

Finance Committee

Agenda

3745 Community Park Loop, Room 120

April 16, 2015

Trustees: Russ Webb (Chair), Larry Norene, Paula Easley, Mary Jane Michael,
 Laraine Derr, John McClellan, Mike Barton (ex-officio)

Call in number: (866)-469-3239; Session Number: 803 901 883 #; Attendee Number: #

Page No.

2:30 pm	<u>Call Meeting to Order (Russ Webb, Chair)</u>		
	Roll Call		
	Announcements		
	Ethics Disclosure		
	Approve Agenda		
	Approve Minutes – 01/27/15		3
2:45 pm	<u>Staff Report Items/Approvals</u>		
	• Cash Management Reports – Kevin Buckland, CFO		Hand-Out
	• Real Estate Audit Policy – Kevin Buckland, CFO		14
3:30 pm	<u>Approvals</u>		
Trust Land Office Items for Approval			
	• Real Estate Budget (FY16)	\$ 4,774,400	22
Partnerships – Unobligated Funds – \$32,792			
	• N/A		
Designated Grants (FY15 - \$83,700)			
	• Covenant House (FY15) ; Street Outreach Program Preventing Adult Homelessness Project	\$ 75,000	25
Unobligated Funds (to be provided at meeting)			
	• Recidivism Reduction Plan Implementation (FY15)	\$ 100,000	31
Focus Area Reallocation			
	• Reentry Coalition Capacity Development (FY16)	\$ 500,000	34
Focus Area Allocation			
	• Disability Justice (FY16); Alaska Justice Information Center	\$ 125,000	37
	• Beneficiary Employment & Engagement (FY16); Beneficiary Projects Initiative Grants	\$ 1,380,100	39
	• Beneficiary Employment & Engagement (FY15); Alaska DB101 website and Online Benefits Calculator	\$ 146,000	42
4:15	Adjourn		

Future Meeting Dates

Full Board of Trustee / Finance / Resource Management / Planning **(updated 03/12/15)**

FY15/16 - Finance Committee Dates:

- August 4, 2015 (Tue)
- October 21, 2015 (Wed)
- January 26, **2016** (Wed)
- April 14, **2016** (Thu)
- August 2, **2016** (Tue)
- October 20, **2016** (Thu)

FY15/16 – Resource Management Committee Dates:

- August 4, 2015 (Tue)
- October 21, 2015 (Wed)
- April 14, **2016** (Thu)
- August 2, **2016** (Tue)
- October 20, **2016** (Thu)

FY15/16 – Planning Committee Dates:

- August 5-6, 2015 (Wed, Thu)
- October 21, 2015 (Wed)
- January 26, **2016** (Tue) – JUNEAU
- April 14, **2016** (Thu)
- August 3-4, **2016** (Tue)
- October 20, **2016** (Thu)

FY 15/16 – Full Board of Trustee Meeting Dates:

- May 12-14, 2015 (Tue, Wed, Thu) – Kenai
- August 26-27, 2015 (Wed, Thu) – Anchorage
- November 18, 2015 (Wed) – Anchorage – TAB
- January 27-28, **2016** (Wed, Thu) – JUNEAU
- May 5, **2016** (Thu) – TBD
- August 24-26, **2016** (Wed, Thu, Fri)
- November 17, **2016** (Thu) – Anchorage – TAB

ALASKA MENTAL HEALTH TRUST AUTHORITY

FINANCE COMMITTEE

January 27, 2015
1:30 p.m.

Taken at:

Permanent Fund Corporation
Hugh Malone Board Room
801 West 10th Street
Juneau, Alaska 99801

OFFICIAL MINUTES

Trustees present:

Laraine Derr, Chair
Mike Barton
Larry Norene (via speakerphone)
Paula Easley
John McClellan
Russ Webb

Trust staff present:

Jeff Jessee
Steve Williams
Nancy Burke (via speakerphone)
Miri Smith-Coolidge
Kevin Buckland
Natasha Pineda (via speakerphone)
Carrie Predeger (via speakerphone)
Luke Lind (via speakerphone)
Carley Lawrence
Michael Baldwin
Valette Keller (via speakerphone)
Amanda Lofgren
Katie Baldwin-Johnson

TLO staff present:

Marcie Menefee
John Morrison
Paul Slenkamp

Others participating:

Kate Burkhart; Kathy Craft (via speakerphone); Bob Mitchell; Pam Leary; Darcy Lockhart (via speakerphone); Brandon Cullum; Peggy Schick; Mike Sobocinski (via speakerphone); Tawny Buck (via speakerphone).

PROCEEDINGS

CHAIR DERR calls the meeting to order, and recognizes the Trustees present. She moves on to the agenda, and asks for any additions or corrections.

TRUSTEE WEBB makes a motion to approve the agenda.

TRUSTEE McCLELLAN seconds.

There being no objection, the motion is approved.

