFEE replies that the aspect is that it is about 70 years in a good area. He states that some of the lands with trees are coming close to harvest.

TRUSTEE JONES states that he thinks that the staff can work with the departments that the Trust deals with to help with the facility side. There are facilities shortfalls in almost every area from Alzheimer's to general elderly to Corrections to API to substance abuse. In keeping with the intent to stay out of programs, the Trust could ideally be involved in the facilities part of the solution. He adds that he would like to see the Trust being uniquely qualified to focus on that area.

CHAIR MICHAEL asks for any other comments.

TRUSTEE JONES states that he is impressed with how quickly Mike Abbott has come up to speed, and he is feeling good about the transition.

TRUSTEE SMITH makes a brief comment about the public testimony received about the disposal process and the Trust's role in that process. He thinks that the committee and the trustees need to focus on improving the public understanding of how it works.

TRUSTEE COOKE states that it seems that it is an unnecessary step to present the same motion twice, once in committee and then to the full board. He, once again, asks why the committee meetings could not just be board meetings dealing with committee-focused topics. It seems that this could make the board more efficient.

MS. BOERNER commends the staff for the great preparation and welcomes the new staff and their ability to jump right in. To the trustees, she states that this has been invaluable as she goes through the process and the confirmation process overall.

MR. POWERS states appreciation for the welcome and friendly ways extended to him. He continues that he was surprised by the Pioneer Home discussion and the robustness of that; and the vulnerability of the dementia patients in API; and the opiate use. He adds that he is honored to be at this table.

TRUSTEE DERR comments in regard to Mike Powers coming up on this board. When Dr. Doolittle was appointed to this board, Mike Powers was one of the letters of recommendation that got him appointed. She thinks that it is great that the cycle has come around and has completed.

MS. KULAS thanks all for allowing them to sit at the table and listen. She looks forward to working with all.

MR. COGHILL agrees.

MS. BARSTAD appreciates being part of the process and is excited to hear that Planning & Programming wants to hear about different contracts. She looks forward to bringing some material soon.

MS. BALDWIN-JOHNSON states appreciation for everybody and for their time and appreciates working with both Paula and Greg. She continues that this was a good meeting with lots of good dialogue.

MR. STEMPEL thanks the trustees and colleagues for the support and encouragement extended over the last several months. He also expresses his respect and appreciation to Trustees Jones and Easley for their service and efforts on behalf of the beneficiaries.

MS. LAWRENCE echoes the sentiments of her colleagues.

MR. MENEFEE thanks the trustees and states appreciation specifically for the recognition of some of the work that the staff does. He continues that there is a lot of staff that do not come to these meetings, and they are diligently working their best to do the best for the Trust.

MR. WILLIAMS agrees, and states that it is an unbelievable amount of work to make sure that the job is done efficiently and in the best interests of the beneficiaries.

MR. ABBOTT thanks both Trustees Jones and Easley. He states that Representative Seaton, co-chair of the Finance Committee, has decided he might come down and join us for lunch. He asks everybody to enjoy the hospitality of this facility for another hour.

CHAIR MICHAEL thanks everyone, and is very proud to be a part of it. She states that she is looking forward to the rest of this year.

TRUSTEE COOKE states that at these meetings a lot of time is spent listening and taking in the presentations. Having the opportunity to talk with each other and staff is very valuable, and he hopes that is built into future agendas. He continues, stating that Chair Michael is doing a fantastic job, and he appreciates the work that she does.

TRUSTEE SELBY states that all would be remiss to not thank Madam Chair and Mr. Abbott for yesterday's presentations. He states that he was impressed with the response from the Senate Finance Committee, in particular.

CHAIR MICHAEL entertains a motion to adjourn.

TRUSTEE SELBY makes a motion to adjourn the meeting.

TRUSTEE SMITH seconds.

There being no objection, the meeting is adjourned.

(AMHTA Full Board meeting adjourned at 11:38 a.m.)