

ALASKA MENTAL HEALTH TRUST AUTHORITY

FULL BOARD OF TRUSTEES MEETING

May 24, 2018

8:30 a.m.

Taken at:

Alaska Mental Health Trust Authority
3745 Community Park Loop, Suite 120
Anchorage, Alaska

OFFICIAL MINUTES

Trustees present:

Mary Jane Michael, Chair
Carlton Smith
Laraine Derr
Paula Easley
Jerome Selby
Christopher Cooke

Trust staff present:

Mike Abbott	Steve Williams
Miri Smith-Coolidge	Carley Lawrence
Katie Baldwin-Johnson	Andy Stemp
Kelda Barstad	Jimael Johnson
Mike Baldwin	Valette Keller
Luke Lind	

Trustee Land Office present:

Wyn Menefee
Craig Driver
Sarah Morrison
Aaron O'Quinn
Jusdi Doucet
Jeff Reed

Also participating:

Kathy Craft; Jon McGhee; Sung Linder; Autumn Veal; Travis Welch; Eric Boyer; Patrick Reinhart; Denise Daniello; Gordon Glaser; Mary Shields; Alison Kulas; Stuart Goering; Maria Bahr; Randall Bruns; Gennifer Moreau; Marie Alfonsi; Annette Alfonsi.

PROCEEDINGS

CHAIR MICHAEL calls the meeting to order and asks for a roll call. She notes that Trustee Boerner may be able to join later. She asks for a motion to approve the agenda.

TRUSTEE SELBY makes a motion to approve the agenda.

TRUSTEE SMITH seconds.

There being no objection, the motion is approved.

CHAIR MICHAEL states that the Guiding Principles are in the packet and asks for any ethics disclosures. She moves to the minutes of January 24-25, 2018, and asks for approval.

TRUSTEE DERR makes a motion to approve the minutes of the January 24 and 25, 2018, meeting.

TRUSTEE SELBY seconds.

There being no objection, the motion is approved.

CHAIR MICHAEL moves to the minutes of February 9, 2018.

TRUSTEE DERR makes a motion to approve the minutes of February 9, 2018.

TRUSTEE EASLEY seconds.

There being no objection, the motion is approved.

CHAIR MICHAEL moves to the minutes of March 19, 2018.

TRUSTEE DERR makes a motion to approve the minutes of March 19, 2018.

TRUSTEE SELBY seconds.

There being no objection, the motion is approved.

CHAIR MICHAEL states that also in the packet are the current bylaws. She moves to the Mission Moment.

MISSION MOMENT

MS. JOHNSON states that for the Mission Moment, John McGhee and Sung Linder have come up from South Peninsula Behavioral Health Services to talk about some employment opportunities that they are exploring and developing in the Homer Community.

MR. MCGHEE states that it is a privilege to be here and an honor to share what is going on in the small community down in Homer. He explains that in the past year an IPS supportive employment program was developed. It is an individual placement and support program. He adds that it has different labor to it than what people typically know as supportive employment. He states that the IPS program has eight principles that it is founded on: First is focusing on competitive employment; second is eligibilities based on client choice; third is integration of rehabilitation and mental health services; fourth is attention to work preferences, which is client-driven; fifth is person-life benefits counseling; sixth is a rapid job search; seventh is systematic job development; and, eighth is a time unlimited and individualized support. Once a person is hired, he is provided ongoing job support, which is different for every individual. He states that the eight principles guide the program and is the process gone through with each client that is referred by the treatment team or by the individual coming to him. He continues that all that is needed is an interest in working. He spends time with them, gets to know them and explores the possibilities of their work goals or even their dream job. He adds that benefits analysis is worked on rather than finding that they have benefits. Then, resumes, mock interviews are done to prepare them. He states that during the process he is also interviewing employers, the job development aspect in the community. He met with over a hundred of them during the past year and developed a relationship with them all. He continues that they are going to be looked at as a resource and has employers calling to see if there are any good job matches for their positions before posting them anywhere else. He explains that he was hired in February of last year and developed a program; March had the first placement; and since then we have placed 19 individuals in different businesses, with two clients in one business. Everyone else is in individual businesses around town, producing diversity. Part of the IPS model is diversification. He states that there is a huge change being seen in the clients' outlook on life. The model of employment is a key part of recovery, which is very evident in this process. He adds that there is an article coming out in the Homer News about the program. He asks Sung Linder to share a bit of his story.

MR. LINDER states that he is a mental health client and has been mentally ill for over 20 years. He continues that one of the things missing in part of his recovery was what Mr. McGhee is doing now, being there on site as an employment specialist for those kind of services. When the program began, he was excited but still leery because his medications and services are so expensive that he was worried about losing benefits. He adds that on a previous work cycle he lost his benefits and it took a year to get back on. He states that Mr. McGhee's presence in the community is a great one and he is an extremely valuable resource. He explains that he did gain employment a year ago, but recently put in his 12-day notice due to some stress-related issues and a change of just trying to get out of the restaurant business. He adds that he thought it would be good to go look for something that he can stick with. The program has been so good that the next time he seeks employment he will definitely go through the program again. He states that there are a lot of positive dynamics in the Annex program, the mental health program that was not there before Mr. McGhee showed up. Being employed was beyond reach and is not like that now. He hopes that everyone will try to keep the program going. He has no negative connotation and no regrets. He thanks all.

TRUSTEE SMITH asks about the number of jobs available at any one time and also the seasonal numbers.

MR. MCGHEE replies that he does not know the number of jobs, but adds that it is either feast or famine. In the summertime he cannot find enough people in town to work, and in the winter a lot of businesses shut down or close for a month. He continues that his focus has always been to find year-round employment. Most of the employment found has been year-round, or positions that can easily transition to year-round from the summer.

TRUSTEE COOKE talks about the part of the interview in trying to determine a person's situation regarding support they may get; and if that is SSI and healthcare benefits from Medicaid versus the consequences of gaining employment which may not carry health insurance or be full-time. He asks if that has been resolved.

MR. MCGHEE replies that it depends on each client and some of their work goals. He states that a number of them are getting back in the workplace and we try to balance being able to work, and benefits will go down but will not go away completely. He continues that they try to keep that match until that track record is built where they know they can keep going if they lost them. He adds that it goes on case by case.

TRUSTEE EASLEY states that it is her impression that to avoid this all-or-nothing situation on losing benefits had a graduated way of being dealt with, the problem would be solved. She asks if there is anything seen in the future to pursue that with maybe losing some of the benefits and then not being discouraged from finding employment. She explains her concerns.

MR. MCGHEE replies that it is a broken system and we are doing our best to navigate that system and to put the client in the best position before they make that next jump within that system of losing certain elements of it.

CHAIR MICHAEL states that one of the successes is the outreach to employers. That is really critical because oftentimes people who work in this field are really good at working with people experiencing disabilities. It is a whole other thing to go out and do job development. She asks about his magic of success.

MR. MCGHEE states that he goes into it with the idea of building a relationship rather than a means to an end. There is care about the manager, care about their needs, care about where the business is going and, because it is a small community, everyone benefits when all do well. He continues that going in with the attitude of being in it all together is the difference.

TRUSTEE SELBY asks if there has been a chance to talk with other communities or if other communities are looking at trying to replicate this.

MR. MCGHEE replies that there are a number of grantees in Alaska, and he is meeting with a few of them to answer their questions, give them an understanding of the program and how it could be implemented. He states that he hopes that this success and experience can be used to benefit anyone else in Alaska because it is such a needed thing.

TRUSTEE COOKE states that it was mentioned that if there was an issue you were a phone call

away. He asks if you are a resource to employees to perhaps deal with some aspect of the client's life that they do not understand.

MR. MCGHEE replies absolutely. The employers have all expressed appreciation for the job-support element, because it takes the stress off of them in navigating things. He states that businesses have had us come out and do presentations on just mental illness and mental health so that their supervisors can better serve our clients. He adds that the employers that have hired people have come to appreciate that element and have used it.

TRUSTEE COOKE asks if having that additional element available made people more willing to take the clients on as employees.

MR. MCGHEE replies yes.

MS. JOHNSON thanks both men for joining and sharing their stories. She also acknowledges the partners at DBH. The Division has taken this model by the horns and made it happen. System employment is the first agency in the state to embrace the model and run with it, and they just had their six-month fidelity review a few weeks ago. This partnership with DVR is an incredibly important piece. This is a real cross-system effort, and the success is here at the table.

CHAIR MICHAEL thanks them for the presentation and adding that it was great and much appreciated. She states that next on the agenda is the staff report.

STAFF REPORT

MR. ABBOTT states that the Legislature adjourned and characterizes the session as generally a success for the Trust for the issues that were put forward. He continues that there was a general acknowledgement that the budget had been cut enough and this general spending level, General Fund and others, was about where the State needed to be. The conversation was more about revenues than it was about spending reductions. He adds that the big exception was Medicaid. There is a lot of frustration, particularly in the Senate, with the expense of the Medicaid program. Medicaid is a tough service to budget for because it is not discretionary spending. By statute, certain services are covered, and providers are paid at certain rates. He explains that if more people show up for services than were anticipated, then the expense of the program will be more than what was anticipated. He continues, that was a big portion of the funding challenge in the current fiscal year, and it will be the subject of some level of consternation in FY19, as well. He distributes a couple of different legislative summary products and explains them. He moves to a short update on the audit. The Legislative Budget and Audit Committee has scheduled a meeting on June 5 at 10:00 a.m. in Anchorage to discuss the audit on the Trust, and a few other agenda items. He believes the outcome of that will be the public release of the audit, along with the Trust's and DNR's response. He states that there is a communication plan that is pretty thoroughly developed, and we are doing a lot of outreach in advance of the audit's release to get people ready for it. There will also be a post-release communication effort, as well. He notes that he and Andy Stemp met with the trustees from the Permanent Fund and informed them, in Executive Session, what we expected the audit results to be, and we discussed the potential impact of that on the Permanent Fund. He continues that they agreed to work with the Trust over

the next several months to develop options for addressing any audit findings that relate to our investments. He adds that he was pleased that the Permanent Fund was receptive to that opportunity, and they were generous with their willingness to work and address any concerns regarding Trust investments. He asks for any questions.

