

MEETING AGENDA

Meeting: Board of Trustee
Date: August 28-29, 2019
Time: 9:00 AM
Location: Trust Authority Building, 3745 Community Park Loop, Anchorage
Teleconference: (844) 740-1264 / Meeting Number: 802 253 202 # / Attendee No: #
<http://thetrust.webex.com>
Trustees: Mary Jane Michael (Chair), Chris Cooke (Vice Chair), John Sturgeon (Secretary), Verné Boerner, Laraine Derr, Anita Halterman, Ken McCarty

Wednesday, August 28, 2019

Page No.

9:00	Call to Order – Mary Jane Michael, Chair Roll Call Announcements Approval of Agenda Review of Guiding Principles Ethics Disclosure Approval of Minutes <ul style="list-style-type: none">• March 28, 2019• May 8-9, 2019 Current Bylaws	6 13 18 40
9:10	Mission Moment Behavioral Health Career Pathway Spotlights	
9:30	Staff Report CEO Update	
9:45	COMP Plan Presentation Jillian Gellings, Autumn Vea and Michael Baldwin	47
10:45	Break	
11:00	Statutory Advisors Update Denise Daniello, Executive Director, Alaska Commission on Aging Kristin Vandagriff, Executive Director, Governor’s Council on Disabilities and Special Education Bev Schoonover, Acting Executive Director, Alaska Mental Health Board / Advisory Board on Alcoholism and Drug Abuse	
12:30	Catered Lunch	

Page No.

1:00	Approval(s)	
	• Hiland Mountain / DOC Project	77
	• CFF Disbursement Request (FY20)	81
1:30	AMPS Discussion / Approval	86
2:00	Cost Recovery Regulations	110
2:15	Recess	
4:30	Public Comment	
	• For Public Comment Guidelines click here	
	Recess	

Thursday, August 29, 2019

Page No.

8:30	Call to Order Announcements	
8:35	Statutory Advisor Update Angela Rodell, Chief Executive Officer, Alaska Permanent Fund Corporation	
9:35	FY21 Budget Deliberations	120
10:15	Break	
10:30	Ethics Training Stuart Goering & Maria Bahr, Department of Law	
11:30	Board Elections	
11:45	Trustee Comments	
12:00	Adjourn	

Additional Documents

• Finance Committee Report	84
• Program & Planning Committee Report	123
• Resource Management Committee Report	124
• Audit & Risk Committee Report	125

Future Meeting Dates

Full Board of Trustee / Program & Planning / Resource Management / Audit & Risk / Finance

(Updated – June 2019)

- | | | |
|--------------------------------|----------------------------|------------------------|
| • Program & Planning Committee | July 31, 2019 | (Wed) |
| • Audit & Risk Committee | August 1, 2019 | (Thu) |
| • Finance Committee | August 1, 2019 | (Thu) |
| • Resource Mgt Committee | August 1, 2019 | (Thu) |
| • Full Board of Trustee | August 28-29, 2019 | (Wed, Thu) – Anchorage |
| | | |
| • Full Board of Trustee | November 6-7, 2019 | (Wed, Thu) – Anchorage |
| | | |
| • Audit & Risk Committee | January 3, 2020 | (Fri) |
| • Finance Committee | January 3, 2020 | (Fri) |
| • Resource Mgt Committee | January 3, 2020 | (Fri) |
| • Program & Planning Committee | January 3, 2020 | (Fri) |
| • Full Board of Trustee | January 29-30, 2020 | (Wed, Thu) – Juneau |
| | | |
| • Audit & Risk Committee | April 22, 2020 | (Wed) |
| • Finance Committee | April 22, 2020 | (Wed) |
| • Resource Mgt Committee | April 22, 2020 | (Wed) |
| • Program & Planning Committee | April 22, 2020 | (Wed) |
| • Full Board of Trustee | May 20, 2020 | (Wed) – TBD |

Future Meeting Dates

Statutory Advisory Boards

(Updated – June 2019)

Alaska Mental Health Board / Advisory Board on Alcoholism and Drug Abuse

- Executive Committee – monthly via teleconference (First Wednesday of the Month)
- September 23-27, 2019 – Kenai or Anchorage <tentative>

Governor’s Council on Disabilities and Special Education

- Oct 2-3, 2019 - Anchorage (pre-meeting for Autism Ad Hoc on Oct 1)

Alaska Commission on Aging

- September 12-15, 2019 – ACOA Rural Outreach

**The Trust's
Guiding Principles /
Mission Statement /
Trust Budget
Process Flowcharts**

Trust Guiding Principles

To improve the lives of Trust beneficiaries, The Trust is committed to:

Education of the public and policymakers on beneficiary needs;

Collaboration with consumers and partner advocates;

Maximizing beneficiary input into programs;

Continually improving results for beneficiaries;

Prioritizing services for beneficiaries at risk of institutionalization or needing long-term, intensive care;

Useful and timely data for evaluating program results;

Inclusion of early intervention and prevention components in programs;

Provision of reasonably necessary beneficiary services based on ability to pay.

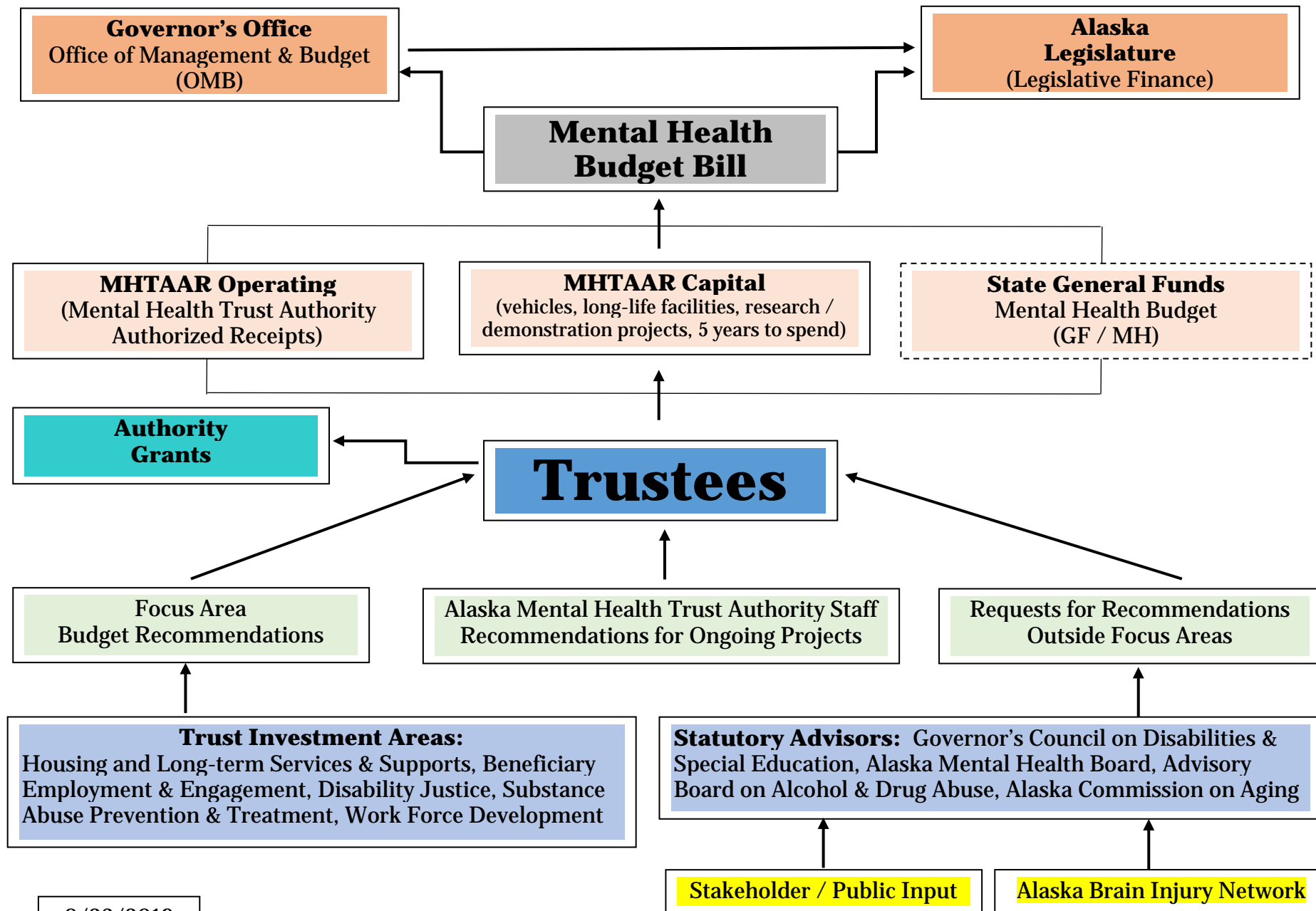
Approved 5-12-09, Board of Trustee meeting

Trust Mission Statement

The Alaska Mental Health Trust Authority (The Trust) administers the Mental Health Trust to improve the lives of beneficiaries. Trustees have a fiduciary responsibility to protect and enhance trust assets in perpetuity for the beneficiaries. The Trust provides leadership in advocacy, planning, implementing and funding of the Comprehensive Integrated Mental Health Program; and acts as a catalyst for change.

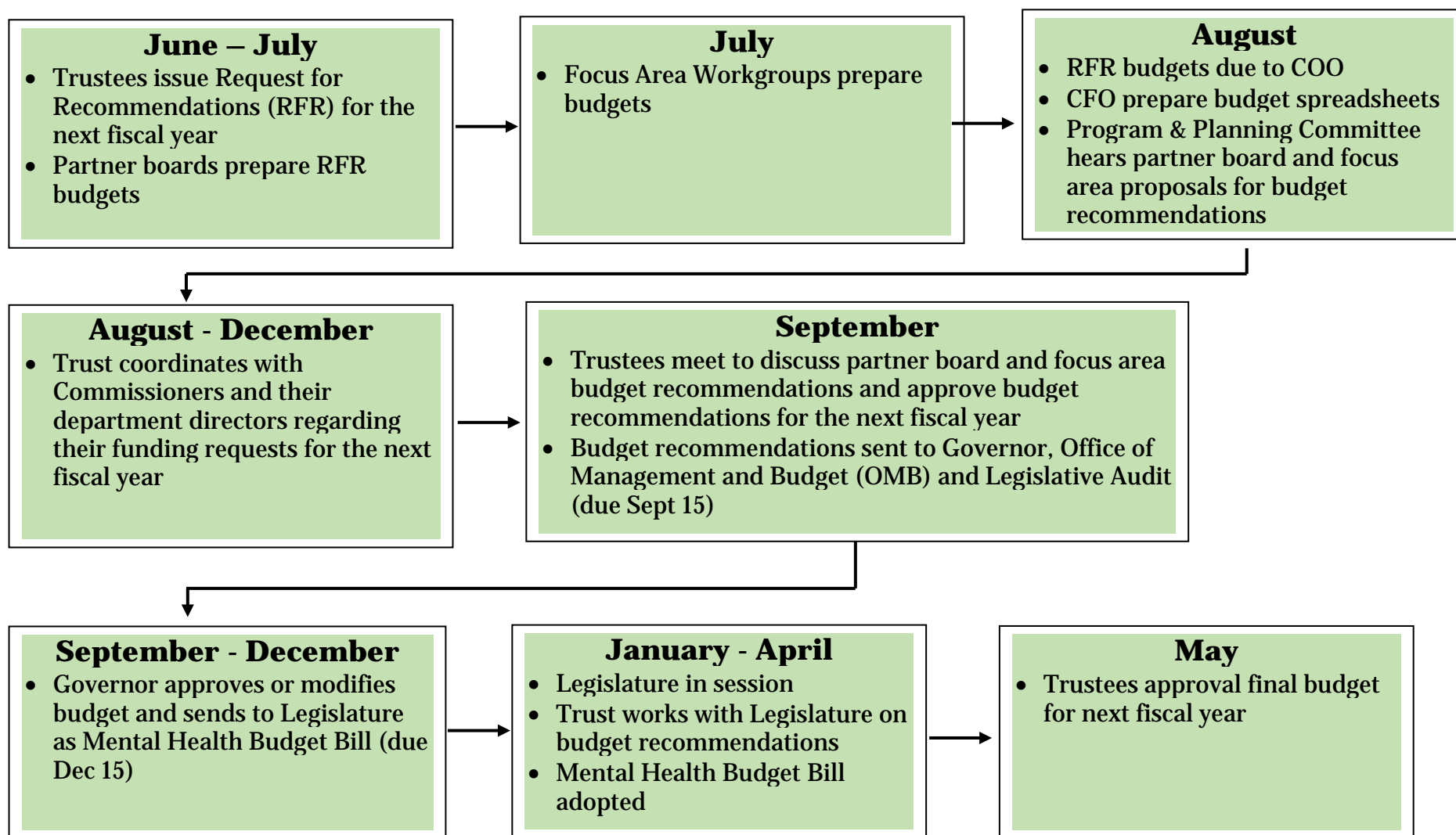
Approved 5-12-09, Board of Trustee meeting

Alaska Mental Health Trust Authority Budget Process



0/23/2019

Annual Mental Health Budget Bill Process

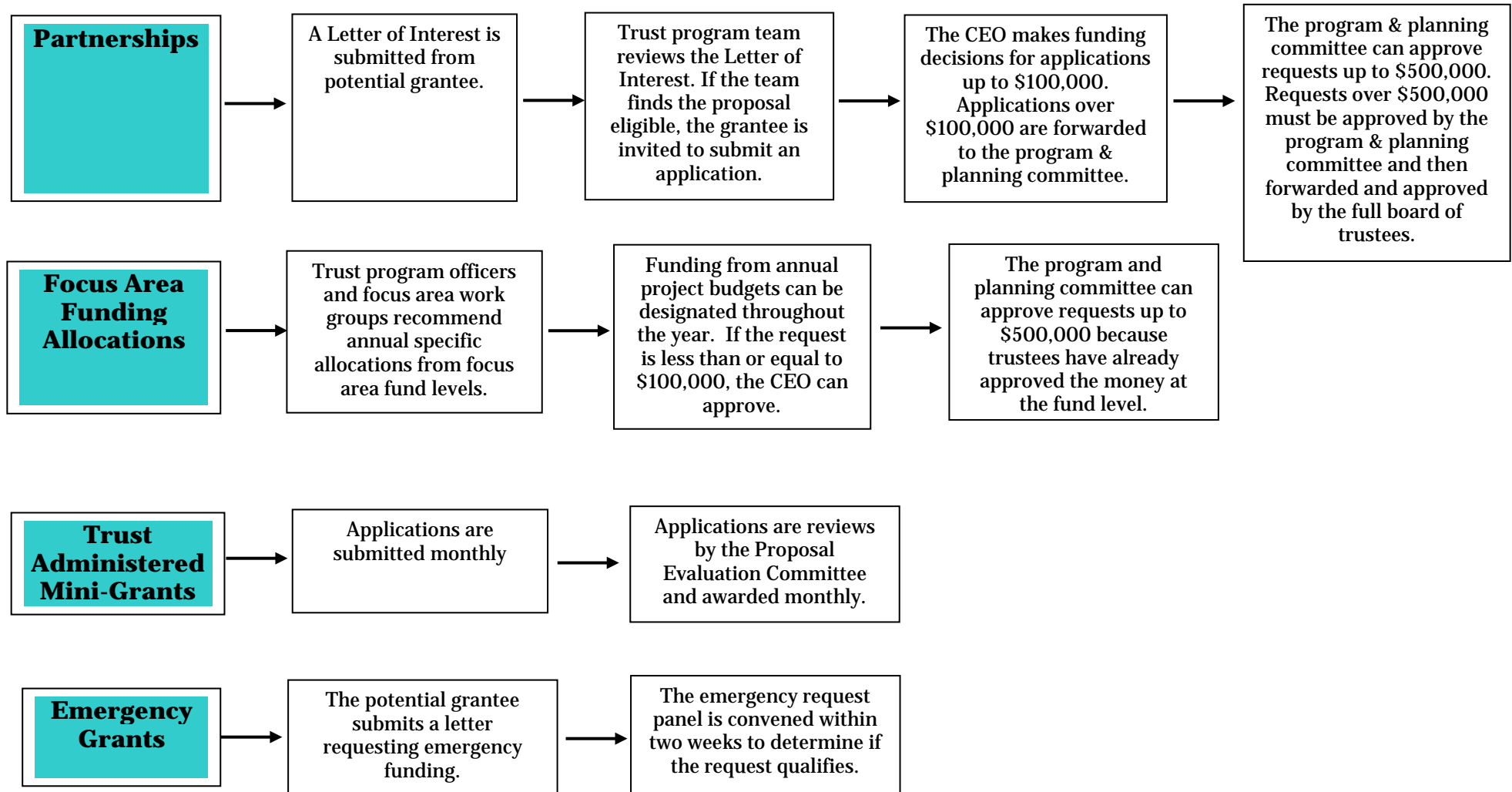


Note: timeline represents those items in the green boxes in the chart entitled “Alaska Mental Health Budget Process”

01/23/2019

Grant Approval Process for Authority Grant Funds

All annual budgets are approved by the full board of trustees at the September meeting



Note: this chart depicts those items included in the teal box labeled "Authority Grants" on the chart entitled "Alaska Mental Health Trust Authority Budget Process"

Revised: 01/23/2019

Trust Annual Calendar

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
Board Administration												
Trustee reports due to APOC – Mar 15			XX									
Trustee committee assignments					XX							
Officer elections									XX			
Board evaluations										XX	XX	
CEO evaluation											XX	
Trust Administration												
Legislature convenes	XX											
Trustees present budget to House/ Senate Finance Committees	XX	XX										
Legislature adjourns				XX								
Request for Recommendations (RFR) issued to partner boards April 30				XX								
Fiscal year ends June 30						XX						
Fiscal year begins July 1							XX					
RFRs due from partner boards July 30							XX					
Advocacy Summit											XX	
Staff drafts Trust office budget for next fiscal year								XX				
Staff coordinates w/DHSS on budget								XX	XX	XX	XX	XX
Trustee meeting to approve next fiscal year budget									XX			
Trust budget recommendations due September 15 to Governor/ Legislative Finance									XX			
Financial audit begins							XX					
Financial audit completed										XX		
Staff coordinates with OMB/DHSS on budget recommendations										XX	XX	XX
Trustees meet to finalize budget											XX	
Governor's budget released December 15												XX

04/17/15

**Minutes for the
March 28, 2019
Full Board of Trustee
Meeting**

ALASKA MENTAL HEALTH TRUST AUTHORITY
SPECIAL FULL BOARD OF TRUSTEES MEETING

March 28, 2019
2:00 p.m.

Taken at:
3745 Community Park Loop, Suite 120
Anchorage, Alaska

Trustees Present:

Mary Jane Michael, Chair
Paula Easley
Carlton Smith (via Speakerphone)
Chris Cooke
Verne' Boerner (via Speakerphone)
Laraine Derr (via Speakerphone)
Jerome Selby (via Speakerphone)

Trust Staff Present:

Mike Abbott
Steve Williams
Kelda Barstad (via Speakerphone)
Andy Stemp
Vallette Keller
Eric Boyer
Autumn Veal
Travis Welch
Allison Biastock

Also participating: Laura Russell; Deputy Commissioner Al Wall; Beverly Schoonover (via Speakerphone); Deb Etheridge (via Speakerphone); Lisa Morley (via Speakerphone); Joe Riggs (via Speakerphone); Ken McCarty (via Speakerphone).

PROCEEDINGS

CALL TO ORDER

CHAIR MICHAEL called the meeting to order, began with roll call, and moved to approval of the agenda.

APPROVAL OF AGENDA

MOTION: A motion was made to approve the agenda by TRUSTEE COOKE;
seconded by TRUSTEE EASLEY.

There being no objection, the MOTION was approved.

CHAIR MICHAEL asked for any ethics disclosures.

ETHICS DISCLOSURES

There were no ethics disclosures.

MHTAAR CHANGES OF INTENT

CHAIR MICHAEL recognized Mike Abbott.

MR. ABBOTT stated that there was an important time-sensitive opportunity for funds from a Trust-approved purpose that the Department would not be able to meet to be shifted to two other Department purposes that are both time-sensitive and beneficial to Trust beneficiaries. He continued that there are also two motions for the trustees to consider. He asked Kelda Barstad to talk on the subject of the program that is proposed to be unfunded.

MS. BARSTAD stated that this specific project is identified as contractual support for the Division of Senior and Disabilities Services with the project description being implemented as a new assessment tool for the Senior and Disabilities Services managed waivers. She added that this new assessment tool has been moved back and would not be able to be completed in fiscal year 2019.

TRUSTEE COOKE stated that this is about \$262,000, and asked if there will be a request for the same funding for next year.

MS. ETHERIDGE stated that she is acting director for Senior and Disabilities Services and replied that it is not the intention of the Division to look to the Trust for additional funding. She continued that there is a portion of funding for the NTRI project within the capital project. She explained that it was not sufficient to support the development of the program along with other projects associated with the Harmony project; but we have made some changes in the contract that has freed up some General Funds to allocate towards the NTRI project. She added that this is a change.

TRUSTEE COOKE asked about the waivers administered by the Senior and Disabilities Services.

MS. ETHERIDGE explained that under the authority of 1915c, they have sought to waive those rules on the State Plan and allowed to pay for home- and community-based services.

MR. ABBOTT asked Ms. Barstad to describe the first of the proposed reallocations.