CHAIR DERR moves to the approval of the minutes for October 22, 2014, and asks for any additions or corrections. She states that her corrections are on page 2 of the minutes, about two thirds of the way down, change "rebid" cash to "remit." Then on page 5 of the minutes where Ms. Baldwin-Johnson states "biannual" should be changed to "biennial." She questions the motion on page 8, and asks someone to follow up on that, adding that it was a contingent motion. She asks for any other additions or corrections.

TRUSTEE McCLELLAN makes a motion to accept the corrected minutes of October 22, 2014.

TRUSTEE WEBB seconds.

There being no objection, the motion is approved.

CHAIR DERR moves on to the cash management report, and recognizes Kevin Buckland.

MR. BUCKLAND states that the cash management report is updated through December 31, 2014. He goes through the report, explaining as he goes along.

A short discussion ensues.

CHAIR DERR thanks Mr. Buckland. She suspends the agenda and introduces Pam Leary, the division director in the Department of Revenue, and Bob Mitchell, the chief investment officer.

MS. LEARY states that she is the division director of the Treasury and starts with an overview of the functions of the Treasury Division and what is done for the Trust in terms of all of the funds as it relates to investments. She also includes a quick overview of all investments managed by the Treasury. She then turns the presentation over to Bob Mitchell, the head of Fixed Income Fund Investments.

MR. MITCHELL states that the approach taken in this presentation is to start with the basics and build out from that. He starts with the Alaska Statute 37.0.070 which names the Commissioner and gives him/her the authority to invest on behalf of the State. He moves to Statute 37.0.071 which names the Commissioner as the fiduciary and points to the Prudent Investment Rule. He explains that fiduciary is a high duty that requires the person that is investing money to act solely for the benefit of the fund or the beneficiaries of the fund. He highlights and summarizes how the Department of Revenue satisfies the Prudent Investor requirements that are in statute. He continues his presentation, explaining as he goes along. He asks for any questions.

CHAIR DERR states that it has been six years since the last review and asks for any recommendations as to what can be done.

MR. MITCHELL replies that it is hard to reach beyond this portfolio and have an opinion about the overall asset allocation of the investments that are available to this Board. He states that the target asset allocation for the fund is a good thing, and the remaining question: Is it serving the role or purpose that the Board envisioned when it moved money from the Permanent Fund to the Treasury Division? He adds that he does not have the basis for answering that question.

A discussion ensues.

TRUSTEE WEBB thanks both for their excellent presentation. He states that the point made by Mr. Jessee about having the right mix in both the Permanent Fund and at Treasury is worth exploring.

CHAIR DERR states appreciation to Ms. Leary and Mr. Mitchell, and adds that the Department of Revenue is one of the Trust's statutory advisers. She goes back to the agenda and states the need for a motion in regard to the 2015 payout.

TRUSTEE WEBB makes a motion that the Finance Committee recommends that the Full Board of Trustees authorize the transfer of \$23,212,400 from the Alaska Permanent Fund Budget Reserve Account to the Mental Health Settlement Income Account to finance the FY2015 base disbursement payout calculation and AMPS smoothing phase-in. The CFO may fulfill this motion with one lump sum or multiple transfers.

TRUSTEE BARTON seconds.

There being no objection, the motion is approved.

CHAIR DERR moves to motion 2, reads it, and asks if everyone is comfortable with it.

TRUSTEE WEBB asks Mr. Buckland to explain the goal of this particular motion.

MR. BUCKLAND explains that this would authorize amounts that are above 200 percent of the payout that is invested at Treasury to be moved over to the Permanent Fund. He continues that, in theory, there is 200 percent in budget reserves and Treasury and Permanent Fund, and the amount would be moved. It follows the current of 200 percent.

CHAIR DERR asks if the amount moved to reserves means principal.

MR. BUCKLAND replies no, that would still keep its current state, which is budget reserves. He states that it is not an actual inflation-proofing or an assignment for inflation-proofing. It is just moving it from Treasury budget reserves to Permanent Fund budget reserves, and maintains the current flexibility in nature.

TRUSTEE WEBB states that it is following the policy that is in place.

TRUSTEE WEBB makes a motion that the Finance Committee recommends that the Full Board of Trustees authorize the CFO to transfer balances in excess of \$38.92 million from the Department of Revenue Trust Reserve Account, AKSAS Fund 34047, to reserves managed by the Alaska Permanent Fund Corporation. The CFO may fulfill this motion with one lump sum or multiple transfers.

TRUSTEE McCLELLAN seconds.

There being no objection, the motion is approved.

CHAIR DERR moves on to approving the motions from the Resource Management Committee. The first item is the C-2 Utility Extension.

TRUSTEE McCLELLAN makes a motion that the Finance Committee recommends that the Alaska Mental Health Trust Board of Trustees approve the expenditure of Principal Funds for sewer and water infrastructure improvements to and for the parcel known as C-2 in the amount of \$600,000 from the TA-DA, AKSAS Fund 34045. These funds do not lapse.

TRUSTEE WEBB seconds.

There being no objection, the motion is approved.

CHAIR DERR moves on to the Yosemite Utility Extension.