TRUSTEE COOKE states that there have been some previous board meeting sessions and Executive Sessions to talk about matters pertaining to the audit and those issues. He asks if there is anything substantive that should be discussed in a manner similar to what was done last month.

MR. ABBOTT replies that he is not aware of any new developments on the substantive issues in the audit, and does not feel there is any reason for that. He continues that if anything new is learned, he will be prepared to describe those, and to reconvene for further discussion.

TRUSTEE SMITH asks if the trustees will get a refresher on what the communications plan looks like, and if he will be the point person.

MR. ABBOTT replies that the talking points will be revised, and new communications will be seen. He did not think that anything in the communications plan or the messages will be surprising. He states that he thinks we are ready to start talking about the next steps specifically related to the subport property in Juneau. There is a plan to advance that process. He continues with the services described in the mission statement of the Urban Land Institute, they “provide leadership in the responsible use of land and creating and sustaining thriving communities worldwide. ULI Northwest carries forth that mission by serving the Northwest’s public and private sectors with pragmatic land use expertise and education.” Their services have been secured to help identify the best path forward for the Trust related to that relatively valuable piece of land in Juneau; which has a variety of potential competing uses and options. That process will culminate in an onsite series of workshops in September in Juneau. He adds that the Trust Land Office is taking the lead on this, and we will be hearing more as this goes forward. He states that the process the ULI is helping to complete will provide guidance that can be used to make decisions on the disposition of that property, and there are a wide variety of options that are available. This will also provide a fair opportunity for stakeholders in Juneau to participate and to provide input into that decision-making process, as well.

TRUSTEE EASLEY comments that she does not believe that the Trust has ever used Urban Land Institute or any other organization to do that kind of analysis and public participation, and she thinks that is very good.

MR. ABBOTT credits Wyn Menefee and Craig Driver on the TLO staff for identifying the option and getting to this point.

TRUSTEE DERR states that her concern with Juneau is that there is a penchant to lock land up, keep it pristine, with no resource development. Her fear in hiring the Urban Land Institute is that they will come back and not say that the land should lie fallow and not be developed.

MR. ABBOTT states that the mission that will be given to the ULI is to help figure out how to

generate revenue from the property. The result will have to involve something that meshes with the Trust's interest in using this and any other of the parcels to generate resources for the mission. He asks Steve Williams and Katie Baldwin-Johnson for news on personnel.

MR. WILLIAMS replies that there are three new folks that will be joining Trust staff on June 4th. Autumn Vea is coming from the Department of Corrections and will be filling the position that Heidi Wailand held as an evaluation and planning officer. He recognizes Ms. Vea and asks her to introduce herself.

MS. VEA replies that she works at the Department of Corrections where she oversees substance abuse services for the Department. She has been instrumental in building new relationships for the Department of Corrections, the local community behavioral health providers, and getting new folks working in the system. She previously worked for the Division of Behavioral Health for a number of years as a program manager. She states that she brings a lot of different relationships and a lot of different knowledge bases to the table. She hopes to help the Trust board in developing the next phase of the comp plan.

MS. BALDWIN-JOHNSON introduces Eric Boyer and Travis Welch. Mr. Boyer has been with the Alaska Training Cooperative for about six years and has 20-plus years' experience working in community behavioral health, specifically with children and families. He will be taking on workforce initiatives and helping to expand the capacity to work behavioral health-related initiatives.

MR. BOYER thanks the trustees and staff for bringing him on board. He has worked with Trust staff over the last two years on various projects, and is familiar with the work done around the state.

MS. BALDWIN-JOHNSON introduces Travis Welch who will be focusing on criminal justice-related initiatives and has 10-plus years of experience in law enforcement. He comes from the North Slope Borough where he was, most recently, chief of police.

MR. WELCH thanks everyone for this opportunity and is grateful to be here. He states that he was chief of police for the last nearly three years, and prior to that served in different capacities within that organization. He looks forward to bringing his knowledge and expertise in criminal justice to work on these issues to better serve and meet the needs of the beneficiaries within the state of Alaska. He adds that this is an awesome opportunity.

CHAIR MICHAEL welcomes them all.

MR. ABBOTT states that the good news is that the Trust side of the operation will be fully staffed for the first time in a long time with the addition of these three positions. He continues that the bad news is that the Trust Land Office is losing a key contributor. Craig Driver has accepted a position at another Alaskan outfit, and his last day is in another week or so. He adds that Aaron O'Quinn is still on the team and will be assuming a lot of the responsibilities in the near term. Mr. Menefee will be working on a plan to make sure that there will be the right staff support in the real estate management/real estate investment area. He concludes his report.

CHAIR MICHAEL recognizes Patrick Reinhart.

GOVERNOR'S COUNCIL ON DISABILITIES AND SPECIAL EDUCATION

MR. REINHART states that he is the Executive Director of the Governor's Council on Disabilities and Special Education. He continues with an overview of the legislative session and things that impact and potential impacts of the providers and beneficiaries. He states that the Developmental Disabilities Vision Bill sponsored by Senator Micciche was passed with lots of co-sponsors and 28 cross-sponsors. He thanks Senator Micciche, Representative Millett and the Trust for supporting it all along the way. He talks about the pilot project that the Trust is supporting where video vignettes of what it means to have a supportive decision-making agreement placed are being made. He states that a SDMA summit is being planned for November 15 where everyone will meet to discuss the needs and to adopt this whole new model of creating alternatives to guardianship. He moves to the Civil Legal Services Fund that passed and ended up with 10 percent of all civil court filing fees being set aside for legal services for low-income Alaskans. Another one that passed is the Reading Proficiency Task Force on Dyslexia which is a group that is going to be working on improving services in schools for people with dyslexia. He states that SB 198, the study of long-acting reversible contraceptives, did not pass, but \$500,000 was put in the budget to do the study. He moves on, stating that he is happy about the 11 new positions for the Office of Public Advocacy; those people are overwhelmed and are doing a good job as guardians, but it is not easy when there are 120 kids that have to be managed monthly. He continues that there are also 20 new positions to deal with the 18,000 application backlog in Public Assistance, which is very critical. He points out the employment training that has a new grant that is Small Business Administration Prime Funding. There have been trainings on the ABLE Act, which is another way for people -- that have acquired their disability before the age of 26 -- to put money in savings and not affect the benefits. He adds that Full Lives was three days, combined with the SDS Care Coordinator Conference, and it was a good event. There was a lot on supportive decision-making with 255 attendees and 26 exhibitors. He states that the Stone Soup Group had a successful parent conference and will focus on behavioral issues next year. He continues that the Disability Law Center is involved in two major lawsuits against the State. One is against Behavioral Health Services on the delay of implementing Applied Behavior Analysis service, and a class action was filed about the day habilitation restrictions. They are also participating in the human trafficking working group. There are a lot of people with significant disabilities being preyed upon. He adds that the Statewide Independent Living Council is the agent dealing with the assistive technology pilot which will be picking 12 waiver participants to receive an array of assistive technology services with the hopes of showing a decrease in those persons' needs for assistance, and to show an increase in independence. He states that SILC is also working on: Service animals education and training; training on the rights and responsibilities of businesses in this regard, as well as for people with disabilities. The next Council meeting is October 2nd and 3rd. There will be a Universal Screening Task Force meeting, developmental screening, June 5th; Aging and Disability Policy Summit, September 26-27; Self-Advocacy Summit, September 29-30; and, the day before the Council meeting there will be a full day of FASD face-to-face meetings. He moves to councilmember changes and states that Dean Gates, Amy Simpson, Sandra DeHart Mayor are leaving, and John Cannon of DVR, the Division director, retired.

Cindy Murphy-Fox has been picked as the VR rep. He continues that they are recruiting for a DD provider rep, and any parent of a child with a disability under six can apply. He adds that Corey Gilmore of Juneau, a self-advocate, is the vice-chair. He states that Senator Murkowski sponsored a bill to amend the CURES Act, which would delay a year the electronic visit verification requirements by every state. He explains that every time a provider visits a client there is a registration that they were there and when they leave, which he agrees with. He concludes his presentation.

CHAIR MICHAEL calls a 15-minute break.

(Break.)

CHAIR MICHAEL calls the meeting back to order and moves to the presentation from the Alaska Commission on Aging.

ALASKA COMMISSION ON AGING

MS. DANIELLO states that she is the Executive Director for the Alaska Commission on Aging. She introduces Gordon Glaser, the newly elected chair that will begin the position on July 1.

MR. GLASER states that he used to work in this building many years ago with children and families, doing one of the injury prevention programs. He continues that the Commission of Aging appreciates the opportunity and the support that the Mental Health Trust has given to the aging population. He explains that there are a number of programs that go across a whole spectrum of people and that look at aging as a positive phase of life. He thanks all for the warm welcome and the opportunity to address the Trust.