MS. BARSTAD stated that the first proposal would keep the funding within Senior and Disabilities Services but change the intent of the project from supporting the waiver assessment tool to streamlining the databases for grant services within the Division of Senior and Disabilities Services. This project would be used to add remaining Senior and Disabilities Services grantees into the SAMS database, Social Assistance Management System, which all the grantees use. She continued that it would help to reduce the grantee administrative burden and improve the quality of reporting and coordination of services. She added that this is an important project because the Centers for Independent Living also overlap with the Aging and Disabilities Resource Centers. So, there are some nonprofit agencies that have both roles and both contracts.

MR. ABBOTT stated that Travis Welch will speak about the second proposed reauthorization.

MR. WELCH stated that the second request is for DHSS to take \$150,000 and temporarily increase capacity in API so that the backlog of individuals, largely beneficiaries, who are currently awaiting a forensic competency evaluation can be addressed. He continued that this will eliminate this backlog and speed up the process to limit the exposure in this process.

TRUSTEE COOKE noted that it was his understanding that forensic evaluations are mandatory, and the State has to meet this obligation that has been ordered by the court. He understood that the goal was to reduce the amount of waiting time for these evaluations, but he had some significant questions about the State's ability to provide the services related to competency evaluations.

MR. ABBOTT explained that this was an unusual case and the reason for the recommendation was that the State had identified a mechanism to deal with this backlog in a short period of time inside a current fiscal year for which the budget has already been adopted. He stated that this is a one-time occurrence.

TRUSTEE BOERNER noted that the hope is for this to be a one-time event.

TRUSTEE EASLEY asked if that is to hire one employee to do the allocation.

DEPUTY COMMISSIONER WALL explained that if an evaluation is ordered by the court, someone is obligated to pay for it. Typically, the Department of Health and Social Services has picked up the evaluations. He continued that forensic evaluation is much different from a normal psychiatric evaluation; it is a very detailed, very prescriptive evaluation. He noted that a certain amount of funds are allocated for personnel, and we have psychologist positions that have not been filled because they start at level III, which is about \$90,000 a year. A highly skilled forensic psychologist with that specialty starts at about \$200,000 in the private sector. It is very difficult to recruit to those positions. He continued that it is not allowed to move money from the personnel line to the contract line within the State budgeting system. He explained that this money would provide not the treatment, but a mechanism by which a person can be released so they can be cared for by the system.

MOTION: A motion to approve a change of intent to allow the Department of Health and Social Services to use \$100,000 of FY19 MHTAAR funds, originally approved for the ASO Reallocation for Contractual Support, for Database Streamlining, was made by TRUSTEE COOKE and seconded by TRUSTEE EASLEY.

After a roll call vote, the MOTION was approved by the trustees (Boerner, Cooke, Derr, Easley, Selby, Smith, and Michael).

MOTION: A motion to approve a change of intent to allow the Department of Health and Social Services to use \$150,000 of FY19 MHTAAR funds, originally approved for the ASO Reallocation for Contractual Support, for a contract for increased forensic competency evaluation capacity was made by TRUSTEE COOKE and seconded by TRUSTEE SELBY.

After a roll call vote, the MOTION was approved by the trustees (Boerner, Cooke, Derr, Easley, Selby, Smith, and Michael).

MR. ABBOTT thanked all and concluded the business items on the agenda for the special board meeting.

MOTION: A motion to adjourn the meeting was made by TRUSTEE SELBY and seconded by TRUSTEE COOKE.

There being no objection, the MOTION was approved.

(Special Full Board meeting adjourned at 3:00 p.m.)

**Minutes for the
May 8-9, 2019
Full Board of Trustee
Meeting**

ALASKA MENTAL HEALTH TRUST AUTHORITY

FULL BOARD MEETING

May 8, 2019

8:09 a.m.

Taken at:

**Wedgewood Resort
212 Wedgewood Drive
Fairbanks, Alaska**

Trustees Present:

Mary Jane Michael, Chair
Paula Easley
Chris Cooke
Laraine Derr
John Sturgeon
Ken McCarty

Trust Staff Present:

Mike Abbott
Katie Baldwin-Johnson
Kelda Barstad
Alison Biastock
Mike Baldwin
Eric Boyer
Jimael Johnson
Steve Williams
Miri Smith-Coolidge
Andy Stemp
Travis Welch

Trust Land Office:

Wyn Menefee
Jusdi Doucet
Sarah Morrison
Marisol Miller
Aaron O'Quinn

Also participating:

Patrick Reinhart; Kristin Vandagriff; Lesley Thompson; Bev Schoonover; Sean Roy; John Regitano; Brenda Stanfill; Linda Setterberg.

PROCEEDINGS

CALL TO ORDER

CHAIR MICHAEL called the meeting to order and began with roll call. She acknowledged the trustees that were present and stated that Trustee Boerner is not online yet. She moved to approval of the agenda.

APPROVAL OF AGENDA

MOTION: A motion was made to approve the agenda by TRUSTEE COOKE; seconded by TRUSTEE STURGEON.

There being no objection, the MOTION was approved.

CHAIR MICHAEL stated that the review of the Guiding Principles was in the packet.

ETHICS DISCLOSURES

CHAIR MICHAEL asked for any Ethics Disclosures. There being none, she moved to the approval of the minutes of January 3, 2019, and then the minutes of January 30 and 31, 2019.

APPROVAL OF MINUTES

MOTION: A motion was made to approve the minutes of January 3, 2019, by TRUSTEE DERR; seconded by TRUSTEE McCARTY.

There being no objection, the MOTION was approved.

MOTION: A motion was made to approve the minutes of January 30 and 31, 2019, by TRUSTEE DERR; seconded by TRUSTEE COOKE.

There being no objection, the MOTION was approved.

BOARD ELECTIONS

CHAIR MICHAEL stated that the current bylaws are in the packet. She continued that there were two committee chair vacancies with Carlton Smith and Jerome Selby leaving. In the interim, she appointed Paula Easley chair of the Resource Management Committee, and Laraine Derr as the chair of the Finance Committee. She added that typically at the fall meeting, which is at the end of August, board elections are held. At that time it is the chair's responsibility to appoint new chairs for the committees. She talked about the board elections and stated that there is going to be a big transition next year at this time. There is a need to be thinking about the succession planning and it is important to make sure everyone has the opportunity to fully engage the best they can. She went through the Article 5 section of the bylaws, Officers and Duties; and then Section 3.

TRUSTEE COOKE added that "Except for the chair, if an office of the board becomes vacant, an election shall be held to fill the vacancy at the next regular board meeting following the vacancy." He stated that Jerome Selby was vice chair, and Carlton Smith was secretary. There are two vacancies in those offices.

CHAIR MICHAEL opened the nominations for vice chair.

TRUSTEE STURGEON nominated Chris Cooke as vice chair.

CHAIR MICHAEL asked for any other nominations three times. There being no other nominations, Trustee Chris Cooke was elected as vice chair. She opened the nomination for secretary.

TRUSTEE DERR nominated John Sturgeon as secretary.

CHAIR MICHAEL asked for any other nominations three times. Hearing none, Trustee John Sturgeon was elected as secretary. She stated that the next item on the agenda is the Mission Moment.

MISSION MOMENT

MS. BALDWIN-JOHNSON introduced Hannah Hill, the executive director of Bread Line, Inc., which is a nonprofit serving Fairbanks for more than 20 years and is a community partner that has been serving Trust beneficiaries for many years. She stated that the agency provides four primary programs including the Stone Throw's Culinary Training Program for which the Trust provides funding for in aligning with key beneficiary employment and engagement focus areas. She continued that Ms. Hill and guest will offer an overview of the work for today's Mission Moment, and they have offered to open their doors for a site visit today.

MS. HILL introduced Terry James, a graduate of the Stone's Throw program. She stated that the Bread Line is a 501(c)3 nonprofit and has been serving the Fairbanks area since 1984. They are currently housed in Downtown Fairbanks at 507 Gaffney Road. She continued that the Bread Line is the umbrella for four separate projects which are all different anti-hunger programs. The Stone Soup Café is the local soup kitchen that has been running since 1984, the longest serving program. She added that in 2018 over 30,000 hot free meals were served to the hungry neighbors. It is a low-limit facility with neither sobriety or work requirements to come in and get a meal. The only requirement is kindness to yourself and others. The café operates five days a week, Monday through Friday, no matter inclement weather or holidays. She stated there is also a kids 'café. That is a family program with a volunteer initiative to teach kids what food insecurity looks like specifically in our community and how they can help. The children and their families come in once a month and help make food for the following week for the Stone Soup Café. She continued that they also partner with the Fairbanks Children's Museum; they come and bring a craft. In the summer there is a community garden which provides an influx of very fresh food directly into the café. The surplus is given to assisted-living facilities in Downtown Fairbanks. She explained that they are a rising member of Catalyst Kitchens which has over 60 member organizations nationwide. The Alaska Mental Health Trust Authority helped the Bread Line launch this program five years ago and has been a sustained supporter throughout the entire time. FareStart is a nonprofit organization based out of Seattle that is a job placement and training program that benefits homeless and otherwise disadvantaged people. It gives them job skills training as well as life skills. This is how Catalyst Kitchens was created. It is a social impact program and an economic engine for nonprofits. The Stone's Throw program is tuition-based, but also does catering to bring money back in as well as realtime life and job-skill experiences. In 2018 there were eight graduates from two separate classes. Both classes had 100 percent employment within a month of graduation. She added that many of the students go on to

post-secondary education. She stated that Terry James graduated in the December 2017 class, which was an exceptional class. She asked him for any comments.

MR. JAMES stated that he was thankful to be here. He continued that, currently, he is in the culinary school at Hutchinson to further his education and gain more certifications in different fields. He added that he should be completed with that in 2020. He stated that Stone's Throw really encouraged him with furthering his career and is very happy to be associated with them. He thanked all for their support.

MS. HILL stated that they do catering and sometimes need graduates with more skill sets. Terry is one of those, and helps with Chef at the Market at the Tanana Valley. That is going in, grabbing produce, and showing everyone how to cook it. She continued that the Bread Line works to feed people so, in their lives, it can be a catalyst for change for good in the community which is made possible by the support from organizations like the Trust.

CHAIR MICHAEL thanked Ms. Hill, and stated that it was a great presentation.

(Applause.)

STAFF REPORT

CHAIR MICHAEL stated that next on the agenda is the Staff Report and recognized Mike Abbott.

MR. ABBOTT stated that Trustee Boerner is unable to participate remotely because of commitments but will be joining online for the portions of the meeting that are tomorrow afternoon. He moved to an update on what was going on with the Legislature and stated that the admin budgets for the Trust and the TLO teams look like they are virtually fully intact. There were small reductions made to comply with the Governor's travel reduction initiative which are not expected to affect either the TLO or Trust Authority. He stated that there is a lot of uncertainty regarding the programmatic budgets. The Conference Committee is just getting started, which is pretty late in the process. That is largely rooted in the fact that the House did not organize until about Day 35. The items that are susceptible to change would have to do with some of the capital items that were recommended General Fund spending in deferred maintenance and transportation support, as well as a few other areas. He continued to the Medicaid program which is primarily determined by the Administration, and the appropriation does not drive the actual outcomes. He added that discussion may make a big difference in terms of how the beneficiaries are served by Medicaid in FY20. He moved to Criminal Justice Reform and stated that it is beginning to look a bit clearer that significant portions of the original criminal justice reform package that had been developed over the last four or five years will be rolled back. It is incumbent to keep the pressure on the Department of Law, the Department of Corrections to maintain and to rebuild commitments to support the beneficiaries in the criminal justice system. He reported that the sale of the Subport parcel in Juneau is in the active phase of marketing. There is a website dedicated to that project specifically with a communications plan that is being done internally using Northwest Strategies. He talked about the term "block grant" which would be a big policy that would essentially change the way that Medicaid would work for the Medicaid expansion population. He explained this in detail restating that the Legislature will be contemplating this over the interim and during the calendar 2020 legislative session. He added that Governor Dunleavy believes that Medicaid as it is currently structured is not

sustainable for the State of Alaska going forward. He has been very clear and very consistent on that. He moved to housing and homelessness and talked about the announcements on two multi-million-dollar private commitments of funds to work on Anchorage and to a degree Alaska homelessness issues that will soon be made public. In large part, the Trust's active support for housing and homelessness solutions is one of the reasons for this commitment. That is an excellent example of how Trust money can help leverage significantly greater contributions from other partners. He continued that staff is actively working to provide a facility in Anchorage where Choices and the Alaska Consumer Web can relocate. He moved to the need to likely amend the Trust's FY20 budget, but better information is needed. He expects active consideration of reductions in the State budget that will affect Trust spending, and budget adjustments.

CHAIR MICHAEL moved to the Updates from the statutory advisory groups.

STATUTORY ADVISORY GROUP UPDATES

MS. SCHOONOVER stated that it will be done altogether and introduced herself as the acting executive director of the Alaska Mental Health Board, the Advisory Board on Alcoholism and Drug Abuse, and the State Suicide Prevention Council.

MS. THOMPSON stated that she is the planner for the Alaska Commission on Aging filling in. She has been with the Commission for about 12 years, loves her job, and the Trust funds her position.

MR. REINHART stated that he is the executive director of the Governor's Council on Disabilities and Special Education.

MS. VANDAGRIFF stated that she is a planner with the Council.

MS. THOMPSON mentioned that, in addition to the Friday teleconference calls, the Commission on Aging has been doing a senior legislative teleconference every other Thursday where seniors and people who work with seniors and are interested in seniors come and talk about advocacy issues for seniors, many of which are Trust beneficiaries.

MS. SCHOONOVER stated that the Governor's Council on Disabilities and Special Education, the Commission on Aging, the Trust and her advisory boards worked together to forward legislative priorities that affect Trust beneficiaries. Each board has their own legislative advocacy committee and did some educational outreach to new legislators on areas concerning beneficiaries. She talked about some bills that caused joint concern and were currently moving; and then went over some jointly advocated bills that are not moving.

MS. THOMPSON moved to HB 96 and stated that the Governor put into his budget to increase the rates to make the Pioneer Homes self-sustaining, which has caused a lot of problems for seniors. Many have moved out of the Pioneer Homes because they figured that they will be kicked out. She continued that HB 96 kind of slows down the speed of the increase in fees, but then the budget will need some additional funds next session.

MR. REINHART talked about the coordinated transportation and stated that if the State has not

put the million dollars into this then it is a great idea that the Trust just do the grant because what the State has done when they manage the money it that they take 10 percent off the top admin fee. The other part is when the money is put with the State it is held to a standard of a federal transit authority level grant. Those standards are high and do not allow for a huge amount of creativity in the use of those funds. He moved on to anticipated impacts on beneficiaries and talked about some of the major concerns.

MS. SCHOONOVER moved into the Advisory Board Updates. The Statewide Suicide Prevention Council has two bills, and if SB 10 does not get passed, the Council work will end on June 30th. She stated that there are seven board seats up for ABADA in July, and five board seats up for the Mental Health Board in December. Pending approval, there will be a board meeting in the Kenai/Soldotna area September 24 to 26.

MR. REINHART gave a Council member update and talked about the six board members terms being up. He stated that five of them want to continue and are now waiting to see what that outcome will be. He added that he will be retiring as of July 1st, and Kristin Vandagriff's name has been put forward by the Executive Committee to the Council as the new ED.

MS. VANDAGRIFF thanked Mr. Reinhart for everything he has done in his life of public service. He has been an awesome mentor, friend and a true leader. She moved to the Alaska Transition Handbook that was put out and the Trust heavily helped with the funding for printing. She continued her update.

CHAIR MICHAEL called a 15-minute break.

(Break.)

CHAIR MICHAEL reconvened the meeting and moved to any questions from the trustees.

TRUSTEE McCARTY asked a number of clarifying questions about Pioneer House and assisted living homes; how they are funded and if Medicaid waivers were involved.

MS. BARSTAD, program officer for the Trust, replied that the assisted-living homes are not directly funded by the Trust aside from an occasional new startup for innovative programs. She replied, clarified and explained how Pioneer Homes worked with a more independent living structure for level 1. Level 2 is viewed as a typical assisted-living-type of service that assists with people's activities of daily living. Level 3 adds more nurse time and structured staff time to support people with dementia symptoms that need more supervision, cueing and monitoring.

MS. SCHOONOVER noted that the 1115 waiver allows the State to do demonstration projects. The whole 1115 was predicated on if additional preventive services and screenings were needed then the emergency room services would be reduced. The entire equation for the federal cost neutrality is based on that.

CHAIR MICHAEL asked for any other questions. There being none, she acknowledged the service of Patrick Reinhart and all he has done to advise the Mental Health Trust over the years. She has had the pleasure of knowing him for a long time, and stated that he is a champion in terms of services for the people. It is not professional for him; it is totally personal.

TRUSTEE DERR followed up on the letter from Sydney that was not very nice to Mr. Reinhart. She added that, at one time, she was not very nice to Mr. Reinhart. For some time she tried to get rid of him but, fortunately, he survived. She thanked Patrick Reinhart of his survivorship and had enjoyed getting to know him over the years.

MR. WILLIAMS spoke for both current and past Trust staff that worked closely with Mr. Reinhart and stated that the words "advocacy," "mentor," "networker," "passion" are all things that come to mind for what he had done for beneficiaries his entire career. One phrase he always enjoyed from Mr. Reinhart was: "Well, let's just do it and see what happens." He continued that he had learned a lot both in terms of understanding the developmental disability community from a legislative advocacy level and enjoyed the personal, professional relationship that we have had for several years. He thanked Mr. Reinhart.

MR. ABBOTT stated that he and Mr. Reinhart had come up through the Anchorage School District together and he has learned a lot from him. He said, in the most complimentary way possible that Patrick Reinhart is a schemer and is a problem-solving guy. That the State attracted someone with that kind of skill set, attitude and passion is a credit to the State, the Administration and to the Governor's Council. He thanked him.

MR. REINHART thanked everyone.

(Applause.)

(Break.)

CHAIR MICHAEL moved to the Finance Committee and recognized Trustee Derr.

FINANCE COMMITTEE REPORT

TRUSTEE DERR stated that she had a motion to bring forth in regard to settling the legislative audit and the final throes of making the changes that were recommended by the legislative audit report last year. She asked Trustee Michael to read the motion.

MOTION: The Finance Committee recommended that the Full Board of Trustees authorize the transfer of \$41,300,00 from the budget reserve to the Mental Health Trust Fund. In combination with this transfer, the seven properties identified as real estate investments will be designated as long-term investments within the budget reserve. Proceeds from any subsequent sale of these properties will flow into the budget.

TRUSTEE DERR stated that the motion does not need a second having come from the Finance Committee. She asked Andrew Stemp to begin the discussion.

MR. STEMPEL stated that there had been a rather extensive discussion in the previous Finance Committee meeting that walked through the background. He continued that this additional document is a very helpful recommendation that was received from one of the partner boards and acknowledged their input. They requested that an explanation be provided that walked through the different amounts referenced in the special audit report, and to tie that amount back to the

proposed transfer. He put the supplement to the Finance Committee report together, and for the record and minutes, summarized this in saying the special audit report has an amount in the beginning of the report of \$44.4 million as the total amount of principal that was identified in the first summary section. It explained that the principal was spent by the Trust to accomplish three different tasks. Investments in commercial real estate that was invested in program-unrelated real estate, and then invested in natural resource development projects were made. He clarified that the actual recommendation from the legislative audit report had no recommendation about reimbursing the Trust Fund for the \$39.5 million invested in the seven commercial real estate properties. That came from the Finance Committee to refund the amount of principal that would have otherwise been sent to the Trust Fund. He continued that there is a specific recommendation, No. 2, dealing with program-related real estate that recommends the Trust Fund be reimbursed for \$1.8 million. That was discussed in the previous meeting, and was added to the amount for the commercial real estate. Those two numbers add up to \$41.3 million, which is the amount of the proposed transfer. He added that the remaining difference between the \$44.4 million and the proposed transfer of \$41.3 million is the amount that was used for natural-resource development projects. The audit report was silent on that particular topic, and no recommendations for board considerations are being made about that amount.

TRUSTEE COOKE asked if any legal opinions were received from the Department of Law.

MR. ABBOTT replied no, the Department of Law characterizes the issues raised in the audit as primarily policy or politics rather than legal. He stated that the important signal that is being sent by adopting or supporting this motion is that within a year or less of the audit's release, the most significant findings in it have been addressed.

TRUSTEE COOKE stated that, for any future review, that the record is clear that this is what is being done. A wide range of other alternatives have been considered and, for various reasons, were found to be impractical and not in the best interest of the Trust and its beneficiaries.

TRUSTEE DERR stated that the motion is before the Full Board of Trustees, and asked for the vote.

TRUSTEE COOKED asked about the comments from the partner boards.

MR. ABBOTT replied that the Commission on Aging has stated its position, and Mr. Reinhart shared the Governor's Council's position.

MS. SCHOONOVER stated that the statutory advisory boards are concerned about this regulation change. It is a new piece of information and would like to have more information on it. She wanted to know what authority there is when those properties are sold and is not sure about moving forward with this action. She added that her board wants to comment and did not have enough time. She continued that the decisions that were made that led to the audit, which found that the law was not quite followed, regardless of intent, and were made by trustees. She added there is some confusion with this regulation change, and there are more things that need to be shared.

CHAIR MICHAEL thanked all and asked for any other comments.

TRUSTEE COOKE suggested that with a motion of this magnitude that a roll-call vote is in order.

ROLL CALL VOTE: TRUSTEE EASLEY, yes; TRUSTEE McCARTY, yes; TRUSTEE STURGEON, yes; TRUSTEE COOKE, yes; TRUSTEE DERR, yes; TRUSTEE MICHAEL, yes; TRUSTEE BOERNER, excused.

There being no objection, the MOTION was approved.

TRUSTEE DERR concluded the Finance Committee report.