MS. DANIELLO begins her presentation and provides an overview of the topics. She states that there will be highlights from the legislative session; will touch on some of the joint advocacy priorities, as well as legislation and budget items of interest to seniors; the impacts on seniors; FY2019 in terms of planning and advocacy; provide some updates; and then conclude. She states that Governor Walker signed House Bill 236, which was the senior benefits reauthorization bill. This bill provided six additional years of reauthorization and fully funded FY19' s benefits. She explains that beginning next year, FY20, this bill will raise the benefit level back up to \$125 a month for those recipients. In addition, it said that funding for the senior benefits program will be protected. She continues that it cannot be transferred to other programs when the benefits are pro-rated to seniors. She adds that the Commission also supported HB 186, the food donations bill, which allows businesses to donate their excess food without fear of liability to charitable organizations, including food banks. She states that the Commission also supported Senate Bill 169; this was one of two bills that aimed to improve access for behavioral health services. She explains that it changed the definition of supervisors to include physicians as well as psychiatrists, and allows the use of assistive technology, telehealth to allow for consultation. Also supported was the Civil Legal Services Fund which passed so that nonprofit organizations that provide civil legal services will benefit from this legislation and the funding. Alaska Legal Services has always been a good friend of seniors. She states that the Regulation of Smoking bill passed with the purpose of preventing secondhand smoke, to protect people in

workplaces and public places from secondhand smoke. She continues that the research is clear that secondhand smoke causes cancer. She adds that Public Health Fees passed. This will allow the charging of fees for some services that do not impact the services provided to patients. She moves on to the Crimes Against Medical Professionals and states that the Commission was divided on that bill. Some were in support because of concern for the health and safety of the hospital workers, but were also concerned about people with Alzheimer's and related dementia and other cognitive impairments that act out which is not in their control. Also supported was SB 165 which increases the sunset date for the Comprehensive Health Insurance Fund by six years; which was passed. She states that the Commission came out in strong support of HB 123, which was the disclosure of healthcare costs. The Marital/Family Therapy License, the Medical services bill was to improve access to behavioral health services. SB 105 passed; HB 123 did not. She moves on to the FY19 operating budget which was approved at \$10.4 million. She states that this was the first time the Legislature spent money from the Permanent Fund because there was not enough money in the constitutional budget reserve. \$1.7 billion was taken from the Permanent Fund to address the budget deficit, along with \$774 million from the constitutional budget reserve to address the budget deficit. There is now \$700 million for the budget deficit. The Legislature also approved a PDF payout of \$1,600 for every Alaskan. In terms of senior programs, there were no cuts to any of the services. The Senate Finance HSS Subcommittee recommended language to be put into the budget that would protect funding for senior-specific programs, which was not passed. She continues that there was some additional funding put in the Medicaid budget for FY19, and there is concern about the funding gap of \$20 million for this year. She looks ahead to next year and states that there are a couple of programs that are in need of improvement, especially in terms of funding. One is the Nutrition, Transportation, and Support Services program. This provides home-delivered meals, congregate meals at senior centers, transportation, homemaker services for seniors. This program is the largest of the senior grant-funded services, and has been serving more seniors, but funding has not kept up with the pace of the growth of the senior population. She continues that it focuses on the most vulnerable, including people that are low income, live alone, and have needs for assistance with activities of daily living. It is a very cost-effective program. She adds that another program is the Family Caregiver Support program, which is another grant-funded service, and provides assistance to family caregivers who take care of elderly in the home, as well as older people who are raising grandchildren. She states that it is very important to provide the supports they need in order to ensure that they will continue providing that care. She moves on and provides some updates regarding the Older Alaskans Month Activities, the Centenarian Project. This celebrates people who are 100 years of age and older. She continues that May is Older Americans Month in Alaska, and the theme is "Engage at Every Age." She continues that they have identified 50 centenarians across the state, and 23 provided consent to be recognized this year. She adds that data from the Permanent Fund Division was used, and this project was done in partnership with the Governor's office. She moved to an update about the State Plan Needs Assessment activities, which has the senior survey, which is in copies of the Senior Voice. This was just started, and more than a thousand completed surveys have been received. She thanks Randall Burns and the Division of Behavioral Health team for working with staff regarding a new software program that can be used to help. It is called Remark and helps putting all that data into the computer. She states that the Elder Senior Listening Session has begun, and it is interesting to hear what people say about the needs of their community. She continues and

thanks David Blacketer, the current chair from Kodiak, and Mary Shields, former chair and the new vice-chair. She asks Mr. Glaser for any other comments.

MR. GLASER thanks the trustees for the opportunity and patience. He states that in talking about things like medical services, housing, and transportation being the elements, they come from the plan. Putting input in it reflects what is needed, and then it is used to make choices. He continues that the Trust is an important element in that because too often some of the beneficiaries are left out of that plan. He put his examples on a personal level so that the concept is easier to understand. He adds that having a plan that works is what all those community centers and planning agencies use as a plan. He asks for input and also for money, hoping for both.

CHAIR MICHAEL recognizes Alison Kulas.

ALASKA MENTAL HEALTH BOARD, THE ADVISORY BOARD ON ALCOHOLISM AND DRUG ABUSE AND THE STATEWIDE SUICIDE PREVENTION COUNCIL

MS. KULAS reminds all of their mission. She states that this is the State agency statutorily charged with advising the Governor, the Legislature, and the various departments in the planning and coordinating of behavioral health services funded by the State of Alaska. She continues that they look more broadly at what can be done in terms of program, services, and funding to promote independent, healthy Alaskans. She adds that Terry Tibbetts is the advocacy coordinator that works with all of the agencies to really present what the joint advocacy effort is. Next, is working with the Trust staff to really track and monitor a lot of that legislation, holding weekly meetings to advise all of the partners and beneficiaries on what legislation is moving forward and what is happening throughout the session. She explains that if there is any advocacy that is needed to get those moving or to get public comment out on any funding levels, alerts are sent out. She goes through some key legislation that was passed that were tracked, beginning with HB 151, which is a Foster Care bill that represents some key gold-standard legislation for foster care and for child protection. HB 312 started as a Crimes Against Medical Professionals bill and rolled into a number of other things at the end that made it a much larger bill. She states that this rose to their concern level and wants to continue to monitor the implementation of and really work with ASHNHA and the emergency care docs to make sure that this will be tracked on how it is implemented. She continues that additional funding in the ACHI funds and the disproportionate share hospital funds are received to relieve some of that pressure from API, so that people get the appropriate care. She moves to SB 104, which was interesting because at the end SB 128, a marijuana tax fund, was tracked, as well. It was sponsored by Senator Giessel and would give 25 percent of the State's marijuana tax to DHSS for an education and treatment fund. She explains that they were two competing bills and were different in how they were structured. At the end, the House rolled in the marijuana treatment fund, the Senate version, in SB 104. She continues explaining the different bills and then clarifies the Long-Acting Reversible Contraception study, LARC. This was a bill and then got put into the budget, then was removed from the budget and then back it. It ended up not being funded. Legislative Finance was contacted to confirm and may come back around next year. She goes through the budget, some of it was covered previously, and states that they are going to work with ASHNHA to make sure that these funds are really solving the issues that folks are having in the hospitals. She also

clarifies that the Medicaid shortfall was not due to the expansion population. It is the traditional Medicaid which is a 50/50 match. She states that the Department of Corrections had some intent language go into those, and it was great to see \$1.2 million of GF restored for additional early learning programs. The current focus areas will continue. A funding request for a long-term, nonpermanent position to analyze the data from adverse child experiences to see what the health outcomes are and what should be tracked. She continues that the work with the fetal alcohol spectrum disorders will continue. The ABADA group is incredibly interested in the alcohol and substance use disorders, and will continue to track the alcohol bills and support legislation. She adds that the criminal justice reform is also tracked and works closely with the Trust staff on those pieces. Maintaining that advocacy, the Medicaid oversight, and then being part of the Alaska Opioid Incident Response structure by serving as the interagency liaison. She moves to some of the emerging focus areas. She states that they are working on prevention and treatment for substance use disorders, housing and homelessness. It is critical to provide the housing supports so that people can become healthier. She continues that they are really addressing what the psychiatric needs are across the state; not just focusing on API, but looking at the boarder spectrum. She adds that there is also separate funding for the Suicide Prevention Council, and we are looking at how to reduce the legal means from the strategic plan that was produced in January. She thanks the Trust for the consideration, and asks for any questions.

MR. BURNS asks Ms. Kulas to talk about the forensic feasibility study.

MR. WILLIAMS states that the feasibility study was funded for \$318,000, which is jointly funded with Trust funds and the Department. It is a one-time increment. He adds that it will come up in the Program and Planning Committee portion of the agenda.

TRUSTEE SMITH states that he is interested in how eight focus areas are managed, and now there are three more.

MS. KULAS replies that is something that she is still learning. She states that she has an excellent staff who focus in on separate areas themselves. She continues that there is a team of people across the state that are really working on these things. She adds that they contribute to those conversations and bring the information back to the board members.

MR. ABBOTT asks for an update on the work being done related to psychiatric rights and that project or effort.

MS. KULAS replies that they have met with patient rights advocates who have been interested in pushing some legislation or some really sustainable changes for psychiatric patient rights. She states that speaks comprehensively of really understanding what is happening at facilities across the state and understanding the data so that some recommendation to better protect patients, staff members, and getting people the services that they need can be put together. She adds the hope to put this report together in the next few months to have something in the early winter.