ASSET MANAGEMENT POLICY STATEMENT AND RESOURCE MANAGEMENT STRATEGY UPDATE

MR. ABBOTT stated that the Asset Management Policy Statement is the guiding document for the way the cash and noncash assets are managed. This is how the trustees set their expectations so that staff at the TLO and the Trust Authority move forward, and it is an important thing. He continued that it also ties back to the legislative audit in that there was a specific recommendation in the audit that the AMPS be evaluated; or that the Trust take the opportunity to consider changes to the AMPS in light of some of the concerns that the audit raised related to the investment approach.

MR. STEMP began with the background and history of these documents and laid everything out. He stated that they are designed and intended to be tools that will help the trustees with decision-making and management of the Trust resources. The Trust has a responsibility to the beneficiaries of today in meeting their needs. At the same time, there is also a responsibility for future beneficiaries, including beneficiaries yet to be born. How those responsibilities are balanced and managed are key factors in the investment decision-making, in the resource decision-making. He continued that the Asset Management Policy Statement is the management plan for all of the assets entrusted to the board. He moved to the resource management strategy, which is kind of the management plan that the TLO has developed to implement and execute on the directions within the AMPS. He added that the optimal situation is to have these documents working together and having a strong coordination between the two bodies of information. In his presentation, there is a very specific reference to 11 AAC 99, which is the statutory authority for this and some bullets that describe the broad range of resources that fall within this area. One important point is to see these documents become well-worn in being frequently used and referred to. He empathized the idea that they should be living documents and be reviewed and adjusted as the circumstances change. They should be relevant both from where they were 25 years ago and a resource now. He talked about Callan, an independent adviser that reviewed the policies, provided input, and brought up the best practices. This firm is independent of any large financial institution; they are completely responsive and act in the best interest of their clients. They have a long relationship with the Permanent Fund and with the Alaska Retirement Management Board, and staff feels very confident that any of their recommendations will be based on the highest possible industry standards. He added that there is a timetable laid out for the August meeting with the Finance Committee. Callan will have a staffperson walk through a proposed set of revisions or updates for committee consideration with a goal to consider, gather feedback, and take action at the September full board meeting. He then went over the long-term benefits.

CHAIR MICHAEL stated that was a great presentation and was excited about how it was integrated with the Comprehensive Mental Health Plan. She added that it pulls the organization together. She moved to the Resource Management Committee Report.

RESOURCE MANAGEMENT COMMITTEE REPORT

TRUSTEE EASLEY reported that at the April 17th meeting the CEO gave an in-depth update of the activities of the TLO that included three consultations that went to the committee for concurrence and were all adopted. She stated that the first one was an aggressive statewide competitive lease offering in Southcentral, Northern Alaska, and Southeastern. The parcels are commercial and recreational and designed to work within each other. The second consultation was the sale of four lots in the Mat-Su Subdivision with the potential for bringing in about \$350,000. The third one is the 10-year lease of renewal for Capital Community Broadcasting, Inc. in Juneau which will bring in \$3 million over ten years, and is subject to renewal. She continued that there is board action required on items that relate to the real estate program and PRI budgets. She explained that the Trust has an obligation to manage the property it owns and has determined the amount of the budget that is required to do that. Generally, the facility management costs come from the building rents and other income collected from the properties. In the case of Cordova Street, where the TLO office is, cash flow from the building generally cover it. In this case, it did not cover all the expenses. These three motions will allow the TLO to collect approximately \$13.3 million in gross revenue from the property rents.

MOTION: The Mental Health Trust Authority Board of Trustees authorizes the incremental building expenditures totaling \$10,010,000 budgeted for fiscal year 2020 to be paid by the property manager from rents and other income collected.

There being no objection, the MOTION was approved.

MOTION: The Alaska Mental Health Trust Authority Board of Trustees authorizes funding expenditures for the noninvestment program-related real estate and REMP real estate Trust-funded properties in the amount of \$845,000 for fiscal year 2020, which appropriation shall not lapse. That is in the TLO budget.

MR. MENEFEE clarified that \$845,000 was from the central facility fund.\

There being no objection, the MOTION was approved.

MOTION: The third motion concerns the Alaska Mental Health Trust Authority Board of Trustees to authorize the CFO to transfer up to \$845,000 to the third-party property manager as requested by the TLO for capital improvements to the noninvestment program-related real estate and REMP real estate Trust-funded properties.

TRUSTEE COOKE clarified that No. 2 authorizes the expenditures and No. 3 provides the money for that expenditure.

There being no objection, the MOTION was approved.

TRUSTEE EASLEY concluded the Resource Management Committee Report.

CHAIR MICHAEL recessed the meeting.

(Lunch break and site visits.)

PUBLIC COMMENT

CHAIR MICHAEL thank everyone form the community for coming for public comment and went through the few protocol rules that are followed for public comment. She recognized John Regitano.

MR. REGITANO thanked the Trust for coming to Fairbanks and introduced himself as the executive directory for Family-Centered Services of Alaska. He held that position for 20 years and has been in Fairbanks since 1971. He thanked the board, the Mental Health Trust, and, in particular, the CEO Mike, for the letter he wrote to Commissioner Crum addressing the Trust's concerns with regard to behavioral health cuts that are still being talked about today in the Legislature. It was really good to see the Trust step up and make it clear that the cuts at this time, until the 1115 waiver is sorted out, are extremely harmful for all agencies and, in particular, the small ones. Quite frankly, many of them could be forced out of business. He added that, in the past the Trust was not as vocal as the providers would have likes and this was a clear, strong message. Thank you. He introduced the Family-Centered Services of Alaska to the trustees. It is the largest nonprofit provider for children's services in the state. He is not aware of all the service providers of the Native health organization which may be larger, but are different. He stated that they are nationally accredited with about 225 employees. They also operate 30 facilities that provide services to kids: 14 in Fairbanks, and 16 in the Valley. Nineteen of those facilities were designed specifically for the services and were built by us. He added that most of the funding is private. He thanked the Trust again.

CHAIR MICHAEL thanked Mr. Regitano and recognized Brenda Stanfill.

MS. STANFILL thanked all for coming to Fairbanks and for their incredible service sitting on the Trust board. She sits on the Alaska Criminal Justice Commission and discovered that there is work behind the title. She began with the Interior Alaska Center for Nonviolent Living, which is a victim service agency in the Fairbanks area. It was a rape crisis center that worked into a domestic violence rape crisis center that then morphed into a housing for folks having a difficult time, which is where we found the beneficiaries. Four years ago they were approached about getting into the reentry work, and after thinking about it, it made sense to go into this area. She found that a lot of people want to work in the area of reentry. They want to make a difference in the area of people's lives that are coming back into the community where the communities will be healthier. She stated appreciation for the Trust's tremendous support, and thanked them for the commitment to all of the issues that make a difference for those most vulnerable among us.

CHAIR MICHAEL thanked Ms. Stanfill and recognized Linda Setterberg.

MS. SETTERBERG stated that she is the reentry coalition coordinator for Fairbanks. She shared some of her story about her son with bipolar disorder and believes that young men and women with mental illness should not be incarcerated. Today is the final day of peer support training,

and there were 18 people who shared their stories and will graduate tomorrow as forensic peer support specialists. Some of them will be employment specialists and work with people that come out of incarceration who have opioid-use disorder or are at risk for that. She invited all to the graduation tomorrow at Bread Line, Stone Soup Café, and the open house at the new location at 400 Cushman Street. She thanked the trustees for their support and the Trust for funding her position and making it possible to do what she is passionate about.

CHAIR MICHAEL thanked Ms. Setterberg and asked for anyone online that would like to testify. There being no callers, she closed public comment, and recessed the meeting.

(The Full Board Meeting recessed at 4:52 p.m.)

ALASKA MENTAL HEALTH TRUST AUTHORITY

FULL BOARD MEETING

**May 9, 2019
12:45 p.m.**

**Taken at:
Wedgewood Resort
212 Wedgewood Drive
Fairbanks, Alaska**

Trustees Present:

Mary Jane Michael, Chair
Paula Easley
Chris Cooke
Laraine Derr
John Sturgeon
Ken McCarty
Verne' Boerner (via Telephone)

Trust Staff Present:

Mike Abbott
Katie Baldwin-Johnson
Kelda Barstad
Alison Biastock
Mike Baldwin
Eric Boyer
Jimael Johnson
Steve Williams
Miri Smith-Coolidge
Andy Stemp
Travis Welch

Trust Land Office:

Wyn Menefee
Jusdi Doucet
Sarah Morrison
Marisol Miller
Aaron O'Quinn

Also participating:

Patrick Reinhart; Kristin Vandagriff; Lesley Thompson; Bev Schoonover; Sean Roy; Joy Stein; Tim Parker.

PROCEEDINGS

CALL TO ORDER

CHAIR MICHAEL called the meeting to back to order, and asked for any announcements.

MR. ABBOTT noted the plans for the flights back, and clarified the meeting schedule. He stated that the committee meetings would be on the 31st of July and the 1st of August; then August 2nd is the 25th anniversary party for the Trust. He continued that the fall meeting date will be the 28th and 29th of August. The big agenda items will be the adoption of the FY21 budget and election of officers. He concluded his announcements.

CHAIR MICHAEL acknowledged that all trustees are present, with Trustee Boerner online. She moved to the Communications Update.

COMMUNICATIONS UPDATE

MS. BIASTOCK stated that she is the chief communications officer for the Trust and began with a few acknowledgments to the Trust staff and her colleagues for all the support and help. She continued that a broad outline of the three communications goals for the year was made at the last meeting. She began with the second and third items. The most recent research was conducted at the Trust in 2017. That indicated that many Alaskans did not have a good understanding of what the Trust is, how it functions, and who are served. There was an even greater lack of awareness when it came to the Trust Land Office. She added that there is a need for the Alaskan public to understand what activities on Trust lands result in benefits for the beneficiaries. That lead to goal No. 2, and in talking about the Trust and working on addressing stigma there is a side benefit of increasing the profile and increasing positive perceptions of the Trust. Goal No. 3 is about being a catalyst for change and engaging in the important issues like Medicaid, housing, and homelessness help the public increase their understanding of the Trust work and to become more aware of the issues. She added that working on the comp plan will help with this goal, as well. She moved to the variety of tools that are used for the communication goals. Press releases are a great tool, and we have issued around a dozen of them in the last year. She stated that, in addition to the media outlets across the state, they also go on the web page, the home page, and also go out on the social media Facebook page. Targeted media outreach means picking up the phone, calling a reporter and trying to get them to run a story about something that is being done. These requests are considered very carefully, and always work to be responsive to the news media. She continued that the Trust website is a very important tool. The home pages are very popular, and there are a couple of other pages that get a lot of traffic. She added that the content is updated two to three times a week. She stated that her predecessor completed the “About the Trust” video, and that has been a fantastic tool because it does the complex job of talking of how the Trust came to be. There has been a lot of good feedback from this video.

(Video played.)

(Applause.)

MS. BIASTOCK continued that another great tool is social media, and we are evolving in how

media is consumed. Facebook is the world's largest social network, and is a key way to communicate with the public. She noted that an Instagram account is also maintained, and is a free online photo-sharing application. There are also other types of outreach. Paid advertising has been and will continue to be engaged. She continued that visibility can be increased by participating in events. It can be staff attending, a banner with the Trust logo at an event that is supported. She added that one thing not in the slide is the annual report, which is a communications goal that can be used with policymakers. It is on the website and a great reference throughout the year. She talked about the 25th Anniversary on Friday, August 2nd and how it will be able to capture the attention of folks and explain the Trust. She moved to the Comp Plan and noted that it is very close to being finalized and complete. She added that its implementation will provide a lot of opportunities for communication, as well. She talked about the media campaign in Southeast Alaska for Trust and TLO activities. She continued to the results of the survey that indicated that Alaskans are three times more likely to deny employment to someone with an alcohol abuse problem or four times as likely to distrust someone on a job who has an alcohol abuse problem. Positively changing perceptions and attitudes towards Trust beneficiaries is the key to breaking down the stigma. The target audience for this campaign are Alaska's general public, with a secondary focus on decision-makers, elected officials. The campaign will be launching next week, and materials will be distributed in a variety of platforms. There will be broadcast and cable TV running through early fall. There will also be radio spots, and targeted digital marketing. She added that social media will be a big component. She stated that the total cost of the campaign, including video development, production, marketing, social media development, and paid media is estimated to be around \$310,000, with the lion's share going into the paid media.

(Video played.)

MS. BIASTOCK moved to a brief report on the FASD Prevention Campaign and stated that it has been funded by an annual appropriation from the State of Alaska of \$250,000. That comes from the alcohol Treatment and Prevention Fund, which is funded by the alcohol excise tax. The Trust has been working with Empowering Hope, which is an initiative begun by former State Senator Pete Kelly, to administer this FASD prevention effort. She noted that the content for this campaign has been developed through extensive work with healthcare providers, several focus groups, and research around the issue. As part of this campaign, a TV ad, a 60-second PSA, was launched and will run through the end of the fiscal year. This spot talks about the peer-to-peer positive and aspirational approach to prevention and is about women in Alaska and their strength with a call to action at the end about alcohol and pregnancy. The digital and TV ads for this campaign totaled about \$74,000.

(Video played.)

CHAIR MICHAEL commented on the incredible presentation and talked about the amount of work accomplished in a year. She thanked Ms. Biastock

TRUSTEE EASLEY stated that a statewide communications PR program has been talked about in the past with the feeling that it would be too expensive. She continued that, if she was designing the program, she would be doing exactly what is being done right now.

TRUSTEE STURGEON stated that it was incredible and covered a lot of country in a very short time. It is very impressive.

MR. ABBOTT added that Ms. Biastock did this in less than nine months, and with an essentially flat budget. She did get a lot out of it.

MR. REINHART stated that it was a great presentation. He continued that there was a time that the beneficiary board directors and the communications officer got together on a regular basis to discuss ideas. He added that exchange of ideas would be something to consider once again.

CHAIR MICHAEL moved to the approvals for two items, Set Free Alaska and the Alaska Public Media.

MS. BALDWIN-JOHNSON introduced Joy Stein, finance director for Set Free Alaska, who was available for any additional questions.

CHAIR MICHAEL asked Trustee Cooke to read the motion.

MOTION: A motion to approve a \$300,000 FY20 Substance Abuse Prevention and Treatment Focus Area allocation to Set Free Alaska for the Homer residential substance-use disorder capacity building was made by TRUSTEE COOKE; seconded by TRUSTEE McCARTY.

MS. BALDWIN-JOHNSON pointed out that this request is \$300,000 of Trust funding that would be a FY20 request and is specifically tied to a focus area. Set Free Alaska is a well-established addiction treatment nonprofit located in the Mat-Su Valley. They provide outpatient services, child and adolescent services, as well as a women's residential program. The Trust has a longstanding relationship with Set Free Alaska going back to at least 2013. She stated that Set Free Alaska has continued to demonstrate their effectiveness in expanding access to treatment, which she explained. She continued that this is a one-time Trust award, if approved, specifically for a capital remodel and would result in a 16-bed residential program designated for men. It is a Level 3.5 treatment program, and will primarily serve beneficiaries and families on the Kenai Peninsula. She added that, at the time this request was submitted to the Trust, they had engaged the City of Homer, which was very supportive of Set Free Alaska coming into the community. Option A is that the City supported and identified a location to be able to provide the location for this residential program. There were some challenges and, in the meantime, have moved forward with Option B, and located another location that has several advantages over Option A. She explained that the second property is outside of city limits in the Kenai Borough with no permitting or zoning requirement, but is close to town for access to services. This site would be purchased rather than establishing a long-term lease and Set Free Alaska would have full site control. She stated that with their plan and financing, the State of Alaska grant, potential Trust contribution of \$300,000, fund-raising roughly of around \$135,000, and a Set Free Alaska contribution, they think that they can make the project work.

CHAIR MICHAEL asked if an offer was accepted on the property contingent upon the funding sources.

MS. STEIN replied not currently, and they were waiting until after this afternoon's meeting to present the offer to the owner.

TRUSTEE DERR asked about the figures that total \$835,000, and asked about the \$1.3 million that was mentioned.

MS. BALDWIN-JOHNSON replied that, she believed, that the difference has to do with the increased cost of the renovation related to Option B, as well as the purchase.

TRUSTEE DERR stated that she had a problem with the figures that were quoted and the ones that are before the board.

MR. ABBOTT explained that the funds would not be allowed to be expended until there was a firm commitment to the actual property that would be remodeled.

TRUSTEE McCARTY asked about an agency not being able to have more than one 16-bed facility operating at one time.

MS. STEIN replied that, in this case, they could have more than two different facilities, especially in different regions.

TRUSTEE McCARTY stated that it was his clear understanding that the 16 beds is only for one agency, and that agency cannot have beds in multiple places in the state.

CHAIR MICHAEL asked Ms. Baldwin-Johnson to track that and let the board know.

TRUSTEE COOKE stated that he is always in favor of more residential treatment, which is an appropriate role for the Trust. He stated concern about the Trust getting involved in any way with something that could turn out to be a turf war between Mat-Su and Kenai Borough folks. He asked about the local support for this project.

MS. BALDWIN-JOHNSON replied that due diligence with the community in the region has been done. There have been at least 30 community needs identified that this level of service is needed, and there is no other operator of residential men's treatment in the area.

CHAIR MICHAEL talked about the difference in the proposal of \$835,000 and the potential of Option 2 being \$1.3 million. She asked where the additional \$465,00 would come from.

MS. STEIN replied that the local banker has been spoken with and this would be viewed as a debt instrument to complete the program, to launch in this location and purchase the property.

CHAIR MICHAEL stated that her second question is on Option 2. She asked if there is any indication from the seller that they are committed to selling it for the price you may have already discussed.

MS. STEIN replied that the local realtors have been communicated with, but the owner was out of state, but returned today. She explained that they are long-term community members. She

added that they do feel that there would be support for the offer and what will be done in that location.

CHAIR MICHAEL called the question.

ROLL CALL VOTE: TRUSTEE EASLEY, yes; TRUSTEE McCARTY, no; TRUSTEE STURGEON, yes; TRUSTEE COOKE, yes; TRUSTEE DERR, yes; TRUSTEE MICHAEL, no; TRUSTEE BOERNER, yes.

The MOTION was approved.

MS. BALDWIN-JOHNSON stated that staff will still follow up with the answers to the questions asked and provide a budget.

CHAIR MICHAEL moved on to the next item, and asked Trustee Cooke to read the motion.

MOTION: A motion to approve a \$125,000 FY20 Authority Grant to Alaska Public Media for the Mental Health Content Initiative. Trustee funding will come from the FY20 communications budget line was made by TRUSTEE COOKE, seconded by TRUSTEE EASLEY.

MS. BIASTOCK explained that, last year, the Trust funded a mental health content initiative with Alaska Public Media in the amount of \$125,000. She recommended approving a grant in the same amount for the upcoming fiscal year. The intent of the grant was to increase public affairs coverage of issues related to Trust beneficiaries, and to expand the reach of that content to a statewide audience. Featuring this content has the benefit of informing and increasing the understanding of the public about the challenges faced by beneficiaries, and also help to reduce the stigma associated with those challenges. She stated that, to date, this fiscal year Alaska Public Media delivered, and we believe that the initiative was a success. She went through the accomplishments of this fiscal year.

TRUSTEE COOKE stated that he did not realize that this proposal would be an annual ongoing expenditure for funding. He asked how long it would continue. His second question was, as presenter and designer of the communications strategy, which involves lots of elements and components, how would this piece and this amount figure into the overall communications strategy.

MS. BIASTOCK replied, as to the content and how it meets the communications strategy, the content produced under this initiative absolutely aligns with that goal. She reiterated that it will reduce the stigma associated with issues faced by beneficiaries; help get the name of the Trust out there; hearing conversations with Alaskans that are facing or working with beneficiaries will go a long way to helping advance the conversation, especially coming from a variety of avenues. She added that it aligns with the communication objectives, and the funding amount is reasonable.

MR. ABBOTT stated that when this began the working assumption was that it would be funded for up to three years, and we have not committed any funds beyond the annual increment. He

continued that we've been working with the executive director of Alaska Public Media, and he has been willing to make the hiring commitment and the programming committee. The key element was to get Public Media stations statewide to all agree to change their programming, and make it a statewide platform.

CHAIR MICHAEL called the vote.

ROLL CALL VOTE: TRUSTEE EASLEY, yes; TRUSTEE McCARTY, yes; TRUSTEE STURGEON, yes; TRUSTEE COOKE, yes; TRUSTEE DERR, yes; TRUSTEE MICHAEL, yes; TRUSTEE BOERNER, yes.

There being no objection, the MOTION was approved.

PROGRAM & PLANNING COMMITTEE UPDATE

TRUSTEE COOKE stated that the summary of the meeting had not changed, and what has changed has been addressed. He continued there are no approvals from the committee and suggested moving on.

CHAIR MICHAEL asked Mr. Abbott to introduce the guest.

MR. ABBOTT stated that, in the ongoing effort to make trustees and staff aware of expectations regarding all of the different conducts regarding State ethics requirements, as well as Open Meetings requirements, he introduced Tim Parker from the Department of Administration to help learn more about the expectations for behavior between trustees and staff.

MR. PARKER stated that he is the training and development manager in the Department of Administration, the Division of Personnel. They train all State employees and have many different courses that are leader-led, as well as online courses. He continued that he has been with the State for 26 years, and has a lot of experience and education in things that he will share. He began with sexual harassment and defined it as any unwelcome sexual advances or requests for sexual favors, the submission to or rejection of those advances, and is a term or condition of employment. He stated that another form of sexual harassment is any conduct of a sexual nature that interferes with an individual's work performance or creates an intimidating, offensive, or hostile work environment. He explained it more fully with examples. He then moved to "hostile work environment," which can relate to any of the protected classes under State and Federal law. He continued that there are 11 protected classes under State law; sex and gender being one of them. There are nine protected classes under the civil rights law. He added that he would be focusing on sexual harassment, but added that hostile work environment can relate to any of the protected classes. He explained who determines if the action was offensive or sexual in nature, and looked at a reasonable person standard. It is a standard the courts have adopted about the perception of someone outside of that situation.

MR. STEMPEL asked, as a bystander witnessing, if he had a duty to intervene and tell them to stop or to somehow try to mitigate that situation.

MR. PARKER replied absolutely. A bystander in the role of a State employee, first, can get

involved. That is strongly encouraged, to give feedback and ask them to stop. He stated that he finds a lot of profanity at work because it is a habit, not even being thought of. He tells people to prepare for it. He continued that, in general, sexual harassment and harassment in general is way under-reported. People have a fear of retaliation. He added that in the guide he provided there is some additional information from the Equal Employment Opportunity Commission on retaliation, sexual harassment, and gender discrimination, as well as the State's anti-sexual harassment policy and a few of the different admin orders that relate to that. He pointed out Admin Order 195, which applies to all employees in the executive branch. It says that not only is there a need to treat with dignity and respect everyone hired and serve based on the 11 protected classes, but also include sexual orientation and economic status. He added that this is how the State is handling LGBTQ issues, as well as gender-identity issues. He also brought up Admin Order 81 which states if a person knowingly engages in harassment or encourages other people to so, that person can be disciplined. He explained this fully, and then talked about the options available. He gave a model on how to take action called ACT. The A stands for appropriately disrupt the situation. C is to confront the harasser appropriately; awareness does help at times. T is to touch base with the person who was the object; how can you help, et cetera. He thanked all for the opportunity.

CHAIR MICHAEL stated that the last thing on the agenda is to take a quick minute for any comments.

MS. VANDAGRIFF thanked all for putting together the site visits; they are really beneficial.

MR. REINHART stated that it has been an honor working with all over these years.

CHAIR MICHAEL thanked him for all his hard work and leadership.

MS. THOMPSON thanked all for letting her come to the meeting. She thanked Miri for making it all seem so effortless in getting all this together.

(Applause.)

MS. THOMPSON also thanked the court reporter and also thanked the Trust for the support of people that are 60 and over with some kind of dementia.

CHAIR MICHAEL thanked Ms. Thompson and recognized Bev Schoonover.

MS. SCHOONOVER thanked all for providing this opportunity to comment, for listening to the comments, and allowing us to go on the field trip. She stated her appreciation to all the staff for all the help.

TRUSTEE McCARTY stated that it was marvelous to see all the different things that the Trust has in the state and the impact. He shared a success story that was told to him by a beneficiary at the Bread Line.

TRUSTEE STURGEON thanked the staff for setting up the big meetings and all the preparation that goes into it.

TRUSTEE COOKE echoed those sentiments and talked about the field trips and how going to different parts of the state makes for better communication and involvement.

TRUSTEE BOERNER stated her disappointment in missing the meeting and the site visits, and thanked all on the board.

MR. ABBOTT thanked all for a great meeting and for all of the attention over a couple of days like this.

CHAIR MICHAEL thanked everyone and stated that it was a great meeting. She added that it is beneficial when it is a combination of site tours and training. She asked for a motion to adjourn.

MOTION: A motion to adjourn the meeting was made by TRUSTEE EASLEY; seconded by TRUSTEE DERR.

There being no objection, the MOTION was APPROVED.

(The Full Board Meeting adjourned at 3:20 p.m.)

Current Trust Bylaws

1
2
3 ALASKA MENTAL HEALTH TRUST AUTHORITY
4 BYLAWS
5

6
7 ARTICLE I
8 NAME
9

10 The name of this organization is the Alaska Mental Health Trust Authority.
11

12
13 ARTICLE II
14 PURPOSE OF THE AUTHORITY
15

16 The Alaska Mental Health Trust Authority acts in the best interest of the beneficiaries
17 of the trust. It is accountable to:

- 18 (a) Provide for sound governance, fiduciary oversight and direction in achieving the
19 mission of the Trust Authority;
20 (b) Ensure an integrated, comprehensive mental health program for the State of Alaska
21 in partnership with Department of Health and Social Services (DHSS); and
22 (c) Preserve, protect, and grow the trust corpus and administer trust assets.
23
24

25 ARTICLE III
26 BOARD OF TRUSTEE MEMBERSHIP AND TERMS OF OFFICE
27

28 Section 1. Trust Authority board of trustees composition:

- 29 (a) The Trust Authority shall be governed by its board of trustees.
30 (b) The Trust Authority board of trustees, hereafter referred to as the board, consists of
31 seven members appointed by the governor in accordance with AS 47.30.016 and
32 confirmed by the legislature.
33

34 Section 2. Term of office, vacancies, and removal:

- 35 (a) The members of the board serve staggered five-year terms. A member shall continue
36 to serve until the member's successor is appointed and confirmed by the legislature.
37 (b) A vacancy occurring in the membership of the board shall be filled within 60 days by
38 appointment of the governor for the unexpired portion of the vacated term.
39 (c) The governor may remove a member of the board only for cause per AS 47.30.021.
40 (d) Except for a trustee who has served two consecutive five-year terms, a member of
41 the board may be reappointed. A member of the board who has served two
42 consecutive five-year terms is not eligible for reappointment to the board until one
43 year has intervened as per AS 47.30.021(d).
44
45

ARTICLE IV
BOARD OF TRUSTEE DUTIES

Section 1: The role of the board is to:

- (a) Set the vision for the organization;
- (b) Set policies for the organization, including adoption of regulations as appropriate under AS 47.30.031;
- (c) Adopt charters that define the role, authority, operating procedures, duties, and responsibilities of the board and standing committees; and
- (d) Approve contractual agreements with advisors as defined in statute and the settlement agreement, specifically Alaska Permanent Fund Corporation (APFC), Department of Natural Resources (DNR), and Statutory Advisory Boards.
- (e) Fulfill the duties listed in AS 37.14.007(b)(1)-(12).

Section 2: The board will conduct business in accordance with AS 47.30.036.

ARTICLE V
OFFICERS AND DUTIES

Section 1. The board, by a majority vote of its membership, shall annually elect a Chair, Vice Chair, and Secretary from its membership.

Section 2. The officers will be elected by a majority vote at the annual budget approval meeting, and officers' terms of office commence upon adjournment of that meeting. Officers' terms of office end effective at adjournment of the meeting in which new officers are elected.

Section 3. Officers may be re-elected to the office in which they serve by vote of the membership of the board as above. The board's intention is to allow board members the opportunity to serve in officer roles in support of ongoing board development. To that end, no member may serve more than 2 consecutive terms in the same office except as provided for by affirmative vote of 5 board members.

Section 4. If the office of the Chair becomes vacant, the Vice Chair succeeds to the office of the Chair and serves until an election held at the next board meeting. The newly elected Chair will serve until the next annual election.

Section 5. Except for the office of Chair, if an office of the board becomes vacant, an election shall be held to fill the vacancy at the next regular meeting following the vacancy. The officer will serve until the next annual election.

Section 6. The duties of the officers shall be as follows:

(a) Chair

- 1. Call all meetings. Preside at all meetings.
- 2. Appoint chairs of committees and committee members.

3. Serve as ex-officio (voting) member of all committees, but may not concurrently serve as board Chair and chair of any standing committee, with the exception of the Executive Committee.
4. Act as primary spokesperson for the board.
5. Act as one of the official spokespersons for the Trust Authority, together with the Chief Executive Officer (CEO), when requested by the Chief Communications Officer.

(b) Vice Chair

1. Assist the Chair in the discharge of his/her duties.
2. Perform the duties of the Chair in the absence or incapacity of the Chair.
3. Perform other duties as assigned by the board.

(c) Secretary

1. Assume duties of the Chair when Chair and Vice Chair are unavailable.
2. Perform other duties as assigned by the board.
3. Assure that the records of board proceedings are maintained in accordance with these bylaws and in accordance with AS 37.14.007(b)(2) and the Records Management Act (AS 40.21).

ARTICLE VI
MEETINGS

Section 1. The board will hold four regular meetings each fiscal year. Committees will meet as necessary to accomplish their responsibilities.

Section 2. Special or emergency meetings of the board may be held at such time and place as the Chair may order; or upon the written request to the Chair of any four trustees.

Section 3. Reasonable public notice of board and committee meetings shall be provided in accordance with AS 44.62.310. Meetings of the board and its committees are subject to the Open Meetings Act, AS 44.62.310 and 44.62.312.

Section 4. A quorum at all board meetings shall consist of four board members. A quorum at committee meetings is a majority of the committee's members.

Section 5. No member of the board may designate a proxy.

Section 6. The board will schedule at least one period for public comment during each regularly scheduled board meeting.

Section 7. Formal actions by the board are accomplished through adoption of motions.

ARTICLE VII
COMMITTEES OF THE BOARD

There will be five standing committees of the board. Standing committee chairs and members will be appointed by the Chair after polling the board regarding individual trustee's interest and ability to serve. A member may serve as chair of only one standing committee at any time except as a stand-in until the next regularly scheduled board meeting. Standing committees will have a minimum of 3 committee members. The board chair may designate ad hoc committees to accomplish special purposes. Persons other than board members may serve on the board's ad hoc committees; however, such persons may not be voting members of such committees, only appointed board members may vote on committee actions. Committee recommendations will be reported to the board for action at the next regular board meeting.

Section 1. The Executive Committee of the board is composed of three board officers, the Chair, the Vice Chair, and the Secretary. The Executive Committee will:

- (a) Ensure development of policies for governing the Trust Authority for approval by the board.
- (b) Oversee implementation of governance policies at the direction of and on behalf of the board in accordance with law and the committee charter adopted by the board.
- (c) The Executive Committee will meet only as needed.

Section 2. The Resource Management Committee will, in consultation with the CEO and Executive Director (ED) of the TLO:

- (a) Ensure development of policies for protecting, enhancing, and managing the trust's non-cash resources in the best interests of the beneficiaries for approval by the board.
- (b) Oversee implementation of plans at the direction of and on behalf of the board in accordance with law and the committee charter adopted by the board.

Section 3. The Program and Planning Committee will, in consultation with the CEO and Executive Director (ED) of Mental Health Policy and Programs.:

- (a) Ensure development of policies to meet needs and improve the circumstances of beneficiaries; and recommends to the board for approval.
- (b) Oversee implementation of plans at the direction of and on behalf of the board in accordance with Trust Authority statutes and regulations and the committee charter adopted by the board.

Section 4. The Finance Committee will, in consultation with the CEO and Chief Financial Officer (CFO):

- (a) Ensure development of policies for investment and fiscal management for approval by the board.
- (b) Oversee implementation of approved investment and fiscal management policies on behalf of the board in accordance with Trust Authority statutes and regulations and the committee charter adopted by the board.

- 1 Section 5. The Audit and Risk Committee will, in consultation with the CEO and CFO:
2 (a) Ensure development of policies for managing the annual audit process and
3 identifying and addressing organizational risk for approval by the board.
4 (b) Oversee implementation of approved audit and risk management policies on behalf
5 of the board in accordance with Trust Authority statutes and regulations and the
6 committee charter adopted by the board.

7
8
9 ARTICLE VIII
10 CHIEF EXECUTIVE OFFICER
11

12 Section 1. The board shall select and employ a Chief Executive Officer as provided by law.

13
14 Section 2. The Chief Executive Officer is responsible for day-to-day operations of the Trust
15 Authority including planning, organizing, coordinating, and directing all activities
16 necessary to enable the Trust Authority to exercise its powers and duties, and
17 fulfill the purpose of the Trust Authority. The CEO will operate and conduct the
18 business and affairs of the Trust Authority according to the statutes, regulations,
19 bylaws, policies, and charters adopted by the board. The CEO duties and
20 responsibilities shall be set forth in a CEO Job description to be adopted by the
21 board.

22
23 Section 3. The Chief Executive Officer shall oversee administration of the contract with the
24 Trust Land Office on behalf of the Trust Authority to ensure compliance with
25 AS 37.14.009(a)(2).
26

27
28 Section 4. The board will evaluate the Chief Executive Officer's performance annually in
29 writing. The board will define the process for conducting annual reviews and
30 include it in the Board Operations Manual.
31

32 Section 5. Termination of employment of the Chief Executive Officer is by majority vote of
33 the board.
34
35

36 ARTICLE IX
37 PARLIAMENTARY AUTHORITY
38

39 Unless otherwise provided by law or these bylaws, the board's procedures shall be
40 governed by Robert's Rules of Order Newly Revised. The Chair may appoint an appropriate
41 person to serve as parliamentarian.
42
43

44 ARTICLE X
45 ETHICS
46

47 Board members are required to comply with the Alaska Executive Branch Ethics Act
48 (AS 39.52) and AS 47.30.016(c)(2).

1
2
3 ARTICLE XI
4 AMENDMENT OF BYLAWS
5

6 These bylaws may be amended at any meeting of the board. Amendment of these
7 bylaws requires 5 affirmative votes of board members provided that written notice and
8 copies of the proposed amendment have been submitted to the members 30 days prior to
9 the meeting, or by unanimous vote without notice.
10

11
12 ARTICLE XII
13 DEFINITIONS
14

15 In these bylaws,
16

17 **The Alaska Mental Health Trust** means the sum of all assets owned by the Alaska
18 Mental Health Trust as established by the Alaska Mental Health Trust Enabling Act, P.L. 84-
19 830, 70 Stat. 709 (1956) and the Mental Health Settlement Agreement (June 10, 1994),
20 including cash and non-cash assets.
21

22 **The Alaska Mental Health Trust Authority (the Trust Authority)** means the entity
23 charged with administering the trust, as trustee, is governed by a seven-member board. (AS
24 37.14.007, AS 47.30.011, AS 47.30.016)
25

26 **The Trust Land Office (TLO)** means the unit of the Alaska Department of Natural
27 Resources that is charged with managing the trust's natural resources, land, and other fixed
28 assets. (AS 44.37.050)
29

30 **Regular Meeting** means a board meeting that is scheduled at the annual budget
31 meeting to occur during the succeeding year, provided that a regular meeting that is
32 rescheduled on reasonable notice to the public is still a regular board meeting.
33

34 **Special Meeting** means any board meeting other than a regular meeting, including
35 an emergency meeting.
36

37 **Emergency Meeting** means any board meeting conducted for the purpose of
38 addressing time sensitive matters that may not be capable of resolution within the statutory
39 or delegated authority of the Executive Committee or the CEO. If an emergency meeting is
40 conducted on less than the customary public notice, public notice shall be published as
41 soon as practicable. If the agenda of an emergency meeting is not available in advance, the
42 agenda will be published as soon as practicable after the emergency meeting.

Mary Jane Michael, Chair

Laraine Derr, Secretary

COMP Plan Presentation



Strengthening the System:

Alaska's Comprehensive Integrated Mental Health Program Plan, 2020-2024



Statutory Responsibilities: DHSS and the Trust

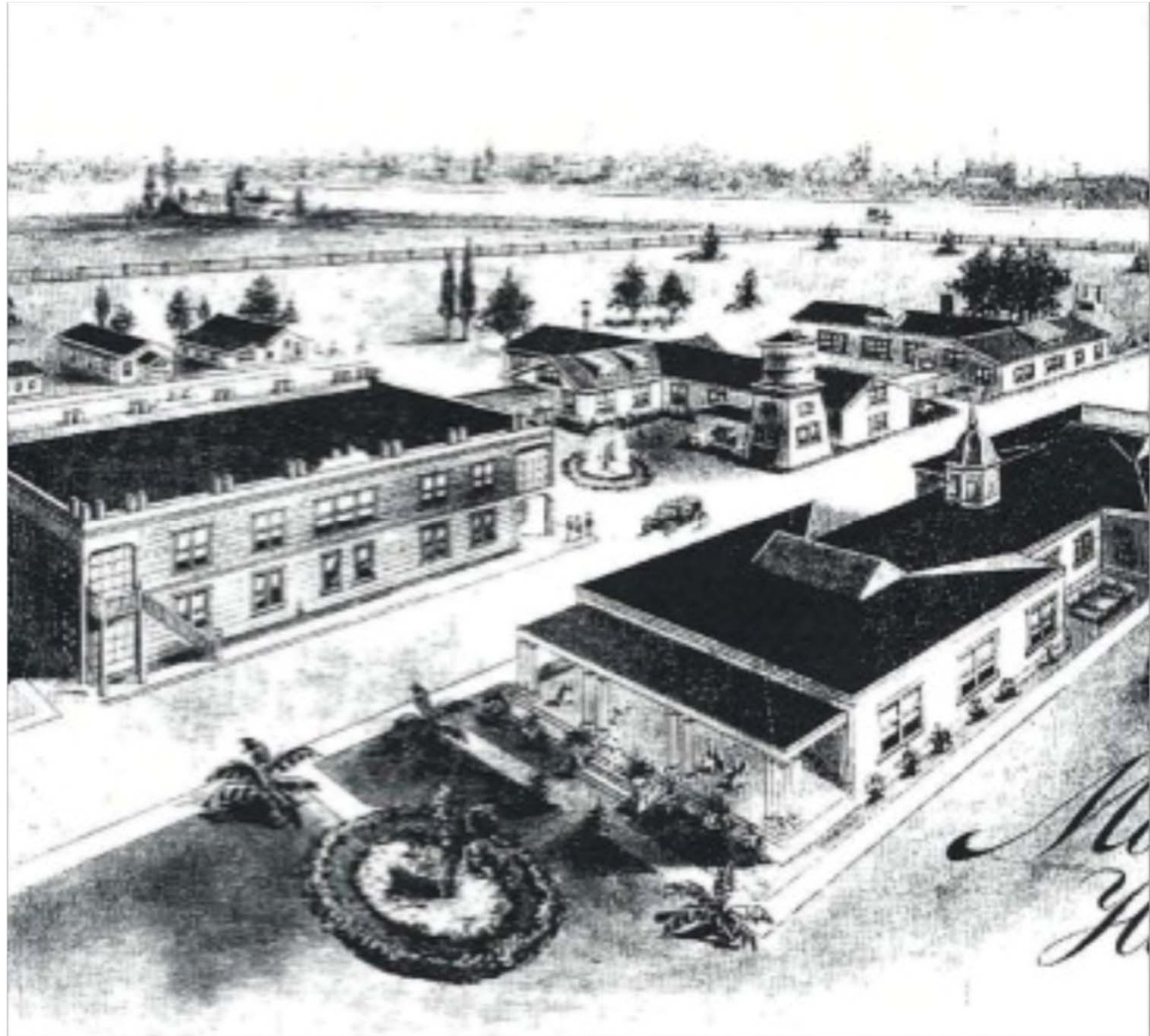
AS 47.30.660. Powers and Duties of the Department of Health and Social Services: “The department shall prepare, and periodically revise and amend, a plan for an integrated comprehensive mental health program...; the preparation of the plan and any revision or amendment of it shall be made in conjunction with the Alaska Mental Health Trust Authority; be coordinated with federal, state, regional, local, and private entities involved in mental health services...”

AS 47.30.011. Alaska Mental Health Trust Authority: “The purpose of the authority is to ensure an integrated comprehensive mental health program.”

Defining the Mental Health Program

Alaska Statute 47.30.056

“The integrated comprehensive mental health program for which expenditures are made under this section; shall give priority in service delivery to persons who, as a result of a mental disorder or of a disorder identified in this section; may require or are at risk of hospitalization; or experience such major impairment of self-care, self-direction, or social and economic functioning that they require continuing or intensive services.”