CHAIR MICHAEL thanks Ms. Kulas and reminds all that Faith and Dorrance have presented several times about patient rights, and staff has worked to come up with a more intensive effort to really define what it is.

TRUSTEE COOKE states that there has been a lot of overlap in the three different presentations in dealing with the outcome of the legislative session. He asks if it would not be more efficient to have a joint presentation from the advisory boards about the legislative session, bills that were passed, budget issues; the things that they all have in common, and then focus on distinct points of individual interest to each committee.

MS. KULAS states that she also noticed that and agreed to change to that type of presentation for next year.

CHAIR MICHAEL asks for any other questions. There being none, she adjourned for lunch.

(Lunch break.)

CHAIR MICHAEL calls the meeting back to order. She asks Mr. Abbott to introduce the guests.

ETHICS TRAINING

MR. ABBOTT states that this portion of the agenda is labeled Ethics Training. He continues that, as a result of some of the concerns raised by the audit, opportunities will be taken at many of the quarterly meetings to refresh awareness of and compliance with a variety of ethics and open-meetings-type issues. He introduces Stuart Goering, the lead Assistant Attorney General for the Trust.

MR. GOERING states that he is assigned to the board to give advice, and because this is a specialized subject matter he calls upon State Ethics Attorney, Maria Bahr to continue.

MS. BAHR states that she is the ethics counsel for the Department of Law and prior to that was bar counsel for the Alaska Bar Association. She explains that when she left the Bar to come over and start doing ethics work with the State, Nelson Page took her job with the bar association. She continues that she and Nelson had some conversations, and she understands a little bit about the history of this board. She adds that her job here is not so much to understand, but to give an overview of the Alaska Executive Branch Ethics Act. She states that Act applies to all of you, whether you are State employees, nonsalaried board or commission members, such as the trustees on this board, all are basically considered public officers under the executive branch, and are all subject to the Executive Ethics Act. She continues that the Ethics Act was enacted in 1986 by the Legislature and was basically dictating what the executive body could or could not do. She adds that there are a lot of negatives in the Ethics Act, and it has been revised a number of times through the years, generally to deal with new issues that arise that were not necessarily contemplated in 1986: cell phones, laptops, the use of the State airplane. She states that in 2008, for instance, the Act was revised to include provisions about not accepting gifts from lobbyists, and to include provisions about whether one's family can ride on the State aircraft or not. She adds that the Act is many pages long and she will summarize it for what is most important to this board. She explains that this presentation is geared toward not just nonsalaried public officers that are trustees, but also to members of the state. There are some elements that apply only to State employees, and some that apply to commission or board members; she goes through some

of the definitions. A public officer is either a public employee, a State employee, or a member of a board or commission appointed by the Governor. The Act talks a lot about financial interest. That is an interest which is held by you or an immediate family member, and can include involvement in a business or property or some sort of professional or private relationship that is the source of income, or from which you can expect to receive income. It also means holding a position in a business, whether an employee, a trustee, a partner, or some position of management. She moves to a personal interest, which is that interest held by you or your immediate family that includes membership in an organization such as a nonprofit, a charitable or a political organization, any organization from which a benefit is derived. She explains that a benefit is anything that is to your advantage or self-interest and can be money, dividend, a pension, a salary, patronage, an advancement. The definition for immediate family is very broad under the Ethics Act: Your spouse or conjugal partner; children or stepchildren; parents; siblings; grandparents; aunts and uncles; but does not include nieces, nephews and cousins. She defines an official action as giving advice or participating, assisting, making a recommendation, approving/disapproving voting; any sort of different actions could qualify as official actions. Then, partisan political activities are those that are intended to benefit or harm a candidate, a potential candidate, a political party, or a group. She states that this is an important category to be aware of, especially being in an election year, and is something to pay a bit more attention to. There are some exceptions to these restrictions. The basic rule is: Do not do political things on State property or on State time. Finally, all have a designated ethics supervisor who is the person to go to for assistance and guidance when trying to figure out where to go or what to do under the Ethics Act. She continues that in the Trust setting, the Executive Director would be the DES for staff, and the Chair would be the DES for board members and the Executive Director. Then, the Chair goes to the Governor, who is her DES. The Governor has delegated that to Sean Henderson, and that is basically the hierarchy. She moves to the Ethics Act and states that the basic premise for both the trustee and immediate family is to avoid substantial and material conflicts of interest. She continues that neither may benefit financially or personally from the position and actions as a State officer. Also, conferring unwarranted benefits on others is prohibited. She adds that the scope of the Act prohibits substantial and material conflicts of interest. It states that: "A public officer and their immediate family members may not improperly benefit financially or personally from their position and actions as State officers." It also recognizes that "independent pursuits should not be discouraged." She explains this in greater detail. If the actions or influence would have an insignificant or a de minimis or merely a conjectural effect on a matter, then the conduct is prohibited. She advises people to act in a way that avoids even the appearance of impropriety; but just the appearance of impropriety is not enough to actually establish an ethics violation. She gives some examples and then talks about some of the provisions under the Act. The granddaddy of them all is the misuse of official position and is in statute AS 39.52.120; which has a laundry list of what cannot be done. She goes through this list.

MR. GOERING asks, for the purposes of the trustees who are not on the clock but do receive an honorarium for the times and days that meetings are attended, how would the partisan political purposes be applied.

MS. BAHR replies that a lot of the issues that come up under the Ethics Act are looked at on a

case-by-case basis. She states that her inclination would be that if a meeting is being attended and an honorarium is being received and the agenda is being followed, the time that is scheduled in the agenda would be the time blocked out, and the rest of the day would be personal time. She continues that the State Personnel Act acknowledges that State employees have a constitutionally protected right to be engaged in political activities and have free speech and ideas. State employees may not display or distribute partisan political materials while on State time, and cannot comment or participate in politics in their official capacity. She adds that the bottom line is to say no to politics on State time, in State buildings, with State resources, in State facilities. She launches into the part of the Ethics Act that deals specifically with board members, and there are two considerations. The first one is the declaration of potential violations, 39.52.220, and the next is improper representation. Under the declaration of potential conflicts, if a member of the board or commission is involved in a matter that may result in a violation of the Ethics Act because there is some sort of conflict of interest with a matter that is appearing before the board, a disclosure needs to be made. The Act states that it needs to be done in writing, but the regulations state that if it is declared in a public meeting that is being recorded and a transcript made, that satisfies the in-writing requirement. The potential conflict has to be disclosed on the record, then the designated ethics supervisor, who is the chair, then makes a determination as to whether that member's involvement would violate the Act as a real conflict of interest. This determination is also put on the record. If it is determined that the conflict is significant, then that member has to refrain from voting, deliberating, or participating in the matter. She moves on and goes through receiving gifts and what is proper and improper. She adds that disclosures of gifts to relatives also have to be reported. She continues with insider information, 39.52.140, which states that "as a current or a former public officer, you cannot disclose or use information gained in the course of your official duties that could result in a benefit to you or to your immediate family member if that information has not been publicly disseminated or is confidential by law." She states that this is one of only two provisions that apply when leaving State service; the other one has to do with the two-year restriction on post-State employment. She continues that this applies to the present position and the future once leaving State service. She talks about what it means to be publicly disseminated. According to regulations, that means that this particular piece of information has to have been put in a newspaper or a broadcast or has to have been part of a press release or a newsletter, part of a nonconfidential court filing put on the online public notice system has to have been part of a speech or some sort of public testimony. It has to fit one of these criteria in order to be considered publicly disseminated. She talks about outside employment or services and how that applies to State employees. Generally, a public employee may not render service to benefit a financial, personal interest or engage in employment outside the agency that they serve if that outside employment or service would be incompatible or in conflict with the proper discharge of their official duties. A second job can be had if it does not conflict with what is done at work.

MR. GOERING asks if volunteer work would be considered outside employment if expenses reimbursement was received.

MS. BAHR replies that volunteer work services may be found to be incompatible or in conflict. The rule that allows a second job does not apply to the heads of agencies. Post-State employment, 39.52.180, applies to State employees and members of boards and commissions. After leaving State service, there is a two-year restriction on working on a matter for

compensation in which there was personal and substantial participation through the exercise of official action.

MR. GOERING asks for clarification, for the purposes of trustees, if a particular activity or responsibility that was delegated to staff would fit into the oversight role.

MS. BAHR replies that it depends on the facts, and she goes through some scenarios. She states that it is very fact-specific and has to look at what the matter was, how involved the trustee was advocating for it, and how involved they were in communications with staff. She continues that the Ethics Act restriction on employment after leaving State service also prohibits certain former officials from working as paid lobbyists for one year. It also prohibits certain State officers from serving on boards for one year. She moves on, explaining what happens when the Ethics Act is violated. She states that there may be penalties of up to \$5,000 per violation, plus any other type of civil penalties that someone can creatively figure out how to impose; but they are also looking at the fact that any actions that happened as a result of the infraction all become voidable. She continues that it does have some very serious and negative outcomes if the provisions of the Ethics Act are violated. She adds that she or the designated ethics supervisor can be called to discuss questions or concerns about violations. She concludes her presentation and asks for any questions.

TRUSTEE SMITH asks if this type of law is fairly recent.

MS. BAHR replies 1986.

TRUSTEE SMITH asks what kind of case law is there since that time.

MS. BAHR replies that there is only one reported case, and it has to do with a Fish & Game employee who used information from internal studies to establish this second-job idea, a contracting business that basically capitalized on the information the employee had gained from the department that he worked in. She states that there are a lot of informal decisions concerning issues like accepting gifts from lobbyists, or family travel on the State airplane.

TRUSTEE COOKE states that the effect of the Open Meetings law on the board have been discussed from time to time, and asks if that will be talked about at a separate time or will we get into it now.

MR. ABBOTT replies that this session was intentionally about the Ethics Act, and the plan was that Open Meetings would be the next training topic at the September meeting. He recommends saving Open Meetings until then.

CHAIR MICHAEL asks for any other questions.

MR. ABBOTT states that both Trust staff and trustees have State laptops that are assigned to them and are in their personal possession and often taken home or on work-related or even personal travel. He asks what the rules are related to personal use of them.

MS. BAHR replies that, in general, the rule is to strive to use that for work-related activities. When taking it home, the need is to strive to use it for nonprohibited activities. She states that as long as it is not used in violation of a law, it should be okay.

MR. GOERING adds that there is a component to that which goes beyond ethics, and that is that the use of State information technology resources is governed by the State Security Office. There are rules about connecting to State networks and the use of State information resources. Those are in addition to any ethical requirements.

MS. BAHR adds that those laptops can be seized and searched.

MR. ABBOTT asks to what extent, when people do some or a lot of state business on personal gear, is the concern.

MS. BAHR replies that is a problem. There are people who have two phones; one personal and one for work. She states it can be difficult because it is easy to respond on a personal phone, and that is something to be aware of.

CHAIR MICHAEL states that she has a personal e-mail address and a government e-mail address. She has done work related to her position on the board with her AK address, but has also used her iPad with the personal address to send stuff out. She asks if it is the actual piece of equipment and not necessarily the address.

MR. GOERING replies that the use of the State e-mail address is the use of a State resource and cannot be used for prohibited purposes. That e-mail address cannot be used to send out political e-mails. He states that the fact that sending and receiving personal e-mails on there may result in having the personal e-mails exposed because of the fact that State business was done on that device. He continues, that is not an ethics consideration so much as it is an information security thing. He adds, that is going to be a separate presentation. There are a lot of public records and Records Management Act implications to the use of personal devices for State business, which is beyond the scope of today's conversation. He stated that they should be aware that if you connect to the State e-mail system, you have given the State permission to wipe your device. If the State decides there has been a compromise, that device can be remotely wiped, and all the information on there will be gone.

MS. BAHR states the best advice is to keep everything separate.

MR. ABBOTT states that the message to the trustees is to not do personal stuff on your State laptop, on your iPads. He continues that if it is stuff that would be prohibited as a State purpose, political stuff being the highlight, do not use the Trust iPad for that purpose, even if it is a Gmail account or a personal account on that device.

MS. BAHR states that is good general advice. She asks what the hard question is.

MR. ABBOTT replies that there are two of them, and first is the appearance of a conflict of interest. He states that there might be a legislative audit coming out that might say something

about whether appearances of conflicts of interest could or should have been disclosed. It might be described in definitive terms as if there was a bright line that trustees or staff should have been aware of and should not have crossed. He asks for help to understand how to live inside that type of standard.

MS. BAHR replies that, in general, the mere appearance of impropriety is not enough to establish a violation. Even if there is an appearance of a conflict of interest, her advice, given the Ethics Act, would be to follow the measures that were discussed earlier, and to disclose. She adds that it is difficult to give a one-size-fits-all answer. Her response is to raise the issue; let people air it out; and then there is a way to move forward. It may mean recusing that particular member from participating, which would, at least, prevent the voiding of certain actions that take place if that member is then found to have a conflict that should have required their recusal.

MR. ABBOTT asks how often does disclosure need to be done.

MS. BAHR replies every time there is a conflict.

MR. ABBOTT asks if that means if there is something on the agenda that is relevant to that potential conflict, does it need to be disclosed at every meeting.

MS. BAHR replies every meeting where there is a contemplation of awarding whatever it may be. She states to put it on the record and ask if that conflict would be an actionable conflict of interest. She continues, and states that she feels that she is being backed into a corner.

MR. ABBOTT explains that he believes that there will be criticism in certain cases for folks not making disclosures often enough, trustees and/or staff. He would like to get a good, clear understanding, from her perspective, about where that boundary is. He states concern on the criticism would be that conflicts that were disclosed during contemplation of actions might have been disclosed, but they were not disclosed at other times.

MS. BAHR states then she would look to the time the action was actually being taken on that matter, decisive action. There is deliberation and then voting, and if the conflict exists, that is when it has to be declared.

CHAIR MICHAEL asks for any other questions.

MS. BAHR states that one provision of the Act is if the trustee or staff come to her as ethics counsel with the attorney general's office and fully discloses all the facts and asks for an ethics determination and follows her determination, you are essentially bulletproof as long as all the facts have been fully disclosed. She adds that if only half the facts are shared, and she makes a determination on that half, and it turns out there is a lot more to it, then there would be no protection.

TRUSTEE EASLEY asks what would happen if there is an ethics violation.

MS. BAHR replies that if there is an ethics violation reported that an investigation is done. The

attorney general signs off on it and it goes up to the personnel board. The general way that these ethics violations progress is like a criminal case: there is a charge; then an investigation; then some sort of negotiation; and there is a method of resolving ethics complaints by a corrective or preventive action. That would be like changing the plea, and it would be your deal. She continues that there are times the issues can be resolved because everyone is in full agreement that this was not an intentional or malicious violation. That is resolved with some sort of corrective or preventive measure, and then the personnel board will generally accept those.

TRUSTEE EASLEY asks if there are conflicts that get that far.

MS. BAHR replies that most do not get that far. Most of them are issues that can be avoided before they get to be big because they are brought forward early on.

CHAIR MICHAEL asks where the Trust goes from here.

MS. BAHR states that she was asked if she could share copies of this presentation, and replies that it is on the website. She thanks all.

CHAIR MICHAEL states that next on the agenda is the Finance Committee report.

FINANCE COMMITTEE REPORT

TRUSTEE SELBY defers to the finance officer.

MR. STEMPEL states that there are several items in the packet, beginning with the Finance Committee report. He summarizes the report from the April 19, 2018, meeting and what was covered, beginning with the cash management report which included some very good suggestions on changing the format of the report to improve the usability. Staff are working with the Finance chair to come up with some options for future consideration. The FY19 budget update was touched on by the CEO. There is an additional topic, the real estate facility budget, which will be coming back today. He continues, that is one of the new items, and we heard about the lease renewals and other items being worked on from the real estate side, as well as the concept for providing a shared account to help address the building needs. He adds that there were no action items during the meeting, and proceeds to the new items. Trustee Derr asked for a verbal update on the inflation-proofing calculation, which was done in November of 2017; that number was \$42.45 million. There is new data, and updated CPI statistics for the entire 2017 period has been updated. He states that the overall average for the year went down from the first calculations, and that number dropped to \$41.15 million. He moved forward to a document with the requested motion for consideration, titled Proposed Method for Addressing Partnership Needs.

TRUSTEE SELBY made a motion, on behalf of the committee, that the trustees authorize the transfer of \$2 million in unallocated FY16 Authority Grant funds into the FY19 Partnership Grants category.

TRUSTEE DERR seconds.

MR. STEMP states that this request has analysis and background information presented for everyone's consideration. He thinks that it is important to note that a historical process has been gone through to make early commitments before the start of the fiscal year to various partners. This year experienced a larger volume of requests. He continues that concerns were raised on how to best address those needs, and four options on how to provide solutions where there could be partnership resources in the upcoming year. He states that staff identified old unallocated money from FY16 that would normally lapse and go back into the annual budget calculation. It would be distributed based on an average amount. He continues that there was careful consultation with the program officer, and we were assured that will not impact existing Trust commitments. This is being proposed as a way to meet the needs without touching reserve or impacting future flexibility.

TRUSTEE EASLEY asks about the changes made in the Medicaid program that caused an increase in the need for this funding.

MR. STEMP replies that this need is not necessarily driven by the Medicaid program.. He states that a variety of different partnership requests from a number of different avenues have been received. He believes that the partners will wrestle with overall State economics reimbursement rates, and they are turning to the Trust for help.

TRUSTEE COOKE asks about the lapsed funds and if they would go back into the Permanent Fund.

A brief discussion and explanation ensues.

MR. ABBOTT explains that the simplest category to place the money in and to provide maximum flexibility for the trustees and the staff going forward is to apply them into partnerships. He continues that the money is expended in three mechanical processes: The admin funds for both the Trust Land Office and the Trust Authority office; the MHTAAR money, which goes to the State agency partners; and then Authority Grants. In the first two categories, those monies lapse the year after the budget year. He adds that the historical pattern has been that authority grants do not lapse for four years. He states that policy may be revisited at some point. He believes that moving the entire balance of a little over \$2 million of unused Authority Grant money into FY19 and using it for the partnership category would be the best use for the funds.

TRUSTEE DERR states that she is bothered by the fact that this did not come to the Finance Committee on April 20th, and that taking action on it today does not give much time to think about it. She asks why transfer it to Partnership rather than Authority.