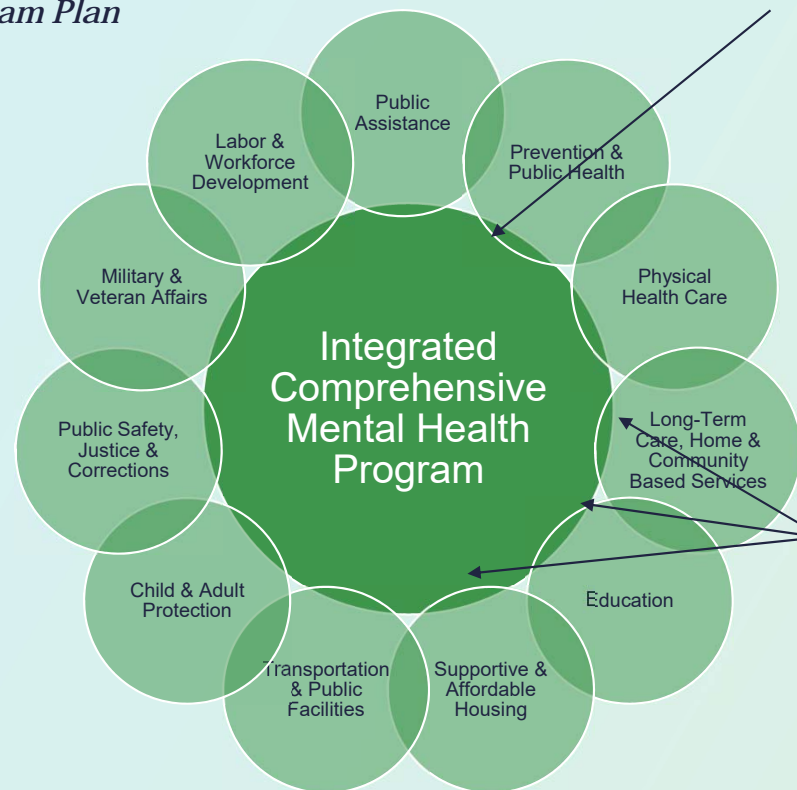
Benefits of a Comprehensive Integrated Mental Health Program

- Encompasses all beneficiary groups
- Bridges departments and divisions
- Endures administrations and legislatures
- Clearly delineates the Alaska's publicly-funded mental health program
- Establishes program-level vision and priorities
- Serves as the glue that connects reform efforts
- Evolves as the program evolves

Integrated Comprehensive Mental Health Program

State and Tribal plans inform and are informed by the Comprehensive Program Plan

COMPREHENSIVE
MENTAL HEALTH
PROGRAM PLAN



“Core”:
Programs supported with funds from the Mental Health Budget or State operating and capital funds clearly allocated to advance the Comprehensive Mental Health Program

Integrated:
Areas of Mission Overlap & Shared Responsibility

Plan Development

- DHSS Staff
- Trust Staff
- Advisory Board ED's & Planners
- Targeted Stakeholder Input
 - Advisory Boards
 - DOC, DOLWD, TRIBES, DEED,
- Public Comment

Check out public comment here:

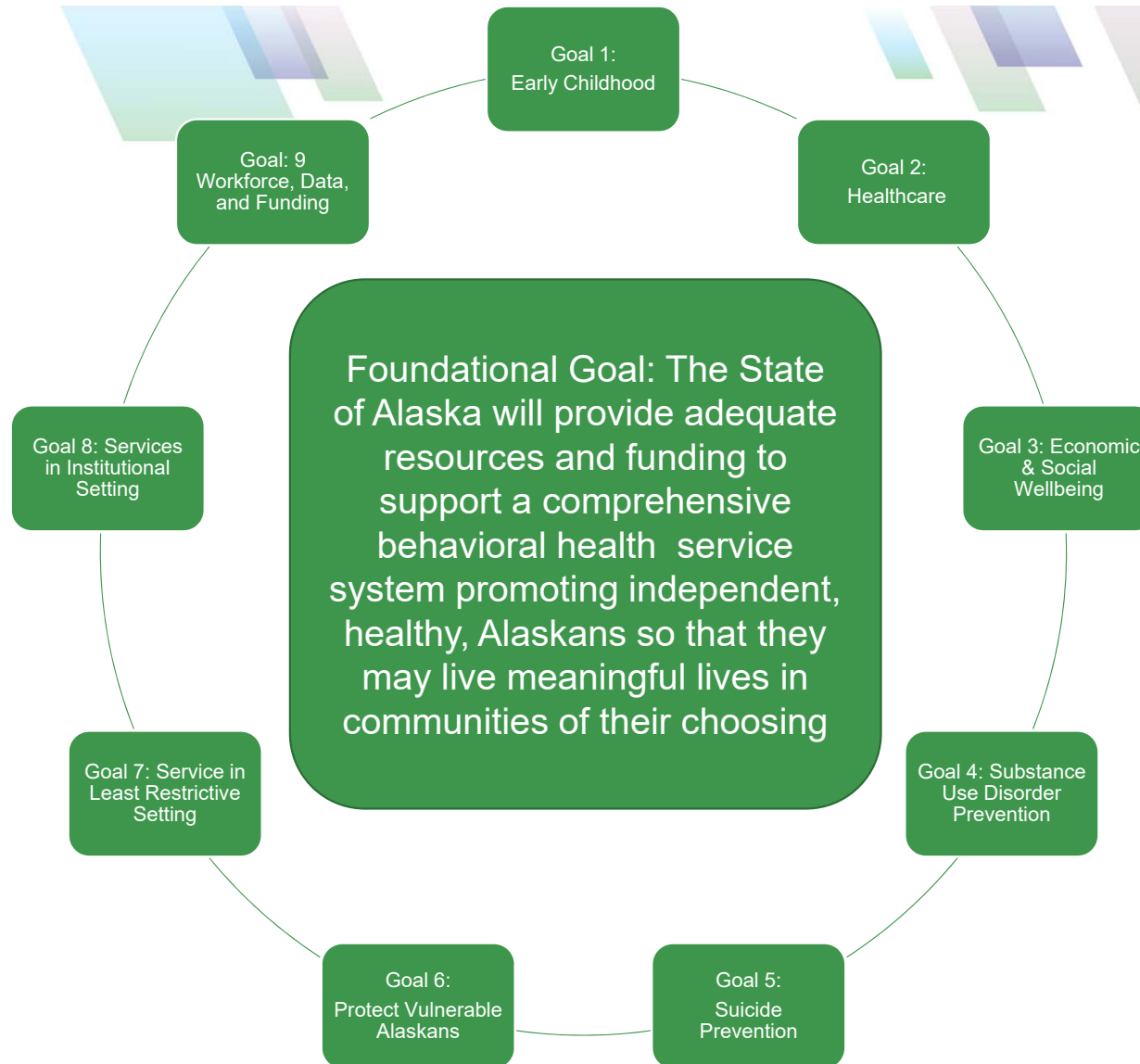
<http://dhss.alaska.gov/Commissioner/Documents/MentalHealth/PublicComment.pdf>



Strengthening the System's FOUNDATIONAL GOAL

The State of Alaska will provide adequate resources and funding to support a comprehensive behavioral health service system promoting independent, healthy, Alaskans so that they may live meaningful lives in communities of their choosing

LIFESPAN: from the prenatal period through end of life



The plan can be found here:
<http://dhss.alaska.gov/Commissioner/Pages/MentalHealth/default.aspx>



Goal 1 (Early Childhood):

Programs Serving Young Children Promote Resiliency, Prevent and Address Trauma, and Provide Access to Early Intervention Services

http://dhss.alaska.gov/Commissioner/Documents/MentalHealth/StrengtheningSystem-CompPlan_Goal1_2020-24.pdf



Goal 1 (Early Childhood):

1.1 Objective: Promote practice-informed, universal screening efforts and early intervention services.

1.2 Objective: Provide ongoing support to ensure accurate identification and treatment of social-emotional needs for children and their caregivers, congruent with their cultural identification.

1.3 Objective: Reduce the instances and impact of Adverse Childhood Experiences (ACEs) through community engagement and by improving social determinants of health.

Goal 2 (Healthcare):

Alaskans have access to integrated healthcare options that promote optimal health, wellness, and independence.

Goal 2 (Healthcare):

2.1 Objective: Alaskans have access to and receive quality healthcare services.

2.2 Objective: Medicaid is efficiently managed and adequately resourced.

2.3 Objective: Trauma-informed, person-centered healthcare services are delivered.



Goal 3 (Economic & Social Well-being)

Trust beneficiaries have strong economic and social well-being.



Goal 3 (Economic & Social Well-being)

3.1 Objective: Alaskans have stable, safe housing with appropriate, community-based social supports to maintain tenancy.

3.2 Objective: Ensure that competitive and integrated employment at part-time or full-time jobs pays minimum wage or above in integrated, typical work settings.

3.3 Objective: Expand resources that promote successful, long-term employment for Trust beneficiaries.

3.4 Objective: Enhance timely access to basic needs services.

Goal 4: (Substance Use Disorder Prevention)

Prevention and treatment for drug and alcohol misuse is provided through collaborative, effective, and informed strategies.



Goal 4: (Substance Use Disorder Prevention)

4.1 Objective: Increase awareness, improve knowledge, and change behaviors to prevent drug and alcohol misuse.

4.2 Objective: Reduce the impact of mental health and substance use disorders through prevention and early intervention.

4.3 Objective: Improve treatment and recovery support services to reduce the impact of mental health and substance use disorders.

4.4 Objective: Utilize ongoing recovery support services to end the cycle of substance misuse.

Goal 5 (Suicide Prevention)

Individuals, families, communities, and governments take ownership to prevent suicides and self-harm in Alaska.

Goal 5 (Suicide Prevention)

5.1 Objective: Coordinate prevention efforts to ensure that Alaskans have access to a comprehensive suicide prevention system.

5.2 Objective: Support and improve the system to assist individuals in crisis.

Goal 6 (Protecting Vulnerable Alaskans):

Alaskans are free from abuse, neglect, self-neglect, and exploitation.

Goal 6 (Protecting Vulnerable Alaskans):

6.1 Objective: Prevent child maltreatment by ensuring resilient families.

6.2 Objective: Promote early intervention in maltreatment and with families at risk for maltreatment.

6.3 Objective: Ensure individuals who suspect potential abuse understand the role of protective agencies and how to report potential abuse and neglect.

6.4 Objective: Increase timely access to protective services statewide.

6.5 Objective: Ensure vulnerable Alaskans understand their rights and responsibilities.



Goal 7 (Services in the Least Restrictive Setting):

Trust beneficiaries' behavioral health needs are accurately assessed and met in the least restrictive environment.



Goal 7 (Services in the Least Restrictive Setting):

7.1 Objective: Promote universal screening and standardized assessment and reassessment tools to reduce duplication and increase efficiencies across the service spectrum.

7.2 Objective: Increase access to effective and flexible, person-centered, long-term services and supports in urban and rural areas to avoid institutional placement.

7.3 Objective: Reduce the number of Trust beneficiaries entering or becoming involved with Alaska's criminal justice or juvenile justice system.



Goal 8 (Services in Institutional Settings):

Trust beneficiaries who are in an institutional setting receive the necessary services and recovery supports to return to the community of their choice.



Goal 8 (Services in Institutional Settings):

8.1 Objective: Establish a standard of care to ensure individuals receive appropriate therapy and supports while residing in psychiatric settings in state or out of state.

8.2 Objective: Ensure Alaskans who are in nursing homes, hospitals, and Intermediate Care Facilities for Individuals with Intellectual Disabilities (ICFs/IID) are provided the appropriate therapy and supports.

8.3 Objective: Enhance and expand access to clinical and case management resources for Alaskans who are incarcerated.

Goal 9 (Workforce, Data, and Funding):

The State of Alaska has the workforce capacity, data, and technology systems in place to support the resources and funding of Alaska's Comprehensive Integrated Mental Health Program.

Goal 9 (Workforce, Data, and Funding):

9.1 Objective: Strengthen workforce capacity with improved recruitment and retention to obtain and maintain knowledge and support innovation and modernization.

9.2 Objective: Advance the competencies of the healthcare, behavioral health, and public health workforce.

9.3 Objective: Ensure funding is available to support Alaska's Comprehensive Integrated Mental Health Program.

9.4 Objective: Optimize information technology investments to improve process efficiency and enable innovation.

9.5 Objective: Encourage a culture of data-driven decision-making that includes data sharing, data analysis, and management to link support services across Alaska Department of Health and Social Services (DHSS) divisions and other departments.

Alaska Scorecard 2018			
Key Issues Impacting Alaska Mental Health Trust Beneficiaries			
Click on the title of each indicator for a link to complete sources and information			
Key to symbols:	✓ Satisfactory	⚠ Uncertain	✗ Needs Improvement
	Most Current U.S. Data	Previous Year's Alaska Data	Most Current Alaska Data Status
Health			
Suicide			
1 Suicide (rate per 100,000)	14.0	25.3	26.9 ✗
2 Percent of adults reporting serious thoughts of suicide	4.2%	5.2%	5.3% ✗
Substance Abuse			
3 Alcohol-induced deaths (rate per 100,000)	9.6	22.9	19.8 ✗
4 Percent of adults (ages 18+) who engage in heavy drinking	5.7%	7.3%	8.4% ✗
5 Percent of adults (ages 18+) who engage in binge drinking	15.6%	18.1%	17.3% ⚠
6 Percent of population (age 12 and older) who use illicit drugs	10.9%	17.6%	16.8% ✗
7 Opioid overdose mortality rate	14.9	12.3	13.5 ⚠
Mental Health			
8 Days of poor mental health in past month (adults ages 18+)	4.0	3.5	3.7 ⚠
9 Percent of teens who experienced depression during past year	31.5%	33.6%	36.1% ✗
Access			
10 Percent of population without health insurance	8.7%	14.0%	13.7% ⚠
Safety			
Protection			
11 Child maltreatment (rate per 1,000)	9.1	16.8	15 ✗
12 Founded reports of harm to adults (rate per 1,000)	*	1.3	1.5 ⚠
13 Injuries to older adults (ages 65+) due to falls, hospitalized (rate per 100,000)	1,720	967	1,069 ✓
14 Traumatic brain injury, hospitalized non-fatal (rate per 100,000)	*	77.0	78.1 ⚠
Justice			
15 Percent of incarcerated adults with mental illness or mental disabilities	*	44.1%	44.1% ✗
16 Rate of criminal recidivism for incarcerated adults with mental illness or mental disabilities	*	39.2%	38.9% ⚠
17 Percent of arrests involving alcohol or drugs	*	36.9%	42.5% ⚠
Living With Dignity			
Accessible, Affordable Housing			
18 Chronic homelessness (rate per 100,000)	27.2	34.6	43.8 ✗
Educational Goals			
19 High School Graduation rate for students with disabilities	*	58.7%	56.9% ⚠
20 Percent of youth who received special education who are employed or enrolled in post-secondary education one year after leaving school	*	66.1%	66.1% ⚠
Economic Security			
21 Percentage of income spent on housing if earning minimum wage	*	80.1%	81.9% ✗
22 Average annual unemployment rate	4.4%	6.9%	7.2% ✗
23 Percent of adult SSI recipients who are blind or disabled and are working	4.8%	6.6%	6.7% ✓
Prevalence Estimates: Alaska Mental Health Trust Beneficiaries			
Alaska Mental Health Trust Beneficiary Population	Estimate	Population Rate	
Serious Mental Illness (ages 18+)	27,528	5.0%	
Serious Emotional Disturbance (ages 9 to 17)	11,322	6.0%	
Any Mental Illness (ages 18+)	111,429	20.3%	
Alzheimer's Disease (ages 65+)	7,500	9.1%	
Traumatic brain injury (all ages)	11,793	1.6%	
Developmental disabilities (all ages)	11,646	1.6%	
Dependent on or abuse of alcohol (ages 12 to 17)	1,341	2.2%	
Dependent on or abuse of alcohol (ages 18+)	38,715	7.1%	
Dependent on or abuse of illicit drugs (ages 18+)	19,741	3.6%	

February 2019

* No comparable U.S. data available

<http://dhss.alaska.gov/dph/HealthPlanning/Pages/scorecard>

Resources: Alaska Scorecard

Outcomes and Monitoring

<http://dhss.alaska.gov/Commissioner/Documents/MentalHealth/resources.pdf>

Next Steps

- Update the Alaska Scorecard
- Create an Implementation/ Action Plan

GOAL 1					
OBJECTIVE: Promote practice-informed, universal screening efforts and early intervention services.					
Strategy	Tactic	Responsible Agency	Contact	Status	Completed By
Establish standards of care that ensure developmental screenings and caregiver education is a normal part of the well-child check-up for all Alaska children.	Support the Help Me Grow Alaska program efforts to expand education around developmental screening.				
	Expand the universal screening development taskforce.				
	Develop a statewide outreach campaign for healthcare providers to support developmental screenings during the well-child check-up.				
Create and utilize a centralized registry for collecting developmental screening data using a standardized, developmental screening tool.	Support the use of the Ages & Stages Questionnaires (ASQs).				
	Continue to support Help Me Grow Alaska's efforts around linking an individual's ASQ outcome to care coordinators for outgoing tools and supports.				
	Explore other screening tools and ensure those tools can be used within diverse cultures and contextual settings.				
Provide early intervention for infants born with fetal alcohol spectrum disorders (FASDs) and neonatal abstinence syndrome (NAS) and their caregivers.	Develop and implement a system for creating plans of safe care to support babies and their families born with NAS or exposure to other drugs prior to hospital discharge.				
Provide training and technical assistance on trauma-engaged strategies for providers serving young children to assess children and their caregivers for service needs.	Support Learn & Grow, Alaska's Quality Recognition & Improvement System (QRIS) and the phased approach to enhance the quality of early childhood education programs through the training pyramid.				
	Support home visitors in the community to include train the trainer models to increase home visitors statewide.				
Promote training for pediatricians in a tiered screening process for neurodevelopmental disabilities.	Support the Partnership Access Line – Pediatric Alaska (PAL-PAK).				

Approvals

MEMO

To: Mary Jane Michael, Chair, Alaska Mental Health Trust Authority
Through: Mike Abbott, Chief Executive Officer
From: Steve Williams, Chief Operating Officer
Date: August 28, 2019
Re: Hiland Mountain Correctional Center – Women’s Mental Health Unit Remodel – Fund Source Transfer

REQUESTED MOTION:

Approve transferring the fund source of the \$1,145,000 grant to the Department of Corrections for the Hiland Mountain Correctional Center – Women’s Mental Health Unit Remodel project from FY19 authority grant funds to FY19 MHTAAR funds.

STAFF ANALYSIS

On November 14, 2018, the Board of Trustees approved a \$1,145,000 FY19 authority grant to the Department of Corrections for the Women’s Mental Health Unit Remodel project at the Hiland Mountain Correctional Center. Originally, these funds were to be sent to the Department of Corrections through a Reimbursable Services Agreement (RSA). Subsequently, it was decided that the best way to fund this project was through the FY19 Supplemental Capital Budget (SB19). To facilitate this, the fund type must be switched from FY19 authority grant to FY19 MHTAAR funds. The funding amount and project scope will remain as originally approved by the Trust.

Please find attached the original approval memo from November 14, 2018.

MEMO

To: Mary Jane Michael, Chair, Alaska Mental Health Trust Authority
Through: Mike Abbott, Chief Executive Officer
From: Steve Williams, Chief Operating Officer
Date: November 14, 2018
Re: Hiland Mountain Correctional Center – Women’s Mental Health Unit Remodel – Authority Grant Approval

REQUESTED MOTION:

Approve a \$1,145,000 FY19 Authority Grant from Trust Reserve Funds for the Hiland Mountain Correctional Center – Women’s Mental Health Unit Remodel project. These funds will be granted to the Department of Corrections through a reimbursable services agreement.

STAFF ANALYSIS

The Department of Corrections (DOC) provides acute mental health services to approximately 200 female trust beneficiaries at the Hiland Mountain Correctional Center (HMCC) annually. Hiland Mountain is DOC’s only correctional facility with an acute mental health unit for females. Incarcerated female trust beneficiaries from other institutions around the state requiring acute mental health care are transferred to HMCC. The current mental health unit was built in 1998 and is undersized to meet current beneficiary needs.

Trust staff recommend providing capital funding in partnership with DOC to expand and enhance Hiland Mountain Correctional Center’s women’s mental health unit. The expanded and enhance unit will include mental health and detoxification beds as well as integrating HMCC’s existing medical unit and its services. This will result in timely access and improved mental and physical healthcare for trust beneficiaries. The executive directors of the Alaska Mental Health Board/Advisory Board on Alcoholism and Drug Abuse, the Alaska Commission on Aging and the Governor’s Council on Disabilities and Special Education support this project.

BACKGROUND

Between SFY98 - 01, the Trust partnered with DOC to retrofit Hiland Mountain Correctional Center’s existing segregation unit to a female mental health unit with the requisite staffing and programs. Over the four-year period the Trust granted DOC \$1,071.8 of MHTAAR funds (\$914.0 for capital and \$167.8 of operations). That partnership resulted in a 850 sf/ft mental health unit with 18 beds and a 425 sq/ft day room. Detoxification beds were not included in the project.

Since that time the needs of female beneficiaries have changed. According to the 2014 report, *Trust Beneficiaries in Alaska’s Department of Corrections*, Trust beneficiaries account for more than 40 percent of the Department of Corrections’ incarcerations each year. During the report period, July 1, 2008 and June 30, 2012, 32.5% of the identified Trust beneficiaries were female. Since 2008, the Department of

Corrections has seen a 5.7% increase in the female beneficiary population requiring acute mental health services. This increase has resulted with female beneficiaries being placed temporarily on the segregation unit when the mental health unit is full. This placement could be for several days. In addition, there has been an increase in female beneficiaries requiring acute detoxification services. For those beneficiaries, they receive detoxification services at the Alaska Correctional Center- West (ACC-W) male infirmary. The Department of Corrections reports that two-three times per week female beneficiaries are placed at ACC-W for acute detoxification services.

To address the changed needs of female beneficiaries, DOC has analyzed its historical population data, identified population trends, and forecasted for future growth over the next ten years. This analysis resulted in the development and architectural design for remodeling existing space into an expanded women's mental health and medical unit at HMCC. The proposed remodel design will create a:

1. 3,801 sq/ft mental health and detoxification unit,
2. twenty-seven beds (23 mental health and 4 acute detoxification),
3. 905 sq/ft day room,
4. 427 sq/ft outdoor recreation area,
5. a group treatment room, and
6. three private interview/consultation rooms.

It is important to note this remodel will not require any additional staff positions or operating expenditures. DOC is able to accomplish this through integrating mental health and medical services in a central location. This allows for reallocation of current resources to meet the needs of beneficiaries housed on this unit.

Beneficiary Impacts

The construction of this new unit will positively impact those female incarcerated beneficiaries in the following ways:

1. Updated more therapeutic mental health unit environment
2. Increased access to acute mental health services for beneficiaries from rural areas
3. Decreased risk of beneficiaries needing acute mental health services being placed on the segregation unit
4. A safe place for beneficiaries requiring acute detoxification services
5. Integrated mental health and medical service space
6. Integrated space for beneficiaries with dementia, palliative care needs and suicide monitoring
7. Increased space for group programming and individual consultation

Project Budget Cost

Mental Health Unit	\$2,290,000
Medical Unit	\$1,600,000
Total	\$3,890,000

Project Budget Revenues

Department of Corrections	\$2,745,000
Alaska Mental Health Trust*	\$1,145,000
Total	\$3,890,000

*This represents 50% of the cost for the mental health unit.

The Department of Corrections has the balance of the required funding \$2,745,000 to fully fund this project.



To: Mary Jane Michael
Chair of the Board of Trustees
From: Aaron O'Quinn
Date: 8/28/2019
Re: Central Facilities Fund – Owner Distribution – TAB
Waterline/Cordova Tenant Improvements
Fiscal Year: 2020

Approval

Proposed Motion:

"The Alaska Mental Health Trust Board of Trustees hereby approves the transfer of \$304,000 from the Central Facilities Fund (CFF) to fund improvements at the Cordova Street property and the Trust Authority Building."

Background:

Transaction/Resource: The Trust Land Office (TLO) requests a distribution of up to \$304,000 from the Central Facilities Fund (CFF) to the operating account for the Trust Authority Building (TAB) and 2600 Cordova Street (Cordova). This money will be used to pay for the waterline replacement at the Trust Authority Building (\$60,000) and tenant improvements at the Cordova Street Building (\$244,000).

General Background: The Trust-owned TAB and Cordova buildings sustained \$47,625 and \$55,250 in damages as a result of the November 30, 2018 earthquake, respectively. Both TAB and Cordova are insured by the State of Alaska (SOA) and the state is obligated to reimburse the Trust for earthquake related expenses. The property manager retained contractors, repairs were made, and invoices were paid from existing operating funds. The Trust Land Office has made a request for reimbursement from the State of Alaska, but due to administrative difficulties these funds have not been received. Cash that would have otherwise been available to fund the improvement projects is not available due to the delay in reimbursement.

Trust Authority Building (TAB)

The Trust Authority Building waterline needed to be replaced in order to continue safe operation of the building. This work has been completed and the contractor has an outstanding invoice for \$107,825 for the waterline replacement. Existing operating cash plus an additional \$60,000 from the CFF will allow the Trust to pay the invoice. The CFF will be repaid when the SOA issues the earthquake reimbursement.

Cordova Street

The TLO has offered an existing tenant an improvement allowance of approximately \$100,000 in order to secure a larger lease within the building. The total cost of the tenant improvements in the new space is up to \$300,000. The tenant has also inquired about having the TLO finance the additional cost of the improvements. These costs, plus an additional interest charge, would be included in the rent amount paid by the tenant and recovered over the 5 year term of the lease. Existing operating cash plus an additional \$244,000 from the CFF will allow the TLO to fund the initial tenant improvement allowance and to finance the remaining cost of the tenant improvements. The CFF will be repaid over the term of the lease (5 years) or earlier as cash flows allow.

Anticipated Revenues/Benefits: Transfer from the CFF to the TAB operating account will ensure that the TAB has sufficient cash flow to cover necessary operating expenses and capital expenditures. This ensures both that the property is sufficiently maintained and that expenditures advanced by contractors on behalf of the TLO are reimbursed in a timely manner – maintaining the TLO’s reputation and ability to secure future work by reputable contractors.

Transfer from the CFF to the Cordova operating account will ensure that the TLO can offer market-rate incentives to prospective tenants, including tenant improvement allowances and owner-financing of tenanting improvements. This results in sustained and increased revenues from Trust assets, including in the form of interest charged for the same. Interest earned would be dependent on the final cost of tenant improvements, the interest rate as determined by underwriting, and the repayment term. Finally, allowing the tenant to expand their lease into this newly improved space will allow Volunteers of America, a beneficiary serving organization, to consolidate their operations on a single floor in the Cordova building so that they can better serve their service consumer population.

Progress on the repayment of these funds to the CFF would be tracked with appropriate accounts.

Anticipated Risks/Concerns: The SOA could deny insurance claims made by the TLO for earthquake damage, in which case the CFF amount would be repaid from future operating cash flows from the properties. In general, the repayment period would be much longer, and, in the case of the TAB, operating cash flows might not be sufficient to repay the CFF.

There is credit risk in financing tenant improvements for the tenant in the expansion premises. TLO will ensure that any lending is underwritten in a commercially reasonable manner and will not proceed with the tenant improvement construction project if the default risk exceeds the potential for increased revenue in the anticipated lease transaction.

Project Costs: \$304,000, all of which is anticipated to be repaid from property free cash flows and the outstanding insurance reimbursement over the next 5 years. Additional funds for the expenditures discussed in this memo would be covered by existing building operating funds.

Due Diligence: Considerable underwriting of a tenant loan transaction will take place to ensure that the tenant’s income statement and cash flow statement reflect the ability of the tenant to meet its rent and loan payment obligations. Additionally, the TLO may seek additional security for money

loaned to the tenant in the form of UCC financing statements against the tenant's furniture and fixtures and/or an increased security deposit.

Alternatives: The TLO could wait for existing building cash flows to meet the needs highlighted above. This timeline is entirely dependent on receiving insurance proceeds from the SOA, but in the case of TAB, without SOA proceeds, the timeline is not practical, and the Trust would have unacceptable reputational damage. At Cordova, without SOA proceeds, the timeline for funding the project is approximately one year, which could cause the Trust to miss out on significant revenue-generating potential from the expansion tenant.

Consistency with the Resource Management Strategy: The actions proposed are consistent with the Resource Management Strategy to operate the properties to ensure that maintenance is managed to maximize long-term return and is attractive and appropriate for current and future tenants.

Trust Land Office Recommendation: Approval of the motion as written.

Applicable Authority: AS 37.14.009(a), AS 38.05.801, 20 AAC 40.710-720 and 11 AAC 99.

Trust Authority Approval: The motion presented in this briefing document fulfills the approval requirements that are applicable to the transaction.

Finance Committee Report

To: Mary Jane Michael, Chair
Through: Mike Abbott, Chief Executive Officer
From: Andrew Stemp, Chief Financial Officer
Date: August 19, 2019
Re: Finance Committee Report

REQUESTED MOTION #1:

I move that the full board of trustees accept the Finance Committee recommendation to amend the Asset Management Policy Statement as proposed by Callan LLC.

Meeting Summary:

There has been one meeting of the Finance Committee since the last board report. The meeting occurred on August 1, 2019 and was attended by trustees Laraine Derr (chair), Christopher Cooke, Paula Easley, Vernè Boerner, Mary Jane Michael, John Sturgeon, and Ken McCarty.

The August 1, 2019 Finance Committee addressed four items:

Cash Management Report: The Committee reviewed the report provided, and heard commentary from the staff on the Fy19 financial results. Overall results are positive, with good financial performance from the TLO and strong investment results. An updated revenue forecast for the upcoming year was also presented, reflecting improved investment results compared to original expectations. Overall the Trust financial position and outlook remains positive.

Trust Land Office and Trust Authority Office Administrative Budgets: The Committee reviewed presentations and discussed the proposed spending amounts for FY21. Following discussion around the expected travel reductions, the Committee recommended approval of the proposed FY21 amounts.

Updated Revenue Forecast: The Committee reviewed updated expectations for FY20 and FY21 revenues and discussed the impact of overall State budget decisions on Trust beneficiaries.

Asset Management Policy Statement Revisions: Steven Center from Callan LLC presented proposed revisions to the Asset Management Policy Statement to the Committee and participated in a discussion around the proposed changes. After discussion the Committee moved to recommend approval of the proposed revisions by the full board.

The Finance Committee concluded at approximately 2:00 pm. The next scheduled meeting of the Finance Committee is **January 3, 2020**.

Asset Management Policy Statement (AMPS)

Trust

Alaska Mental Health Trust Authority

Alaska Mental Health Trust Authority

**Asset Management Policy Statement
Adopted: August 29, 2019**

Asset Management Policy Statement

Purpose

The Asset Management Policy Statement (AMPS) specifically delineates the asset management philosophy and practices of the board of trustees (the board) of the Alaska Mental Health Trust Authority (the Trust). It has been developed to serve as the management plan for those assets entrusted to the board. The board believes it is essential to adopt a long-term plan by which these assets will be maintained and enhanced through prudent management. The AMPS may be revised by action of the board, and should be reviewed annually. The board has adopted the AMPS to serve as that long-term plan, in order that:

- there be a clear understanding on the part of the trustees, staff, beneficiaries, and the public as to the objectives, goals, and restrictions with regard to the management of Trust assets;
- assets be structured and managed in a prudent manner; and
- there be a meaningful basis for performance evaluations of asset classes, managers, and strategies used to achieve the management objectives.

Background

Creation of the Trust

The Alaska Mental Health Trust (the Trust) was established by Congress under the Mental Health Enabling Act of 1956. The 1956 law included a grant to the State of Alaska of one million acres of land to be used to generate revenues to ensure the development of a Comprehensive Integrated Mental Health Program for the State of Alaska. In the mid 1980s, a class-action citizen lawsuit, Weiss v. State, was filed, alleging the mismanagement of these lands. In 1994, the Alaska Legislature passed legislation that was subsequently approved by the Alaska Superior Court as a settlement of the litigation (the settlement).

Settlement Framework

The settlement reconstituted the Trust with an initial \$200 million in cash and nearly one million acres of land. A seven-member board of trustees was created and charged with the responsibility of administering the Trust. The settlement included statutory language (AS 37.14.009(a)) that

assigned the Alaska Permanent Fund Corporation (APFC) management of the Mental Health Trust Fund and assigned the Department of Natural Resources (DNR)) management of Trust land, natural resource assets, and associated improvements. The 1994 legislation required DNR to establish a separate unit, the Trust Land Office (TLO), for this purpose. Other Trust funds, such as Trust income allocated for annual mental health program spending, a portion of budget reserves, and, on a short-term basis, cash receipts generated by the TLO are managed by the Department of Revenue (DOR).

The board directs the financial management of the earnings from the assets of the Trust into programs and projects that are designed to improve the lives of Trust beneficiaries: Alaskans who experience mental illness, developmental disabilities, chronic alcoholism, Alzheimer's disease and related dementia, traumatic brain injury and substance abuse disorders (see AS 47.30).

Mission Statement

The board has adopted the following mission statement for the Trust:

The Alaska Mental Health Trust Authority (the Trust) administers the Mental Health Trust to improve the lives of beneficiaries. Trustees have a fiduciary responsibility to protect and enhance trust assets in perpetuity for the beneficiaries. The Trust provides leadership in advocacy for and planning, implementing and funding of the Comprehensive Integrated Mental Health Program; and acts as a catalyst for change.

Roles and Responsibilities

Board of Trustees

Established by AS 47.30.016, the board of trustees is the governing body for the Alaska Mental Health Trust Authority. The board has the responsibility of establishing and maintaining broad policies and objectives for the prudent management of Trust assets. The Board establishes broad policies and sets the direction for asset management in this AMPS. The board delegates the implementation of these policies to the board's finance committee, resource management committee, executive committee and to staff. In doing so, the board maintains a "top-down" perspective, focusing on important policy-level issues, and maintaining the proper fiduciary perspective and time horizon for analysis of the performance of Trust assets.

Finance Committee

The board of trustees has established a finance committee to assist the board in the financial oversight and strategic financial planning for the Trust. This committee consists of current members of the board of trustees. The Finance Committee considers the overall financial performance of Trust assets, including the real estate and natural resources managed by the Trust Land Office and makes recommendations to the board when necessary. The committee will consult with the Chief Financial Officer and Chief Executive Officer to oversee the implementation of this AMPS. Additional responsibilities may be found in the committee charter.

Resource Management Committee

The board of trustees has established a resource management committee to assist the board in the oversight and strategic planning for the land, natural resource assets, and associated improvements held by the Trust. This committee consists of current members of the board of trustees. The committee will consult with the Chief Executive Officer and the Trust Land Office to oversee the implementation of this AMPS regarding the Trust's land, natural resource assets, and associated improvements by the Department of Natural Resources. Additional responsibilities may be found in the committee charter.

Chief Executive Officer

As defined by AS 47.30.026, the staff position that serves the board as the Chief Executive Officer of the AMHTA. The Chief Executive Officer implements the policies established by the board of trustees according to the authorities and guidelines provided in the Chief Executive Officer charter.

Chief Financial Officer

The Chief Financial Officer provides reports on investment activity and results, as well as provides general oversight of the Trust investments. As part of the annual budgeting process, the Chief Financial Officer will make a calculation and a recommendation to the Finance Committee as to the amount of money that should be withdrawn for the investment accounts to fund Trust activity. Where investment managers require administrative direction from the Trust to implement the investment policies and

strategies (such as rebalancing activities) the Chief Financial Officer provides that direction in accordance with established policies.

Trust Land Office (TLO)

The office has responsibility for management of the Trust's property and natural resource assets. The TLO was established within the Department of Natural Resources under AS 44.37.050.

Trust Land Office (TLO) Executive Director

In fulfilling the contract with the board described in AS 37.14.009, this staff position serves the commissioner of the Department of Natural Resources as the Executive Director of the Trust Land Office. Per the Memorandum of Understanding with the Department of Natural Resources, the Commissioner has delegated the authority to select/replace the Executive Director to the Trust with concurrence of the DNR Commissioner.

Alaska Permanent Fund Corporation (APFC)

The Alaska Permanent Fund Corporation manages the Mental Health Trust Fund and other Trust assets as agreed by the trustees and APFC.

Department of Revenue (DOR)

The Department of Revenue manages funds for the State of Alaska, including Trust budget reserves and other short-term investments.

Independent Real Estate Advisor

An independent advisor will be retained to assist in the oversight and management of real estate investment assets acquired by the Trust for income generating purposes. The advisor is managed by the CFO and also provides an annual report to the trustees on the status of these real estate assets.

Statement of Asset Management Philosophy

The AMPS helps the board effectively supervise, monitor, and evaluate the investment and management of the Trust's liquid and non-liquid assets. The cash investment program and Trust land and resource management program are defined in the various sections of the AMPS by:

- stating in a written document the board's expectations, objectives, and guidelines for management of the liquid and non-liquid assets;
- complying, or ensuring compliance, with all applicable fiduciary, prudence, and due diligence requirements that experienced investment professionals and land managers would reasonably utilize, and with all applicable laws, rules, and regulations that may impact Trust assets;
- setting forth an investment structure for the liquid assets of the Trust; this structure includes various accounts, asset classes, investment management styles, risk tolerance, asset allocation and acceptable ranges that, in total, are expected to produce a sufficient level of overall diversification and total investment return over the long-term;
- establishing guidelines for management of the Trust's non-liquid assets consistent with the TLO's long-term asset management strategy as defined in 11AAC 99.090(c);
- monitoring, evaluating, and comparing the investment performance results achieved by APFC, DOR, and TLO on a regular basis;
- encouraging effective communications between the trustees, staff, APFC, DOR, and TLO;
- establishing a framework to aid trustees in determining the annual available funding amount for protection and enhancement of Trust assets and spending on behalf of the beneficiaries in mental health programs and projects; and
- aligning asset management strategies with the time horizons identified in the comprehensive mental health plan.

This AMPS is formulated upon the board's consideration of the financial implications of a wide range of policies and describes the prudent liquid, and non-liquid investment processes that the trustees deem appropriate.

The board recognizes that even though its investments are subject to short-term volatility, it is critical that a long-term investment focus be maintained. This prevents ad-hoc revisions to the board's philosophy and policies in reaction to either speculation or short-term market fluctuations.

The board recognizes that the Trust has many stakeholders with differing levels of expertise and will make reasonable efforts to develop policies

that are easily communicated to partner boards and other stakeholders, so that the framework for decision making is clear and transparent.

Asset Management Objectives

The asset management objectives of the Trust have been established by the board in conjunction with a comprehensive review of the Trust's current and projected financial requirements. The investment earnings from liquid assets and income produced from Trust non-liquid assets will be used to protect and enhance the value of Trust assets and implement annual mental health program funding strategies. Accordingly, investment results and Trust land resource management decisions are critical elements in achieving the outcome objectives of the Trust. The overarching asset management objective is to maintain appropriate cash asset allocation and trust land management policies that are compatible with the spending policy while still having the potential to produce positive real returns.

Liquid Asset Management Objectives

Specific liquid asset management objectives are to:

- preserve and enhance the purchasing power of the Trust's cash principal and the income generating capacity of the Trust's non-liquid asset portfolio;
- achieve a real rate of return (above inflation) of five percent (5%) over a full market cycle with reasonable and prudent levels of risk; and
- provide a steady, reliable payout stream to ensure funding of program spending goals while maintaining sufficient liquidity in all market environments.

Non-Liquid Asset Management Objectives

Specific non-liquid land and natural resource management objectives are to:

- protect and enhance the non-cash asset value and productivity of Trust property;
- maximize revenues from Trust non-liquid assets over time;

- encourage a diversity of revenue-producing uses of Trust non-liquid assets;
- manage Trust land prudently, efficiently, and with accountability to the Trust and its beneficiaries; and
- use Trust non-liquid assets for beneficiary purposes, when such use is found to be in the best interest of the Trust and its beneficiaries.

Guidelines and Investment Policy

Time Horizon

The investment time horizon, also referred to as duration, is one of the major factors in achieving positive investment results. In order to appropriately balance investment decisions and spending decisions, the Trust considers several time horizons:

Short-Term: The Trust invests funds that are held temporarily, pending use by Trust programs or other investment decisions. These investments have an approximate time horizon of two years with an emphasis on preservation of capital rather than growth. Investments in this area include the funds held in the General Fund and Other Non-Segregated Investment (GeFONSI) pool managed by the Department of Revenue. The GeFONSI pool is intended to produce moderate returns with low levels of risk; accordingly it holds a mix of high quality, short term securities and holds the regular operating funds used by the Trust. The Trust's GeFONSI accounts include the following

- Trust Settlement Income Account (Fund 1092)
- Trust Authority Development Account (Fund 3320)
- Central Facilities Fund (Fund 3322)

From time to time, as part of the operations of the commercial real estate portfolio, the Trust may also hold cash, certificates of deposit, or money market accounts in federally insured banks. These funds are generally invested in low-risk, highly liquid accounts and include:

- Operating Accounts for Building management
- Property Reserves for Capital Improvements

Medium-Term: The Trust invests funds that may be needed in the future for use by Trust programs. These investments have an approximate time horizon of five to seven years with an emphasis on balancing preservation of capital while still achieving growth. Investments in this area include:

- Budget Reserves

Long-Term: The Trust also invests funds for the benefit of future beneficiaries. These investments are managed for long term growth, with a time horizon of seven to twenty years. Investments in this area include:

- Mental Health Trust Fund
- Commercial Real Estate

Risk Tolerance

Investment risk is generally correlated with investment returns. The potential for investments to perform differently than anticipated (producing either significantly better or worse returns) is referred to as volatility. Deciding how much volatility within the portfolio is acceptable is a critical decision in determining potential investment results and achieving positive investment results, net of inflation. The Trust considers both the risk associated with specific investment strategies as well as the aggregate risk to total Trust assets.

The board recognizes the difficulty faced by APFC, DOR and DNR in meeting investment and Trust land resource management objectives because of the uncertainties and complexities of contemporary investment markets and the non-liquid asset management operating arena. The board also recognizes that some risk must be assumed to achieve the APFC's long-term investment objectives, the DOR's Budget Reserve investment objectives, and the TLO's land management objectives. Further, in comingling Trust liquid assets with the Alaska Permanent Fund managed by the APFC, the ability to withstand short and intermediate term market volatility has been considered. The board will review the realized five-year and ten-year risk (standard deviation) of the Trust on a periodic basis (not less than once every three years) to ensure the Trust's overall portfolio has not exhibited an undue level of risk.

Asset Allocation

Careful allocation of Trust capital is an essential component of managing the overall portfolio risk profile and the potential return. Investing decisions strive for a balance between overweighting capital in a narrow section (*concentration risk*) and distributing capital so broadly that investments are not focused and generate mediocre results. Asset allocation is the framework for managing investment decisions to achieve the desired result within an acceptable range of risk.

The Trust has unique features when considering asset allocation:

- Through the Settlement the Trust holds approximately one million acres of land throughout Alaska. This is a substantial asset for the Trust, but it has limited liquidity and is concentrated in Alaska.
- Associated with the land holdings, the Trust participates in natural resource development (harvesting timber, mining, oil & gas production, etc.). This creates some sensitivity to commodity prices, foreign exchange rates, and overall economic environment.
- The Trust maintains a commitment to serving beneficiary needs through the provision of facilities at lease rates that may differ from market rates. These assets generate limited financial return to the Trust and may need to be considered as a separate asset class than other real estate investments.
- By investing as a commingled account at the Alaska Permanent Fund, the Trust enjoys economies of scale and reduced costs. However, the Trust cannot adjust the asset allocation or the investment strategies of the Alaska Permanent Fund, and is subject to periodic changes to the return and risk targets adopted by APFC.
- The Trust holds direct real estate investments in several commercial properties. The funds invested in these assets represent less than 10% of total Trust assets and have limited liquidity.

Considering these factors, the Finance Committee shall review the asset allocation annually following completion of the annual financial statement audit and adjust the asset allocation as necessary to achieve Trust objectives. The Chief Financial Officer will provide the Committee with an aggregate report of current asset valuations and make recommendations for reallocations for trustee consideration.

Asset allocation amounts are based on a range of invested funds rather than a dollar threshold. The Trust assets are distributed as follows:

<u>Investment Manager</u>	<u>Risk Profile</u>	<u>Asset Allocation</u>
Department of Revenue (Cash or GeFONSI)	Low	Established by the Manager. ¹
Department of Revenue (Budget Reserves)	Moderate	Established by the Manager with Trust direction ² .