MR. ABBOTT replies that Partnerships are a category of Authority Grant, and these would still be Authority Grants in terms of the process used to spend the funds. For the purposes of this allocation, Partnerships are being recommended, although some of these Partnerships fit inside of focus areas going forward. He adds that staff would be glad to bring forward a more descriptive plan for the use of these funds at either a future committee or board meeting.

TRUSTEE DERR asks if this is changing the total bottom line of the budget.

MR. ABBOTT replies that it would essentially be adding \$2 million to the FY19 budget.

The discussion continues.

CHAIR MICHAEL asks for any further discussion.

There being no objection, the motion is approved.

MR. STEMP states that the second item for consideration is the follow-up to the earlier committee meeting discussion around the potential ways to develop a shared facilities fund or a shared resource to support the different needs of the facilities. He thanks Craig Driver and Aaron O'Quinn, and a number of other Land Office staff, for the solid research into developing this.

TRUSTEE SELBY makes a motion that the Trust Authority Board of Trustees authorize the use of Fund 3322 to create a central facility fund beginning immediately in FY 2018 to meet property expenses that exceed the amount of funds held at the property level. The CFO is directed to consult with the executive director at the Trust Land Office each quarter and transfer money from real estate rental income into the central facility fund in an amount mutually agreed upon until the fund reaches and is maintained at a total balance of \$2 million. Expenditures from this fund require approval of the CEO, RMC, or Board of Trustees within limitations expressed in the governance charter.

TRUSTEE SMITH seconds.

MR. STEMP states that there is a detailed write-up in the packet, and asks Mr. Menefee to continue.

MR. MENEFEE states that there are two motions, and we will go through and address both. He continues that in the real estate portfolio there are both program-related real estate and then there is the REMP, Real Estate Management Plan Properties. He talks about the properties and the obligation to maintain them. The issue is that if they are not maintained, that the value of the corpus will not be maintained because they need to be rented. He continues that they would like to bring forward a structure to be able to have a thoughtful way to approve facility expenditures. He goes through a PowerPoint, which explains and sets the stage for the motions.

MR. STEMP states that the goal is to be predictable and have a planned approach for dealing with things, and then use this central fund. This would be the safety net.

MR. MENEFEE adds that the priority is to try to manage everything through the cash flow management, to always have the rents pay for all expenses.

TRUSTEE SMITH asks how this will change the role of the professional managers that now

manage some of these properties.

MR. MENEFEE replies that he does not see that it would substantially change anything in the sense that we have been planning and have already put into practice this portfolio of cash-flow management.

TRUSTEE COOKE states that this sounds like this is proposing a reserve account to provide for out-of-the-ordinary expenses for all the properties. He asks if this central facility fund is a contingency or reserve account for all the properties.

MR. MENEFEE replies yes, and clarifies that there is a certain amount of taking care of what is coming down at the property level that is going to be done. At the property level, a certain amount will be set aside because it is a known obligation, and we will start to prepare for it.

A short discussion ensues.

TRUSTEE COOKE asks about the TADA account.

MR. MENEFEE replies that this is giving an alternative, and that having the extra option with the uncertainty in the current environment is very valuable. This will be something that is clearly funded from Trust income and income off the properties, and there would not be any of those questions around the use of that money.

MR. ABBOTT states that the single biggest structural change is creating a pot of money from the pooled portfolio rather than each property and, in the case of the IRS building, there is a big chunk of expense coming that one year's worth of rents from the IRS building would not be able to cover. He continues that they are trying to find options to avoid having to use the TADA account because of concerns expressed about the use of those funds for these types of investments.

TRUSTEE COOKE states that his final question is whether there is a legal opinion, and how does this mess with those who might think that rent derived from Trust properties should not be held by the Trust, but should flow directly into the Trust fund at the Permanent Fund.

MR. ABBOTT replied that based on what is anticipated from the audit, we are not aware of any concerns that were expressed that the proceeds from the investment properties were not available for use either to improve the properties or for programmatic and that kind of thing. He adds that legal guidance has not been sought on that question.

MR. STEMP states that he was directed by the CEO to consult with the Trust attorney prior to bringing this forward. There was an informal dialogue, and we did not ask for a formal opinion. He adds that based on that dialogue and the proposed use of the money and mapping out the structure on the flow chart, he had no concerns about it.

CHAIR MICHAEL asks for any further discussion.

TRUSTEE DERR asks where the fund resides.

MR. MENEFEE replies that there are cash accounts in the properties that are managed by the property managers. For them to expend certain cost, they have to be approved; but, essentially, they manage the cash account before any distributions are taken off the properties.

MR. DRIVER adds that there are institutional lenders on several of the properties that require specific escrow accounts for things such as real estate taxes, capital reserves, TIs, commissions, and those types of expenses. This will be a combination of cash reserves at the property operating account, lender reserves held in escrow at the lender, as well as this central facility fund. He continues that if this is viewed as an escrow account for these properties, that would allow for direct accountability per property tied to a larger fund, and allow for tracking how a particular property has performed, what it contributed to the central facility fund, what it has taken back out, and what remains, either as a surplus or a deficit, to each property.

TRUSTEE DERR asks how that is accounted for on the balance sheet and how much is in that account right now.

MR. STEMPEL states that, administratively, this proposed action is a good one and will clarify where the resources are. He continues that there is approximately \$105,000 in the reserve account right now; Fund 3322, that kind of dormant deferred maintenance account.

The discussion continues.

CHAIR MICHAEL asks for any objections to the motion.

There being no objection, the motion is approved.

TRUSTEE SELBY makes a motion that the Trust Authority Board of Trustees approve the incremental building expenditures totaling \$11,603,832 for the fiscal year 2019, to be paid by the property manager in the case of expenditures, primarily from rents and other income collected from the properties, or from the central facility fund for capital expenditures that cannot be covered by rents and other income from the properties. The cash flow for REMP and Non-Investment/Program Related Real Estate portfolios are to be managed respectively on a portfolio basis while maintaining appropriate building-specific accounting.

TRUSTEE COOKE seconds.

MR. MENEFEE states that much of this has already been discussed. This motion asks for approval to spend that amount of money. The biggest change is that we used to say the REMP properties were rent-funded and would pay for all of this, and then the program-related real estate would be Trust-funded. The difference is that it was moved up into the category that it is all rent-funded. These are the expenses needed in fiscal year '19.

CHAIR MICHAEL asks for any objections.

There being no objection, the motion is approved.

TRUSTEE SELBY concludes his report.

CHAIR MICHAEL moves to the Audit and Risk Committee Report. She recognizes Mr. Menefee.

MR. MENEFEE states that he does not know how long Craig Driver will be around, and asks if the chair has anything to say to him.

CHAIR MICHAEL states that she received news this morning that Mr. Driver has accepted a new position and will be leaving his position at the Land Office. On behalf of all the trustees, she extends the deepest appreciation and thanks for all of his hard work. The properties have been managed incredibly well because of your leadership, diligence to watching every penny, and how every property operates. She personally thanks him for all he has done for the Trust.

TRUSTEE DERR adds that she hopes he used the Trust as experience on your resume; all of the lumps and whatever you took working for the Mental Health Trust helped you achieve your new job.

MR. DRIVER states that he brought a lot of experience with him, but did experience some unique things to add to that list of prior experience that he probably will never experience again. He thanks all.

CHAIR MICHAEL moves to the Audit and Risk Committee Report.

AUDIT AND RISK COMMITTEE REPORT

TRUSTEE DERR states that the Audit and Risk Committee met on April 19th, explaining that they went through a great risk management training exercise. Other than that, there were no motions at the meeting, and there have been no meetings since. She adds that the next meeting will be August 2nd.

MR. STEMP provides another update to the trustees. He states that after the conclusion of the committee meeting, the audit partner, Eric Campbell, notified us that he will be retiring from his firm at the end of June. He continues that the anticipation is that the existing manager, Bikky Shrestha, will continue on the account. He adds that Mr. Shrestha was invited to the August 2nd meeting to make sure that the trustees have an opportunity to meet and interact with him and give him any guidance or suggestions as next year's audit is started.

TRUSTEE DERR concludes the Audit and Risk Committee Report.

CHAIR MICHAEL thanks Trustee Derr, and calls a 15-minute break.

(Break.)

CHAIR MICHAEL calls the meeting back to order and recognizes Trustee Smith for the Resource Management Committee report.

RESOURCE MANAGEMENT COMMITTEE REPORT

TRUSTEE SMITH states that there are two approvals. The first is a consultation that was approved by the RMC relating to 2600 Cordova and the ability to negotiate fair-market rents. He asks Trustee Selby to bring the motion on this one forward.

TRUSTEE SELBY makes a motion that the Alaska Mental Health Trust Authority Board of Trustees concur with the Trust Land Office recommendation for the executive director to negotiate fair-market leases for all or part of the 2600 Cordova Street building, including commercially reasonable terms, conditions, and inducements for similar space in the Midtown Anchorage office market.

TRUSTEE DERR seconds and states that a motion that comes from the committee does not need a second.

CHAIR MICHAEL asks for any discussion. There being none, she asks for any objections.

There being no objection, the motion is approved.

TRUSTEE SMITH states that before going to the second item, which is a new item for board action, Mr. Menefee would like to introduce a new staff member.

MR. MENEFEE introduces Jeff Reed, who will be presenting today. He states that he had been working for Parks at DNR.

MR. REED states that he worked for DNR for about five years and last year was in the director's office for the Division of Parks and Outdoor Recreation. He continues that he is excited to have the opportunity to move over to the Trust Land Office and do some work here.

CHAIR MICHAEL welcomes Mr. Reed.