¹ Department of Revenue investment policies and allocations are published on line at:
http://treasury.dor.alaska.gov/Portals/0/docs/blue_book/investment_policies_and_procedures.pdf

² The Trust gives broad guidance around which Department of Revenue investment funds the Trust should participate in. Descriptions of the allocations and investment pools are published on line at:

Alaska Permanent Fund (Trust Fund and Reserves)	Moderate	Established by the Manager ³ .
Trust Land Office Commercial Real Estate	Moderate	Established by the Trust ⁴
Trust Land Office TLODA Projects (including PRI activity)	Moderate	Established by the Trust ⁵

Performance Expectations

A substantial factor in achieving positive long term investment results is the costs and fees associated with investment services. The Trust has two managers that handle financial investments: the Alaska Permanent Fund Corporation and the Department of Revenue. Because of the amount of assets managed by the Permanent Fund Corporation⁶ and the State of Alaska GeFONSI investment pool⁷ the Trust receives the benefit of their purchasing power and economies of scale. This relationship allows for investments to be made at a lower cost than what would otherwise be available to the Trust and contributes to the long term growth of Trust investments. Accordingly, the Trust seeks to work with these agencies as our investment managers whenever possible.

Liquid Asset Managers

Alaska Permanent Fund Corporation

APFC management responsibilities for the Trust's principal are provided for in APFC statute and a memorandum of agreement between the Trust and the APFC (APFC MOA).

The board reviews the long-term performance, risk, and liquidity characteristics of the APFC on a periodic basis (but not less than annually) and evaluates whether the APFC's asset allocation strategy meets the long-term investment return objective of the Trust with an acceptable level of risk. The finance committee will meet with the APFC investment staff on a periodic basis (but not less than annually) to review the APFC's investment strategy.

http://treasury.dor.alaska.gov/Portals/0/docs/blue_book/investment_policies_and_procedures.pdf under the section Z-1.

³ The Permanent Fund Asset Allocation framework and targets are published at: <https://apfc.org/diversification-framework-asset-allocation/>

⁴ Current allocation is seven properties, with approximately \$40 million in invested funds.

⁵ The Trust has made an allocation of up to \$8 million in development projects, but has not yet approved projects from this account.

⁶ \$65 Billion as of May 2019

⁷ \$3 Billion as of May 2019

The performance target for the APFC investment will be APFC's current Blended Performance Benchmark, as outlined by the APFC, along with APFC's long-term Total Fund Return Objective of CPI+5%.

Department of Revenue

The asset allocation for Budget Reserves under management of the Treasury Division is directed by the trustees.

The Department of Revenue Treasury Division holds and manages one half of the Budget Reserve, cash balances of the Central Facilities Fund and on a short-term basis the revenue generated by the TLO and Trust income allocated by the trustees for spending on the Comprehensive Integrated Mental Health Program.

Investments of the Budget Reserves are made pursuant to guidance provided by staff under the fiduciary direction of the board. In executing their duties, the finance committee shall periodically (not less than every three years) review asset allocation independently or request consultation from outside entities and, if appropriate, recommend the board adopt changes.

The Central Facilities Fund is currently invested alongside the General Fund and other Non-Segregated Investments (GeFONSI). The finance committee shall periodically (not less than every three years) review the cash balances of the Trust in conjunction with projected expected expenditure or reinvestment demand and recommend an asset allocation to the board.

The performance target for the liquid assets managed by the Department of Revenue are benchmarked to the Bloomberg Barclays 1-3 Year Government/Credit index.

Non-Liquid Asset Managers

Trust Land Office

The TLO manages the Trust's non-liquid assets on behalf of the trustees, in accordance with applicable statutes, regulations, and a memorandum of understanding between the Trust and DNR (DNR MOU).

The land resource component of the Trust is made up of Alaskan land parcels, natural resource assets, and associated improvements. TLO management responsibilities are provided for in AS 38.05.801, 11 AAC 99, and the DNR MOU.

TLO outcomes are projected each budget cycle with annual outcomes addressed in annual TLO budgets approved by the board. While the TLO consults primarily with the resource management committee of the board on specific transactions, consultation can also occur between the TLO and the Trust Administration Office (TAO) and between the TLO and the board, in accordance with specific board policies or transaction circumstances.

The performance of direct private equity real estate will be annually evaluated using an index or indices determined by the finance committee.

General operating expectations are as follows:

- TLO will focus first on land or resources at the high end of their market values (“Best Markets”) and then on land or resources with Best Market potential within the next two to ten years;
- land or resources not included above will be considered “Long Term Market” lands, with TLO management emphasis placed on reasonable value preservation and enhancement actions in the interim;
- generally, the TLO will focus on transactions that:
 1. maximize return at prudent levels of risk;
 2. contribute to a diverse assortment of resource activity;
 3. provide ancillary values to the Trust; and
 4. remove or prevent liability risks;
- leases are preferred over sales and, when reasonable to do so, land values should be enhanced before disposal through lease or sale;
- transactions should not harm values of or future opportunities associated with other Trust lands;
- investments in Trust land should be consistent with the guidelines in the Resource Management Strategy and, when expected to generate increased value for the Trust, the proposed results should compete favorably with the projected long-term total rate of return of the Alaska Permanent Fund Corporation;
- land exchanges may be considered, when associated costs and outcomes can be reasonably established;
- if beneficiary program uses of Trust lands are proposed at rents below fair market value, the increment between proposed rents and fair market value rents will be considered an allocation of Trust revenue and must be approved by the board; and
- lands, structures, and resources may be acquired when the acquisition will add value to the Trust’s non-liquid asset portfolio or will contribute to the mission of the Trust in another way. All acquisitions will be analyzed on a ‘Life Cycle Basis’; defined as the present value of the acquisition cost, the operating income/benefits during the holding periods and the value of the asset at disposition.

In accordance with AS 13.38, 20 AAC 40.610, and this AMPS, TLO revenue will be allocated as follows:

- To Principal: Land sale revenues; royalties from coal, gas, materials, minerals, and oil; perpetual easements; and 85% of revenues from timber sales.
- To Income: Interest from land sale contracts; bonus bids; rents; distributions from the commercial real estate portfolio and 15% of revenues from timber sales.

Real Estate Investments

The third party real estate advisor monitors the real estate investment assets managed by the TLO. This advisor provides independent advice and recommendations regarding Trust's non-liquid direct real estate investments and provides trustees with additional expertise when considering investment decisions. The TLO provides the staff to manage the investments.

The board reviews the long-term performance, risk, and liquidity characteristics of the real estate investments on a periodic basis (but not less than annually). The third-party real estate advisor may make recommendations to the board regarding transactions related to the assets.

The performance target for the assets overseen by the third-party real estate advisor is the NCREIF Property index ("NPI").

Control Procedures

AMPS Revisions

It is not expected that the AMPS will change frequently. In particular, short-term changes in the financial, real estate and natural resource markets and associated operating arenas should not require adjustments to the AMPS. However, the board will review the AMPS at least annually to confirm it remains relevant. Additionally, the AMPS shall be reviewed if there is a substantial sale of Trust non-liquid property or natural resource assets⁸, a fundamental change to how APFC manages its portion of the liquid assets, alterations to the Trust's spending policy, or if the Trust is impacted by statutory revisions.

⁸ A substantial sale is considered a transaction one that generates cash proceeds large enough to materially change the Trust's financial performance. Using the 4.25% distribution rate, a sale of \$23 million in property would increase the annual portfolio distribution by \$1 million over the 4 year averaging cycle.

Liquid Assets

APFC & DOR performance will be reviewed quarterly by the finance committee who will report all performance to the board to determine the continued feasibility of achieving the investment and Trust land management objectives and the appropriateness of the AMPS for achieving those objectives.

Land, Natural Resources, and associated improvements (Non-Liquid Assets)

The TLO will maintain a level of management capacity necessary to prudently manage and develop Trust non-liquid assets over time. It is understood that this component of Trust non-liquid asset management represents a significant expense to the Trust.

The duties and responsibilities of the TLO are generally provided for in AS 38.05.801 and more specifically provided for in 11 AAC 99 and the DNR MOU. The specific management principles are provided for in 11 AAC 99.

TLO financial performance will be reviewed at least annually by the finance committee which will report all performance to the board.

Performance of the third-party real estate advisor will be reviewed annually by the finance committee which will report all performance to the board.

Total Trust Performance

On at least an annual basis, the total financial performance of the Trust assets will be presented to the board. Performance will be compared to a blended benchmark consisting of the following indices (weighted based upon the Trust's allocation to each category as of the beginning of each fiscal year):

- APFC Allocation: APFC's Blended Performance Benchmark
- DOR Allocation: Bloomberg Barclays 1-3 Year Gov't/Credit Index
- TLO Allocation: TLO's actual performance
- Third-Party Real Estate Advisor: NCREIF Property Index

Spending Policies

The board has the authority to authorize the expenditure of Trust funds to protect and enhance the value and productivity of Trust assets, for the award of grants and contracts in fulfillment of the Trust's purpose to ensure a Comprehensive Integrated Mental Health Program, and, with legislative approval, the operating expenses of the TAO. This Spending Policy outlines five board objectives:

1. protect and enhance the corpus of the Trust by allocating sufficient resources to ensure that Trust assets are properly managed, including the use of funds allocated to the Trust Land Office Development Account, where appropriate, to maximize the value and productivity of Trust non-liquid assets;
2. apply smoothing mechanisms to mitigate the effects of short-term market volatility on spending and maintain a reliable funding stream to ensure the support of a Comprehensive Integrated Mental Health Program for the beneficiaries;
3. establish a Budget Reserve account to ensure funding support for the Comprehensive Integrated Mental Health Program is maintained in a difficult market environment;
4. maintain the purchasing power of the Trust principal, including addressing the effects of inflation, by using the reserve model consisting of the Budget Reserve account originally recommended by Callan Associates in 1996; and
5. follow a spending policy based upon a sustainable percentage of investment net asset values and expendable income from Trust land management.

The board recognizes achieving Trust asset management objectives requires adequate resources be allocated for that purpose by reimbursing APFC and DOR, DNR and the third-party real estate advisor for the reasonable costs of managing Trust assets.

Annual Available Funding Framework

Having a relatively consistent and predictable funding stream is paramount to ensuring an effective Comprehensive Integrated Mental Health Program. To mitigate the effects of periodic market volatility on funding, the board utilizes smoothing mechanisms to maximize funding consistency.

The following components have been established as a framework to aid trustees in determining the annual available funding amount:

- An annual withdrawal calculation consisting of 4.25 percent of the rolling four year-end⁹ average aggregate net asset value (NAV) of the following:
 - Principal Invested at APFC¹⁰

⁹ To ensure clarity and consistency in calculations, the year-end amounts referred to in the Annual Available Funding Framework are defined as the amounts/values as of the end of the fiscal year (June 30th) rather than the end of the calendar year (December 31).

¹⁰ Funds in the Trust operating accounts Account are not included in the payout calculation unless Trustees approve otherwise.

- Budget Reserve invested at APFC
- Budget Reserve invested at DOR
- The rolling four year-end average of lapsed appropriations funded from the Settlement Income Account¹¹, or other process approved by the board to capture the value of prior year unused funds;
- The rolling four year-end average of expendable income generated by Trust Land Office operations;
- The rolling four year-end average of interest earned on cash held with the General Fund and Other Non-Segregated Investments (GeFONSI) managed by DOR;
- The unobligated/unallocated funds that could have been authorized in previous fiscal years under this framework calculation; and
- Other miscellaneous unrestricted revenues properly deposited into the Trust Settlement Income Account such as contributions from partner agencies and the recovery of prior year expenditures received after the funding appropriation lapsed.

Trustees reserve the right to expend additional funds when circumstances warrant. Concurrently, trustees acknowledge that principal assets are not available for expenditure.

The annual withdrawal calculation amount will be transferred to the Settlement Income Account and invested with the GeFONSI with minimal risk on a lump sum or periodic basis by the CFO in consultation with the CEO based on market conditions and cash flow needs.

Budget Reserve Guidelines

In order to fulfill funding requirements during market downturns, a Budget Reserve account will be maintained to help ensure funding availability. Based on a Callan Associates study of the Alaska Permanent Fund and the Alaska Mental Health Trust Fund, the Budget Reserve is set at 400% of the targeted annual withdrawal calculation amount. This reserve amount should be adequate to provide maximum assurance that the Trust will be able to meet annual funding goals.

¹¹ Settlement Income Account fund 1092 only. Lapsed appropriations funded from other sources are not included in the calculation.

Approximately one half of the Budget Reserve shall be invested by the DOR. The remainder of the Budget Reserve shall be invested by the APFC in the same manner as the Principal.

When APFC experiences gains for a given year, the Budget Reserve at DOR will first be adjusted up to 200% of the current year's targeted annual withdrawal calculation. If additional gains remain, adjustments will be made to the Budget Reserve invested by APFC. When the Budget Reserve is fully funded at both DOR and APFC, funds may be used to help offset the effects of inflation ("inflation proofing"). The effect of inflation will be estimated by using US Department of Labor Bureau of Labor Statistics CPI-U index¹².

When the APFC or DOR experiences losses for a given year, the Budget Reserve at DOR will be maintained or adjusted to 200% of the annual withdraw calculation from the Budget Reserve at APFC.

In the event of severe and/or sustained losses whereby the Budget Reserve is insufficient to meet the annual payout while maintaining at least 200% of the current year's annual withdrawal calculation then the withdrawal rate or amount may be reviewed by the trustees.

Full or partial inflation proofing may be facilitated by the following method:

- Inflation proofing permanent transfer (official non-spendable transfer)
 - Upon notification by the CFO that trustees have performed an official and permanent inflation proofing, APFC will initiate an accounting entry to irretrievably transfer funds from Budget Reserves to the Mental Health Trust Fund.

Trust Land Office Development Account Guidelines

The value and productivity of Trust liquid and non-liquid assets must be maximized through the reinvestment of Trust income where appropriate. This includes investments made through Program Related Investments (PRI), the Resource Management Strategy (RMS) or other programs approved by trustees. To achieve this objective, the Board will maintain a Trust Land Office Development Account (TLODA) to use Trust income to exchange one asset for another, to maintain or enhance the value of the Trust's existing non-liquid asset portfolio, either through prudent investments in non-liquid assets already owned by the Trust or through the acquisition of additional assets. Assets in the TLODA may also be used to acquire assets that enhance the capacity of the state's mental health program, such as facilities for delivering services to beneficiaries. This may be accomplished through the financing of projects, purchase/lease of assets, exchange or resale.

¹² Consumer Price Index All Urban Consumers; U.S.; All Items; 1967=100

Recommendations for expenditure from the TLODA will be noticed in the same manner as other Trust expenditures, including presentation to appropriate Trust committees and final approval by a committee or the board of trustees, as provided for in the Trust bylaws. Recommendations will be based upon a specific work plan with identified priorities.

Where TLODA funds are used to enhance the value of the Trust's existing non-liquid assets, each project will be accounted for individually and the proceeds from the project will be used to calculate an internal rate of return (IRR). The trustees may adjust the TLODA IRR target on a case by case basis, reflecting the unique circumstances of each project. Classifying these cash flows between principal and income shall be done at the direction of the trustees, in accordance with 20 AAC 40.610.

The TLODA projects may involve real estate investment and natural resource development, asset classes that are potentially illiquid or exposed to fluctuating commodity prices. Accordingly, the trustees have established \$8 million as the allocation to this account, representing approximately 1.5% of Trust liquid assets. Additional allocations may be made in the future, depending upon the needs of the Trust

Trust Land Office Commercial Real Estate Guidelines

The commercial real estate assets held by the Trust generate income through lease payments. These assets also have the potential to create value through appreciation, through a combination of property improvements, lease renewals, and overall economic growth. Management of these assets is outlined in the Resource Management Strategy and handled by the Trust Land Office.

The Trust Land Office has been selected as the manager for these assets because of their unique and comprehensive knowledge of the Trust settlement lands and resources, which will minimize the potential for inadvertent concentration risk, their understanding of the Trust mission and objectives, which will assist with the alignment of investment decisions along with the Comprehensive Integrated Mental Health Plan, and their ability to perform these duties within their current responsibilities thereby creating a low incremental cost for their services.

There are three key features associated with the commercial real estate assets that should be considered as part of the AMPS:

- Each property has an annual budget for operations, debt service, and maintenance/capital improvements. Because these costs must be paid to preserve the value of the assets, income generated by the properties will be used to fund these costs first, prior to making distributions to fund beneficiary programs.

- The properties participate in the Central Facilities Fund, with contributions from the properties accumulating over time. These funds provide a cash flow cushion in the event that major improvements are needed to maintain the properties or to secure leases. The fund has a target of \$2 million and contributions to the fund should be made prior to making distributions to fund beneficiary programs.
- Certain properties have outstanding mortgages. These mortgages are structured as non-recourse debt, which limits the overall liability of the Trust. The terms of each mortgage, especially the timing of any balloon payment requirements, should be carefully considered as part of the overall investment strategy.

These assets are managed by the Trust Land Office and compose less than 10% of the Trust's overall investments. Each property has a commercial property manager that prepares an annual budget, collects the rents, and handles day to day operations. Expenditures must be part of the trustee approved annual budget and TLO staff monitor the monthly results of each property.

These assets serve two purposes: they provide a hedge against volatility in the stock market and they generate income that supplements the annual distribution from the Trust portfolio. The Trust may elect to sell these assets and replace them with different assets at any time.

Definitions

For purposes of ease of administration and understanding of this Asset Management Policy Statement, the following terms are defined or clarified:

APFC: The Alaska Permanent Fund Corporation manages the liquid assets of the Alaska Mental Health Trust Authority under the APFC board's asset allocation policy and its investment policies and guidelines for major asset classes.

ASSETS: Consists of the liquid and non-liquid assets of the Alaska Mental Health Trust Authority, including property and resource assets acquired by the TLO on behalf of the Trust.

BOARD: The governing body of the Alaska Mental Health Trust Authority established by AS 47.30.016.

BUDGET RESERVE: Budget Reserve is set at 400% of the targeted annual withdrawal amount. This reserve amount should be adequate to ensure the Trust's ability to meet its spending goals in a difficult market environment and to ensure liquidity in future years. The budget reserve is maintained both within the state treasury as well as the Alaska Permanent Fund Corporation.

CHIEF EXECUTIVE OFFICER (CEO): The staff position as defined by AS 47.30.026 serving the board as the chief executive officer of the Alaska Mental Health Trust Authority.

CHIEF FINANCIAL OFFICER (CFO): The staff position serving as the chief financial officer of the Alaska Mental Health Trust Authority.

GENERAL FUND AND OTHER NON-SEGREGATED INVESTMENT (GEFONSI): An investment pool managed by the Alaska Department of Revenue Treasury Division. The pool buys fixed income securities on behalf of the Trust and tracks the earnings and value of the Trust's share of the pool.

LIQUID ASSETS: Assets of the Alaska Mental Health Trust Authority that are invested through the Department of Revenue (DOR), under management of the Treasury Division, and also through the Alaska Permanent Fund Corporation (APFC).

NON-LIQUID ASSETS: Assets of the Alaska Mental Health Trust Authority that consist of property and natural resource assets. Such assets are overseen by the Trust Land Office (TLO) and the Third-Party Real Estate Adviser.

THIRD-PARTY REAL ESTATE ADVISOR: This is an independent third party advisor that assists with the oversight and monitoring of real estate investment assets acquired by the Trust for income generating purposes. The advisor is managed by the CFO and provides an annual report to the trustees on the status of these real estate assets.

TRUST SETTLEMENT INCOME ACCOUNT: The GeFONSI account in which income available for appropriation and expenditure is deposited (and from which agencies receiving MHTAAR funded appropriations expend). The account is maintained on the state accounting system as GASB fund 1092.

TRUST AUTHORITY DEVELOPMENT ACCOUNT: The holding place for cash principal until it is transferred to the APFC for investment alongside the Alaska Permanent Fund. The account also holds some funding for previously authorized development projects that are being completed. The account is maintained on the state accounting system as GASB fund 3320. Prior to September 2014, this account was referred to as the Trust Land Development Account.

TRUST FACILITY MAINTENANCE ACCOUNT/CENTRAL FACILITY FUND: A component of the Settlement Income Account where a portion of facility rents are deposited to finance operations and maintenance on buildings owned by the Trust, including capital improvements and leasing commissions for the commercial real estate portfolio. The account is maintained on the state accounting system as GASB fund 3322. The account was originally authorized by Resolution 05-04.

TRUST LAND OFFICE DEVELOPMENT ACCOUNT: A component of the Budget Reserves, where a portion of spendable income has been assigned for future use on natural resource development projects or other activities authorized by the trustees.

TRUST LAND PORTFOLIO: The non-liquid assets of the Alaska Mental Health Trust Authority that are managed by the Trust Land Office, including improved properties and facilities. The land portfolio includes properties acquired through the Settlement as well as other properties acquired for program related investment and commercial investment properties.

SETTLEMENT: The statutes, settlement agreement, letters clarifying the settlement agreement, and the final Superior Court order creating and approving the settlement of Weiss v. State of Alaska.

SETTLEMENT LAND: The properties and associated improvements transferred to the Trust as part of the original Mental Health Enabling Act

(PL 94-830) as well as the properties subsequently transferred to the Trust as replacement lands (June 10, 1994 settlement).

STAFF: The CEO, Trust Land Office Executive Director, all employees of the Trust and the Trust Land Office.

TRUST: The Alaska Mental Health Trust established by Congress under the Mental Health Enabling Act of 1956.

TRUST AUTHORITY: The Alaska Mental Health Trust Authority established by AS 47.30.011.

TRUSTEE(S): The board of trustees of the Trust Authority, either collectively or individually.

TRUST AUTHORITY OFFICE (TAO): The office with responsibility for providing support to the chief executive officer and board of trustees in management of Trust financial assets and in assuring development of the Comprehensive Integrated Mental Health Program.

TRUST LAND OFFICE (TLO): The office with responsibility for management of the Trust non-liquid assets and natural resource assets and associated improvements established within the Department of Natural Resources under AS 44.37.050.