TRUSTEE SELBY makes a motion that the Mental Health Trust Authority Board of Trustees concurs with the Trust Land Office disposing of two Trust parcels, FM-0962 and FM-0995, through a negotiated sale and subsequent disposal.

MR. REED states that this project began in the fall of 2015. The Department of Transportation approached the Trust Land Office to inquire about potential parcels that could be used on behalf of the Department of Military and Veterans Affairs for the location of a veterans' cemetery. These two parcels were selected and showed good potential for that. He continues that these parcels are good for this use as far as resources go, and they do not have much potential left there. He adds that it is a beautiful location and would serve that purpose.

MR. MENEFEE adds that the negotiated price would be 130 percent of the appraised value,

which is what DOT is willing to pay.

A brief discussion ensues.

TRUSTEE SMITH asks for a second.

TRUSTEE DERR seconds.

There being no objection, the motion is approved.

TRUSTEE SMITH concludes the Resource Management Committee report.

MR. ABBOTT states that the Trust is getting a lot of kudos for this. The military cemetery in Fairbanks has been a community need and a community request for 20 years. He continues that the opportunity for this to be on Trust land will get a lot of positive publicity for being able to provide the land that will ultimately be used for this purpose. He adds that it is a very popular project in the Fairbanks area.

TRUSTEE EASLEY states that she is thrilled to be doing this.

CHAIR MICHAEL states that next on the agenda is the Program and Planning Committee.

PROGRAM AND PLANNING COMMITTEE REPORT

TRUSTEE COOKE states that there is a brief memo describing the April 20th meeting that adequately summarized the presentation heard and other matters that were dealt with. He continues that the chart shows nine items that were approved by the committee within the committee's authority, and additional items that were recommended to the board by the committee. There are four motions to come before the board.

TRUSTEE SELBY states that, unless there is an objection, he will include the four motions in one motion.

TRUSTEE SELBY makes a motion that the board approve the \$545,000 FY19 MHTAAR reallocation to the Division of Behavioral Health for contractual support; the \$262,000 FY19 MHTAAR reallocation to the Division of Senior and Disabilities Services for contractual support; the \$200,000 FY19 MHTAAR reallocation to the Division of Healthcare Services for continued support for the implementation of the Coordinated Care Demonstration Project; and the \$85,000 FY19 MHTAAR reallocation to the Office of Rate Review for the SB 74 workgroup and stakeholder activities.

A brief discussion ensues.

There being no objection, the motion is approved.

TRUSTEE SELBY makes a motion to approve the reallocation of \$159,000 of FY19 MHTAAR

funds from the Department of Health and Social Services/Medicaid Services/Behavioral Health Medicaid Services to the Department of Health and Social Services/Division of Behavioral Health/Behavioral Health Administration for contractual support to perform a feasibility study of establishing a forensic hospital in the Anchorage area.

TRUSTEE COOKE seconds.

MR. WILLIAMS explains that this Trust funding of \$159,000 is matching money that the Department has in its budget for FY19 to do this feasibility study. He states that the Department has talked about this project previously at board and committee meetings, and the background behind this is that API's capacity is used in a couple of different ways. He continues that there are ten beds in the current configuration and capacity. This would increase timeliness in terms of the criminal processing and the competency restorations, and would free up capacity at API's current location for either adults or juveniles who are court-ordered for civil involuntary commitments. This study would be looking at all of that.

There being no objection, the motion is approved.

TRUSTEE SELBY makes a motion that the board approve a \$125,000 FY19 Partnership Grant for the Alaska Public Media for the Mental Health Content Initiative.

TRUSTEE COOKE seconds.

TRUSTEE DERR asks if an RFP asking for this has gone out.

MR. ABBOTT replies that there was no competitive process associated with this, and it is essentially a grant. Alaska Public Media was contacted for ideas that could be worked on together to increase awareness of mental health issues statewide and to reduce stigma for Trust beneficiaries.

TRUSTEE COOKE states his concerns on this proposal.

A discussion ensues.

There being no objection, the motion is approved.

TRUSTEE SELBY makes a motion that the board approve a \$125,000 FY19 Partnership Grant to the Governor's Council on Disabilities and Special Education for the FY19 Governor's Council on Disabilities and Special Education supplemental budget project.

TRUSTEE DERR seconds.

MS. JOHNSON states that this funding is requested as a supplement to currently allocated funds to the Governor's Council to support ongoing initiatives internally to the Governor's Council for outreach and advocacy efforts related to the beneficiary employment and engagement strategies. She adds that the memo provided has some context for the funding that has already been

approved.

MR. REINHART adds that at one point the Council received \$200,000 from this beneficiary engagement focus area, and we are ending a large federal grant that is specifically related to employment this next fiscal year. This is a supplemental.

A discussion ensues.

There being no objection, the motion is approved.

TRUSTEE SELBY makes a motion that the board approve a \$100,000 FY19 partnership grant to the Alaska Mental Health Board/Advisory Board on Alcoholism and Drug Abuse for the ACE Data Research Analyst.

TRUSTEE DERR seconds.

MS. JOHNSON explains that the funding is requested to increase the data analysis capacity within the State as designated by the Alaska Mental Health Board to look at the longstanding data around adverse childhood experiences, and to promote linkages with other data systems, including the Office of Children's Services. She states that the funding would essentially create a long-term, nonperm position that the Alaska Mental Health Board would use to support further data analysis and further data linkages to better understand the early trauma experiences of the beneficiaries.

MS. KULAS adds that this is a request for a long-term nonpermanent staff member, anticipating that the project would be about 12 to 18 months. It would provide a research analyst position to dive more deeply into the data. She continues that this person will really supplement the work that has already been started.

CHAIR MICHAEL asks if this is a one-year grant.

MS. KULAS replies that it is anticipated to be one year.

A discussion ensues.

TRUSTEE COOKE asks for any other questions or discussions.

There being no objection, the motion is approved.

TRUSTEE SELBY makes a motion that the board approve the \$89,960 partnership grant to the Alaska Commission on Aging for Advisory Board Capacity Enhancements.

TRUSTEE DERR seconds.

MS. BARSTAD states that this is a supplemental request to enhance the capacity of the Alaska Commission on Aging. She continues that there is work on the next four-year State plan, and

this is a significant undertaking. She adds that a few years ago, along with staff reductions that occurred across the Department of Health and Social Services, the Alaska Commission on Aging staff also received cuts in both positions, as well as in discretionary spending. She states that this is being requested because the State plan work is coming up in FY19. It is incredibly important that the information gained from Rural Alaska is included in the State plan, and it is an opportunity to give Rural Alaskan seniors and elders a voice in the State plan, and for the Commission to gain that information.

MS. DANIELLO introduces the vice chair, Mary Shields, who has attended previous meetings and also serves as the chair of the Commission. She states that this funding is very important in helping to build capacity, especially at this time with the four-year State plan for senior services. She also talks about the need to replace the ten-year-old copy machine which is used for a lot of internal copying.

MS. SHIELDS states that rural outreach is a passion of hers. On outreach trips in the past, the elders kept coming to meet us, to see a face. Last year they were limited to one outreach a year, and it is past time to get up north. She adds that they would be grateful to have this money.

MS. DANIELLO states that seniors are not one homogenous population, and they are becoming more diversified as time goes on with respect to culture, physical and cognitive needs. It is important to at least begin to capture that, and it would be a great segue into the comp plan, having the State plan for senior services to do that.

TRUSTEE COOKE asks for any further questions or discussion.

There being no objection, the motion is approved.

TRUSTEE SELBY makes a motion to approve a \$75,000 FY18 Substance Abuse Prevention and Treatment focus area allocation to Set Free Alaska for site acquisition and Facility Remodel 2.0.

TRUSTEE SMITH seconds.

MS. BALDWIN-JOHNSON states that the original request that was approved was for \$140,000 at the October Finance Committee meeting. Set Free had done a projection, based on the estimated cost of what was remaining to complete the project, and essentially there was a shortfall of \$220,000. She continues that Set Free came back looking for support, \$75,000, anticipating that two of the other major funding partners would also put in \$75,000 to enable completing this project.

TRUSTEE COOKE asks for any questions. There being none, he calls the question.

There being no objection, the motion is approved.

TRUSTEE COOKE completes the Program and Planning Committee report.

CHAIR MICHAEL states that the next item is the approval of the CEO job description, which is

in the packet. She continues that this is a draft created while working with the consultant last summer, and this is the outcome of that work. She asks for a motion.

TRUSTEE SELBY makes a motion that the board approve the CEO job description dated August 2, 2017.

TRUSTEE DERR seconds.

TRUSTEE SMITH states that he thinks this needs a little more work; the change that the CEO has is one of the most critical roles that the trustees have. He continues that he sees a few weaknesses. The personnel management aspect seems to be understated in view of the job that the CEO has to manage people. He adds that it has been his experience that when there is an effective job description, it works hand in hand with a strategic plan. He suggests creating a short interim committee for additional feedback.

CHAIR MICHAEL states that she is open to working on this, and is anxious to have a document in the policies that reflects a job description.

A brief discussion ensues.

CHAIR MICHAEL suggests two good committee people to work on this to have it done within the next 30 days.

TRUSTEE SELBY states that his intention is to move to postpone this to the September meeting to allow getting it in order. He adds that he would welcome input from Mr. Abbott.

CHAIR MICHAEL states that she does not want to postpone it any longer. She continues that this was sent out to all and comments were asked for, and we did a review based on those. This needs to be concluded. It does not want it delayed any longer. She adds that she would rather approve one that is not perfect. Then at least there would be something to work from.

TRUSTEE DERR asks if there is a recommended change from the conversation based on Mr. Abbott's recommendations.

MR. ABBOTT states that he is comfortable with the job descriptions and has been using it as his guide since he started. He adds that it could be tweaked and adjusted. He continues that it has been useful in guiding his authorities and understanding his responsibilities.

TRUSTEE EASLEY states that she has reviewed it and is comfortable with it as a job description, and is supportive of moving ahead with it.

TRUSTEE COOKE makes a proposal to amend the draft dated 8/2/17 to delete the second paragraph and the third paragraph where it says: Carry out responsibilities in accordance with the Mental Health Trust statutes, regulations, et cetera, Trust bylaws and charters. Simply inset that word somewhere in the sentence after bylaws. The other amendment is to stop the job description after Section 50, delete that section about desired characteristics and minimum

qualifications. Let all these accountabilities be the basic job description. He adds that there is a typo, DNR appears twice on the fifth line of the third paragraph.

TRUSTEE SELBY seconds the amendment, for purposes of discussion.

TRUSTEE COOKE clarifies his amendment.

MR. ABBOTT states that he has consulted with the in-house expert on job descriptions and the sense is that the section titled Desired Characteristics is not really a standard section in a State job description. He continues that removing that would not create a compliance or a nonstandard situation. However, the minimum qualifications section is a typical element of a State position description. He recommends maintaining that to allow continuing to, at least, follow the State template.

TRUSTEE COOKE states that he does not have a problem with that.

CHAIR MICHAEL asks for any further discussion on the amendment.

There being no objection, the amendment is approved.

CHAIR MICHAEL moves to the original motion and asks for any further discussion.

TRUSTEE SELBY asks if the charter was looked at when this was reviewed. He states that his underlying concern is to make sure that the charter and this are aligned.

CHAIR MICHAEL replies that will have to be done.

TRUSTEE SELBY states that changes can be made later, and he thinks that this does not need to be held up and can be moved ahead. He thinks that there is a need to have a staff personnel person look at it, and if some changes are needed to make the charter and job description align, that can be brought back at the September meeting.

CHAIR MICHAEL asks for approval of the motion, as amended.

TRUSTEE SMITH votes no, apologizes for not giving feedback, stating that he will address that.

There being one objection, the motion is approved.

CHAIR MICHAEL moves to the trustee comment period.

TRUSTEE COMMENT PERIOD

CHAIR MICHAEL recognizes Trustee Easley.

TRUSTEE EASLEY commends the CEO and Mr. Stemp. She states that the CEO has grasped all the nuances of the money and accounts and the who, why, what, where, and when in a short

time, and she is amazed and thrilled.

TRUSTEE SELBY thanks the staff leadership, in particular, Mike Abbott, Steve Williams and Andy Stemp, for doing an outstanding job, for keeping the ship afloat and on course during what has been a very busy several months here. They have done an outstanding job, and that is also to the entire staff.

TRUSTEE SMITH compliments Mike Abbott and Carly Lawrence for taking a real aggressive position on all of the communications. He states that is taking shape in Southeast Alaska with the media, and there is great progress in the way our story will be told. He adds that he wanted to recognize that and thanks all.

TRUSTEE DERR thanks Andy Stemp for doing the debt owed to the Permanent Fund in regard to Trust money, the inflation-proofing. She thanks staff for everything they do, and states that her gripe is the need to have things before coming to a meeting. She continues that she cannot read and process and think. She asks to get things earlier.

TRUSTEE COOKE echoes all the comments and commendations to staff and the partner boards. He states that, since the last meeting, he has developed an interest in finding out what is going on with opioid litigation and has questioned whether the investment policy was consistent with Trust values. He started looking into that and found a whole area called socially responsible investing that might, at some point, apply to Trust assets, which is a long-term undertaking. He states that he came across information about the opioid lawsuits that are going on all over the country. He continues that the State of Alaska has sued Purdue Pharma, the maker of Oxycontin, for deceptive practices and fraud and other bad conduct related to the explosion of these painkillers on the market, the way they were marketed, and misinformation that was provided to both medical professionals and the public about what they claimed a no risk of addiction, et cetera. He adds, that suit was filed by the State of Alaska last fall and is currently pending in Superior Court in Anchorage. There is an oral argument scheduled May 31st on Purdue's motion to dismiss the case, and usually cases do not get dismissed before getting into the facts of it. He states that litigation is going to go on for a while. It is interesting that there are hundreds of lawsuits all across the country filed by states, local governments, individuals, hospitals and health service entities against Purdue Pharma, which is not a publicly traded company. He states that this litigation is potentially going to be huge. He wrote to the attorney general and heard back about whether or not they are going to join the nationwide litigation; that decision has not yet been made. It is a big issue and, in theory, could produce a lot of money to help with treatment, prevention and education about opioids and overcoming this crisis. He adds that he will continue to keep his eye on what is going on there.

CHAIR MICHAEL calls a ten-minute recess, and then a return for public comment.

PUBLIC COMMENT

CHAIR MICHAEL calls the meeting back to order and reads the public comment guidelines. She begins in Anchorage and recognizes Marie Alfonsi and Annette Alfonsi.

MS. MARIE ALFONSI states that she is giving her time to Annette Alfonsi.

MS. ANNETTE ALFONSI states that years ago a woman shared public testimony at one of the grantee organization's board meetings. Another woman in the grantee organization was in attendance and was invited to be part of the focus group. Over time she began organizing events to benefit the clients and work for an organization. She continues that in 2017, she signed up for a training funded by the Trust and was told she could not participate as an individual because she worked part-time for that organization, but could attend it for free. She canceled her registration because she felt it was not fair and wanted to participate just like everyone else with the same contract. After canceling, she was told a few days before the event she could participate with the same contract, but was not able to. When she signed up for a webinar series advertised as being available to the community, she was told she could not participate because she is a patient. Her mother, a provider with an active license to practice in her field, signed up and was told the event was not for family members of patients, although this was not in the advertising. She states that they met with management asking for a definition of the word "patient," which did not exist, and questioned how people could be fairly screened out as patients. They pointed out the definition of provider changes with each event and clearly defined parameters are needed in order for people to self-screen. She continues that in 2018 she sought a new webinar series advertised and asked to meet with management. She was told clearly there would not be a meeting about this because it was not for patients or family members. Nothing had changed, but at the same time this was happening she was working on projects as a provider. At a separate board meeting which included a conference call with someone from an organization in Alaska that is a network about brain injury, the man on the phone invited consumers to collaborate and shared the conference was only for providers and not for patients. The woman asks for a definition of patient and provider and he said there was not one and did not think that one would be made; and would review applications to participate on a case-by-case basis. This man publicly spoke about his experience having a brain injury and that he was in a position to decide whether or not others fit the category of patient without any kind of criteria. She questions the logic of asking a consumer-led group to collaborate on a project knowing that they are going to be excluded from participating in the culmination of the project of the final event. Over the past two years the woman has been cautioned to purge the word "patient" from her vocabulary in disability services with other organizations. This was based on the two organizations that are supposed to be leading the way in brain injury in Alaska, and the response was that it did not matter, it was wrong, and she should lead by her own example. This year the Trust has asked beneficiaries to share public testimony to safeguard funding, among other reasons; but public testimony by those who acknowledge beneficiary status jeopardized the ability of people to bridge the gap between patient and provider or patients and person as evidenced by the previous stories. She states that The Trust's grantees are contributing to leaving beneficiaries in failure and unable to fulfill goals, experience feeling, or practice resilience and self-determination. Beneficiaries are left powerless based on information gleaned in public testimony sometimes from years ago, and you are asking people to step forward and provide more public testimony as there is funding to give to grantees that then exclude those who have provided the testimony to give them funding. This unfair circular logic is concerning to her. She states that she is here because she believes that this body is caring, intelligent and fair; and does not believe people who are asked to share public testimony knowing they will be discriminated against. Because of the reality of things now, she personally has not participated in public comment for the Trust this last session. She continues

that she asked multiple people to be here today and they said no. One person cited their mental health as the reason to stay away from the Mental Health Trust public testimony. She hopes the irony of that is pretty clear. She states that this is not a safe place to be honest and to work for positive change. She continues that she does not want brain injury or disability to be her sole identity, but the grantees are trying to force her into that position, which professionals say is unhealthy, unbalanced and undesired. Systems are made up of people, and people can change. It is time to change the system and practices in the grant language. If people cite the organization or work culture as being toxic, then it is time to change the organization. She states that the Trust has the ability to effect this change and therefore has an obligation to do something to effect positive change for beneficiaries when grantees choose to participate in negative, psychologically unhealthy, and toxic practices; as their funders, the Trust, holds significant strengths. She continues that many assume that she represents an organization because of the level of work she does, but can never disclose my own disability. She adds that this is solvable and believes that working together towards full inclusion is possible. She thanks all for their time.

CHAIR MICHAEL thanks her for her testimony.

TRUSTEE EASLEY asks for a copy of the testimony.

CHAIR MICHAEL asks for any other questions, and then asks for anyone else who wishes to testify.

TRUSTEE DERR makes a motion to adjourn.

TRUSTEE SELBY seconds.

There being no objection, the meeting is adjourned.

(Full Board of Trustees meeting adjourned at 4:59 p.m.)