TRUST LAND OFFICE (TLO) EXECUTIVE DIRECTOR:

In fulfilling the contract with the board described in AS 37.14.009, this staff position serves the commissioner of the Department of Natural Resources as the Executive Director of the Trust Land Office. Per the Memorandum of Understanding with the Department of Natural Resources, the Commissioner has delegated the authority to select/replace the Executive Director to the Trust with concurrence of the Commissioner.

Cost Recovery Regulations

MEMO

To: Mary Jane Michael, Chair
Through: Mike Abbott, Chief Executive Officer
From: Andrew Stemp, Chief Financial Officer
Date: August 29, 2019
Re: Cost Recovery Regulation Change

REQUESTED MOTION:

I move the full Board of Trustees authorize the Trust Authority staff to issue a public notice of proposed regulation change to 20 AAC 40.610 and 20 AAC 40.700 and start the regulation review public comment period.

Background:

The Trust follows regulations published in 20 AAC 40.610 and 20 AAC 40.700 to allocate trust land revenues between principal and income. Due to changes in Trust operations, such as the establishment of the Trust Land Office Development Account (TLODA), this section of regulations needs to be updated to remain current. The process for making regulatory changes requires a public notice and an opportunity for interested members of the public to comment and provide feedback on the proposed change.

Summary of Proposed Change:

The proposed change would revise 20 AAC 40.610 to include language that allows the Trust to recover funds advanced from the TLODA or the Trust Settlement Income Account prior to allocating funds between principal and income. The change would also direct how proceeds from the commercial real estate investments are allocated. The proposed change would also revise 20 AAC 40.700 to provide guidance on accounting for TLODA funds and factors for the board to consider when authorizing the use of TLODA funds.

This regulation change is expected to benefit the Trust by providing clear guidance around the use and recovery of TLODA funds and how commercial real estate investment proceeds are allocated while reducing the potential for uncertainty or misunderstanding. The regulation change will also benefit Trust beneficiaries by providing a regulatory tool that supports the improvement of Trust lands, which will generate more principal funds for investment (helping future beneficiaries) while allowing the TLODA funds to be recovered and available for additional projects (benefiting current beneficiaries). This proposed change is also beneficial to the public because it facilitates the development of Trust resources, and through that development additional opportunities for employment and economic growth.

Why do we need to amend these regulations?

The board of trustees of the Alaska Mental Health Trust Authority has a fiduciary responsibility to appropriately allocate revenues derived from trust lands and natural resources to either principal or income. Existing regulations in 20 AAC 40.610 set how that allocation is to occur. The board of trustees has recognized that it is in the best interest of beneficiaries to maximize the financial resources available from trust lands and natural resources by

using trust funds in order to make reasonable improvements prior to the sale of resources. An illustration of this action may be to advance money from the TLODA to build a road in order to increase the amount of building lots that can be sold as part of a subdivision on trust land.

The existing regulations do not account for recovering the development costs drawn from the Trust Settlement Income Account (AS 37.14.036) used to pay for these improvements; and having these steps clearly defined and an established process in place is necessary for TLODA funded activities to function properly and potentially be self-sustaining. The proposed regulation revisions add an additional step to the current allocation process, which allows for recovering development costs before making the allocation of revenues between principal and income. This addition will allow the funds used for the development or improvement of specific trust lands to be returned to the Trust Settlement Income Account. The revisions will also define how the funds from operating the commercial real estate properties that were acquired for income generation purposes, as well as the funds from any future sale of the commercial real estate properties are handled. Furthermore, the development accounts found in 20 AAC 40.700 used to track those expenditures required clarification of what information is required when creating the accounts and when to close the accounts.

The proposed changes do not restrict the board of trustees ability to make appropriate decisions when it is in the Trust's interest to use income funds to acquire new properties or to improve or develop existing trust land in order to increase revenues to the Trust (20 AAC 40.700). With the changes that have been made in response to the legislative audit, the creation of the TLO Development Account, and modifications to the Asset Management Policy Statement, these regulation revisions are needed to make sure there are consistent guidelines for Trust operations. Taking this action will help ensure that trust funds are correctly tracked and allocated so as to properly account for trust resources.

How will the regulations be revised?

In summary:

20 AAC 40.610 is proposed to be changed as follows:

Where the Trust has paid for development costs prior to the sale of Trust resources, at the time those resources are sold the development costs will be first recovered to the Trust Settlement Income Account before allocating revenues from between principal and income.

The board took an action to return principal used to acquire seven commercial real estate properties to the Alaska Mental Health Trust Fund. These seven properties are different from other Trust real estate, because they were not transferred to the Trust as part of the Settlement Agreement nor have Trust principal invested in the properties. As such, the regulations are revised to allocate 100% of the revenues from these seven properties as income, whether from operations or a future sale of the properties.

Addition of appreciation of land value attributable to development costs to a type of revenue attributable to income; and

Defining "appreciation in land value", "development cost recovery", "land sale", and "rents".

20 AAC 40.700 is proposed to be changed as follows:

Listing the factors the board will consider when making a decision to use receipts from the management of trust land for acquisition of new trust land or improving or developing existing trust land; and

Clarifying duration and closure of development accounts that are established for the purpose of monitoring and accounting for the receipts used for acquisition, improvement, or development project.

Process for Gathering Public Comments & Making Revisions:

Trust staff have shared a summary of the proposed changes with the statutory advisory boards and encouraged them to give input and share feedback before the start of the public regulation review. A copy of this summary is attached for your reference. Starting the regulation review public notice process will notify the general public of the proposed change and provide a time period for comments. A summary of any public comments received during the comment period will be prepared by Trust staff and shared with the board at the November 14, 2019 meeting. At that meeting, the board will be asked to consider adopting the proposed regulation change.

Attachments:

Memorandum to Advisory Boards

Draft Language

MEMO

To: Alaska Mental Health Board
Advisory Board on Alcoholism and Drug Abuse
Governor's Council on Disabilities and Special Education
Alaska Commission on Aging
From: Mike Abbott, Chief Executive Officer
Date: August 19, 2019
Re: Revisions to Revenue Allocation and Real Property Development Accounts

Summary

The Mental Health Trust Authority proposes to adopt regulation changes in Title 20 of the Alaska Administrative Code, specifically 20 AAC 40.610 dealing with the allocation of trust land revenues between principal and income and 20 AAC 40.700 dealing with the real property development accounts managed by the Alaska Mental Health Trust Authority. This is the culmination of the process started last year to modify Trust practices in response to the 2018 legislative audit and identify an appropriate mechanism for enhancing the value of Trust lands. This memo should explain the proposed revisions to the regulations, why we are proposing this regulation package and how this action relates to management of Trust revenues.

Why do we need to amend these regulations?

The board of trustees of the Alaska Mental Health Trust Authority has a fiduciary responsibility to appropriately allocate revenues derived from trust lands and natural resources to either principal or income. Existing regulations in 20 AAC 40.610 set how that allocation is to occur. The board of trustees has recognized that it is in the best interest of beneficiaries to maximize the financial resources available from trust lands and natural resources by using trust funds in order to make reasonable improvements prior to the sale of resources. An illustration of this action may be to build a road in order to increase the amount of building lots that can be sold as part of a subdivision on trust land.

The existing regulations do not account for recovering the development costs drawn from the Trust Settlement Income Account (AS 37.14.036) used to pay for these improvements; and it would be very helpful to have them clearly defined and a process established to handle that step. The proposed regulation revisions add an additional step to the current process, to allow for recovering development costs before the allocation of revenues between principal and income. This allows the funds used for the development or improvement of specific trust lands to be returned to the Trust Settlement Income Account before the allocation of the remaining revenue from disposals of trust land and resources. The revisions will also define how the funds from operating the commercial real estate properties that were acquired for income generation purposes, as well as the funds from any future sale of the commercial real estate properties are handled. Furthermore, the development accounts found in 20 AAC 40.700 used to track those expenditures required clarification of what information is required when creating the accounts and when

to close the accounts.

The proposed changes do not restrict the board of trustees ability to make appropriate decisions when it is in the Trust's interest to use income funds to acquire new properties or to improve or develop existing trust land in order to increase revenues to the Trust (20 AAC 40.700). With the changes that have been made in response to the legislative audit, the creation of the TLO Development Account, and modifications to the Asset Management Policy Statement, these regulation revisions are needed to make sure there are consistent guidelines for Trust operations. The board of trustees desires to ensure that trust funds are correctly tracked and allocated so as to properly account for trust resources. Other than adding a definition of how proceeds from the commercial real estate investment properties will be handled, funds from other sales of Trust land and resources will continue to be allocated according to current practice. The only other adjustment to the process will be to allow for the development costs to be returned to the Trust Settlement Income Account prior to allocating the remaining funds.

How these proposed regulations affect beneficiaries?

The Alaska Mental Health Trust Authority has responsibility to manage the land and natural resources transferred to the Trust as part of the Settlement. In order to maximize the benefit of these lands and resources for current and future trust beneficiaries, the trustees may need to use income funds in developing properties for future sale or disposal. The proposed regulations clarify how the trustees may fund those projects and establishes a process to make sure development costs are recovered by the Trust when a sale or disposal takes place.

These regulations should help the beneficiaries by clearly defining how Trust funds are used to improve Trust lands and natural resources as well as the process for handling funds generated from future sales.

Making these revisions will help ensure that adequate income is made available for the board of trustees to allocate toward the management of the Trust or programs and advocacy that directly serve the beneficiaries. These regulations will also make sure that income funds used specifically to acquire new Trust land or develop or improve trust land for the purpose of producing revenue for the Trust is returned to the Trust Settlement Income Account before the remaining funds are allocated between principal and income. This should improve the transparency around the process and avoid any potential confusion around which funds are available for supporting current beneficiary needs (Trust income) and which funds are to be invested to meet future beneficiary needs (Trust principal).

The Trust Settlement Income Account is where the AMHTA draws funds for beneficiary programs, administrative costs, and the expenses associated with managing Trust lands in alignment with the Comprehensive Integrated Mental Health Plan. These proposed changes will not limit contributions of principal to the Alaska Mental Health Trust Fund for investment to meet future beneficiary needs or the amount of income available to the Trust to meet current needs. This proposed change serves the beneficiaries both now and in the future.

How will the regulations be revised?

In summary:

(1) 20 AAC 40.610 is proposed to be changed as follows:

a. Where the Trust has paid for development costs prior to the sale of Trust resources, at the

time those resources are sold the development costs will be first recovered to the Trust Settlement Income Account before allocating revenues from between principal and income.

- b. The board took an action to return principal used to acquire seven commercial real estate properties to the Alaska Mental Health Trust Fund. These seven properties are different from other Trust real estate, because they were not transferred to the Trust as part of the Settlement Agreement nor have Trust principal invested in the properties. As such, the regulations are revised to allocate 100% of the revenues from these seven properties as income, whether from operations or a future sale of the properties.
 - c. Addition of appreciation of land value attributable to development costs to a type of revenue attributable to income; and
 - d. Defining “appreciation in land value”, “development cost recovery”, “land sale”, and “rents”.
- (2) 20 AAC 40.700 is proposed to be changed as follows:
- a. Listing the factors the board will consider when making a decision to use receipts from the management of trust land for acquisition of new trust land or improving or developing existing trust land; and
 - b. Clarifying duration and closure of development accounts that are established for the purpose of monitoring and accounting for the receipts used for acquisition, improvement, or development project.

What is the process?

This is our initial opportunity to inform our advisory board partners about our plan to consider these regulations and we would like your candid feedback to these ideas. We are reaching out to the boards, as representing our beneficiaries, to gather your thoughts on this proposed change and use your input to help us fine tune our regulation revision proposal.

The revised regulation proposal will be presented to the board of trustees at the August meeting to gain their support for starting a public review of the proposed regulations. After the public comment period and further internal review, the regulations will be available for final approval by the Trustees – perhaps at the November meeting. Assuming that approval, there will be final legal review by the Dept of Law and then adoption by the Lt. Governor.

DRAFT Language

20 AAC 40.610. Allocation of trust land revenues between principal and income

(a) Revenues received from the management of trust land will be allocated between principal and income as follows:

(1) to principal after development cost recovery,

(A) 100 percent of

(i) land sale revenues;

(ii) royalties on coal, oil, gas, materials, and minerals; and

(iii) revenues from perpetual easements; and

(B) 85 percent of revenues from timber sales;

(2) to income,

(A) 100 percent of

(i) interest from land sale or other contracts;

(ii) bonus bids;

(iii) rents;

(iv) proceeds from the operation or sale of the commercial real estate properties that were acquired for income generating purposes;

(v) appreciation in land value at point of sale attributable to development costs;

(vi) development cost recovery from any asset class transactions; and

(B) 15 percent of revenues from timber sales.

(b) In this section,

(1) “appreciation in land value” means the difference between the actual appraised value of the land prior to the commitment of development costs and the market value of the land at the time of sale, provided that the deduction for appreciation in this sub-paragraph may not exceed development costs plus an imputed return on development costs calculated at a rate that reflects the duration of the development period and the financial risk associated with the development;

(2) “development costs recovery” means returning to the Trust settlement income account established under AS 37.14.036 all project specific expenses reimbursed to the Department of Natural Resources under AS 37.14.041(a)(4)(B) or from the Trust settlement income account established under AS 37.14.036 attributable to the acquisition of or management of specific trust land or resource in preparation for sale or disposal, including research, surveying, marketing, clearing, rehabilitating, debt repayment, accessing, improving, or otherwise enhancing the value or marketability of the land, but does not include general land and resource management costs reimbursed to the Department of Natural Resources under AS 37.14.041(a)(4)(B);

(3) “land sale” means the disposal of land or interest and any appurtenances and real property attached to that land; and

(4) “rents” means one-time or reoccurring fees or charges from licenses, letters of authorizations, contracts, or other authorizations for non-perpetual uses of trust land and resources.

20 AAC 40.700. Real property development accounts

(a) From time to time, the board may determine that it is in the interest of the trust and its beneficiaries to use receipts from the management of trust land to

(1) acquire for the trust new trust land; or

(2) improve or develop existing trust land.

(b) The board will make a decision under (a) of this section in accordance with the applicable provisions of the Asset Management Policy Statement adopted by reference in 20 AAC 40.600.

(c) When making a decision under (a) of this section, the board will consider

(1) the amount requested for the project;

(2) purpose of the funds;

(3) duration to spend those funds;

(4) expected amount of revenues to be created by the investment of funds; and

(5) timeframe expected to produce expected revenues.

(d) If the board decides under (a) of this section to acquire new trust land or to improve or develop existing trust land, the authority will establish a development account for the purpose of monitoring and accounting for the receipts used and the costs incurred by the trust to carry out that acquisition, improvement, or development project until the expected revenues are collected from the project.

(e) The authority will maintain appropriate accounting in a development account established under (d) of this section until the approved project for which the account was established has been completed and the revenues allocated per 20 AAC 40.610.

(f) The board may determine it is appropriate to close a development account established under (d) of this section due to market collapse, force majeure, or other special unforeseen circumstances, or not create a development account if the specific asset is used for program related purposes that does not produce a return if approved under 20 AAC 40.710.

FY21 Budget Resolution

MEMO

To: Mary Jane Michael, Chair
Through: Mike Abbott, Chief Executive Officer
From: Andrew Stemp, Chief Financial Officer
Date: August 21, 2019
Re: FY21 Budget Recommendations

REQUESTED MOTION:

I move the full Board of Trustees appropriate \$29,268,100 in MHTAAR, MHT Admin and Authority Grants for FY 2021 consisting of \$16,228,200 of MHTAAR and MHT Admin and \$13,039,900 of Authority Grants. These funds are to be used for the programs and activities described in the detailed FY21 Budget Recommendations spreadsheet prepared for the August 28 & 29, 2019 Full Board of Trustees Meeting. I further move the full Board of Trustees recommend the appropriation of \$5,910,700 of GF/MH funds and \$8,200,000 of Other funds for FY2021.

Background:

The Trust prepares budgets on a two year cycle, this includes approving the use of Trust Authority funds (the MHTAAR/MHT Admin column and Authority Grant column) and making recommendations for the appropriation of General Funds/Mental Health and Other Funds. The currently approved FY21 funding amount is \$28,596,200. This amount is based on projected FY21 activity as of September 2018. At this time, the Trust has more information about the FY21 State budget and additional information about the current needs and priorities of Trust beneficiaries. Based on this information, staff recommend increasing the FY21 budget by \$671,900 to a new total of \$29,268,100. The FY21 budget workbook (included in the board meeting materials) provides the details for how, Trust Authority funds (MHTAAR, MHT Admin, and Authority Grant) and non-Trust funds (General Funds/Mental Health and Other) are allocated. The Non-Focus area section of the workbook includes line items for the FY21 Trust Authority Office MHT Admin budget (\$4,215,136) and the FY21 Trust Land Office operating budget (\$4,425,600). Both of these amounts were discussed and recommended for approval at the August 1, 2019 Finance Committee meeting.

This proposal will change the approved budget in two ways: reductions in previously approved line items (-\$540,800) to align Trust spending with new priorities and additional spending (+\$1,212,600) to meet beneficiary needs. These changes create a combined net budget increase of approximately \$671,800. The additional funds are expected to come from projected increases in FY21 Trust revenues.

As discussed in the July 31, 2019 Program and Planning Committee meeting, the revenue estimates for FY21 are higher than anticipated a year ago. This is primarily a result of better than expected investment performance. As a result, the FY21 spending levels recommended for approval will not fully utilize anticipated FY21 revenues. After accounting for the proposed spending levels, we estimate there will be \$3.5 million of unobligated FY21 funds. Staff recommends these funds not be allocated for specific programmatic purposes at this time. The uncertainty regarding the state's policies and funding levels for behavioral health care make it impossible to ensure that we can make the best possible allocation choices at this time. We expect to bring Trustees recommendations for the allocation of the obligated funds in early 2020, well before the start of FY21.

Additional Documents

To: Mary Jane Michael, Chair
Through: Mike Abbott, Chief Executive Officer
From: Steve Williams, Chief Operating Officer
Date: August 21, 2019
Re: Program and Planning Committee Report

The Program and Planning Committee met once since the last board report. The meeting occurred on July 31, 2019 and was attended by trustees Christopher Cooke (chair), Laraine Derr, Paula Easley, Vernè Boerner, Ken McCarty, Mary Jane Michael, and John Sturgeon.

Meeting Summary:

The following items were presented and discussed by the committee.

DRAFT FY21 Trust Budget Presentation

Trust staff presented the FY21 program budget recommendations to the committee, providing a detailed review the strategies and projects contained in the non-focus area and focus area sections of the budget. The review included project updates, data, and answering questions from committee members as needed. The Alaska Mental Health Board/Advisory Board on Alcoholism and Drug Abuse, the Alaska Commission on Aging and the Governor's Council on Disabilities and Special Education presented their joint FY21 joint capital requests contained in the budget recommendations as well. Trust staff encouraged trustees to forward any additional questions or requests for information on any of the FY21 budget recommendations to Steve Williams (Chief Operating Officer) or Katie Baldwin-Johnson (Senior Program Officer).

Mission Moment

Staff and clients from the *Alzheimer's Resource of Alaska* shared with trustees, staff, and the public the importance and impact of the services provided to beneficiaries by *Alzheimer's Resource of Alaska*.

Approval

The committee approved one grant request from Bartlett Regional Hospital (BRH) in Juneau to assist in the construction of a 12,000 sqft crisis stabilization facility. The approval was for \$200,000 of FY20 Authority Grant funds from the Emergency Psychiatric Services Assistance budget line. It is estimated that the new facility will provide access to treatment and evaluation and/or stabilization services to 500 Trust beneficiaries annually presenting with acute symptoms or distress.

Other Items

Mike Abbott (CEO) reminded the committee that he emailed trustees the 4th quarter *Grant Summary report* (April thru June 2019) at the end of June.

The Program and Planning Committee adjourned at approximately 4:30pm. The next scheduled meeting of the committee is **January 3, 2020**.

Memorandum



To: Mary Jane Michael, Chair of the Board of Trustees
Through: Mike Abbott, Chief Executive Officer
From: Wyn Menefee, Executive Director
Date: August 6, 2019
Subject: August 1, 2019 – Resource Management Committee Meeting Summary

The Resource Management Committee met on August 1st, 2019, received an update of key TLO activities from the Executive Director Report, and received one (1) consultation presented by TLO staff. The Resource Management Committee concurred with the consultation.

The RMC concurred with the following Consultation:

1. Consultation Item A – YAK Timber Sale – Yakutat – MHT 9100977

Motion Adopted: *“The Resource Management Committee concurs with the Executive Director’s recommendation for the disposal of timber through negotiated sale on Trust land in Yakutat.”*

Anticipated Revenues/Benefits:

1. The timber sale will generate approximately \$300,000 in revenue over the course of the contract.
2. The harvest of timber will maximize revenue while also providing for timber regeneration and future timber harvests.

cc: Board of Trustees
Mike Abbott, CEO Alaska Mental Health Trust Authority
Wyn Menefee, Executive Director, Trust Land Office

To: Mary Jane Michael, Chair
Through: Mike Abbott, Chief Executive Officer
From: Andrew Stemp, Chief Financial Officer
Date: August 19, 2019
Re: Audit & Risk Committee Report

Meeting Summary:

There has been one meeting of the Audit & Risk Committee since the last board report. The meeting occurred on August 1, 2019 and was attended by trustees Laraine Derr (Chair), Christopher Cooke, Paula Easley, Vernè Boerner, Mary Jane Michael, John Sturgeon, and Ken McCarty.

The August 1, 2019 Audit & Risk Committee addressed one item:

FY 2019 Audit Planning & Trustee Consultation: The Committee reviewed the audit planning document from BDO LLP and the timeline for completing the upcoming audit. No actions were taken by the Committee.

The Audit & Risk Committee concluded at approximately 8:55 am. The next scheduled meeting of the Finance Committee is ***January 3, 2020.***