TRUSTEE WEBB makes a motion that the Finance Committee recommends that the Alaska Mental Health Trust Board of Trustees approve the expenditure of Principal Funds for sewer and water infrastructure improvements to and for a portion for the parcel known as Yosemite in the amount of \$900,000 from the TA-DA, AKSAS Fund 34045. These funds do not lapse.

TRUSTEE McCLELLAN seconds.

There being no objection, the motion is approved.

CHAIR DERR moves to the Medicaid expansion, and recognizes Mr. Jessee.

MR. JESSEE asks Natasha Pineda to begin.

MS. PINEDA notes that there is new data coming out of the Evergreen Report, and when it is available, all the Trustees will receive it. She states that Chris Ashenbrenner contacted her and clarified that she misspoke when she mentioned that the Mental Health Grants lapsed \$4 million last year. She continues that it was a misunderstanding, and Ms. Ashenbrenner wanted to correct that for the record. She moves on, stating that Medicaid expansion is a priority for the Governor and an area of high interest to the Trust, as expansion will be a catalyst for reform, which has many implications and will touch the lives of many Beneficiaries. She gives an overview on how the Trust staff is working with the Department of Health and Social Services, adding that different aspects are being fielded. She states that the primary role has been to coordinate the development of agreed-upon language, scope and deliverables for a potential contract. She continues that the Department of Health and Social Services has a team comprised of Chris Ashenbrenner, Monique Martin, Jon Sherwood, Kate Burkhart, and Ree Sailors. She states that there are many aspects to Medicaid Expansion Reform, and all stages and aspects of the technical assistance and consultations would be designed to assist safe and effective expansions for laying foundations for meaningful reform while galvanizing the current reforms that are underway. She continues that the Trust has a vested interest in this work, and staff has been engaging in many aspects to date. She turns it back to Mr. Jessee.

MR. JESSEE states that, originally, the Trust was looking at a \$450,000 contract. He continues that the Department looked into the possibility of getting an admin match. He goes into greater detail of what was pursued and the results of more cooperation.

A discussion ensues.

TRUSTEE WEBB makes a motion that the Finance Committee recommend approval to the Full Board of Trustees for up to \$400,000 from FY15 designated grants for technical assistance and consultation on Medicaid expansion and reform.

TRUSTEE BARTON seconds.

There being no objection, the motion is approved.

MS. ASHENBRENNER thanks the Trustees, stating that this will be a huge help to really do something, and they will do their best to make the Trustees proud.

MR. JESSEE recognizes Amanda Lofgren.

MS. LOFGREN states that in the last couple of meetings the Trustees have heard the 1915 Social Security section acronym soup and a lot about the four existing waivers which are 1915(c). She continues that the Department has done a lot of work around the 1915(k). She states that this request is specifically around the 1915(i), which is a collaborative project being submitted by the advisory boards, in addition to ABIN, to hire a contractor to develop and design an implementation plan for the 1915(i) home- and community-based State plan amendment. She clarifies that this is a State plan option and not a waiver service. She states that the 1915(i) targets Beneficiaries who fall through the cracks of service and are at risk of being placed in

skilled nursing homes, the Alaska Psychiatric Institute, intermediate care facilities for individuals with developmental disabilities, as well as residential psychiatric treatment centers, the Department of Corrections and homelessness. She continues that the 1915(i) primarily serves individuals who do not meet nursing facility level of care. She adds that a lot of the Beneficiaries currently may not qualify, but are still at a high risk for institutionalization. She states that this contract will allow for the Trust and advisory partners, Beneficiaries, the Department and stakeholders to engage in clearly understanding the 1915(i), identifying what that eligibility criteria is, because there can be multiple target populations served within the 1915(i), but everyone has to meet that same eligibility criteria, and then services can be targeted to each of those different target populations. She states that this will also allow for a comprehensive cost impact analysis to be done for the Department to move forward with making a decision in regard to implementing or adopting a 1915(i). She continues that this was a joint project submitted by the four boards, and asks Kate Burkhart to comment.

MS. BURKHART states that she is the executive director for the Alaska Mental Health Board and the Alaska Advisory Board on Alcoholism and Drug Abuse. She points out that explicitly in conversation with the Department around Medicaid expansion, the request for technical assistance is the intention that this will all be coordinated. She states that some of the conversation is around why this is a critical and contingent project. She continues that the proposal points out clearly the fact that there are many Beneficiaries that will be disenrolled from the PCA program because of not necessarily meeting the nursing home level of care criteria, but clearly cannot function in the community without those supports. She also points out that this is an emergent situation that is fast approaching.

TRUSTEE WEBB asks if part of these costs would also be matchable under the Medicaid administrative claim.

MS. BURKHART replies that, to her understanding, they are. She states that she is not sure whether the Commission on Aging or the Governor's Council have the authority to bill Medicaid, but the Department does.

TRUSTEE WEBB states that then the question becomes how much money is really needed here.

MS. LOFGREN explains that the proposals, most met the scope of what was needed which was around \$200,000. She states that the idea was to retain that funding internally and administrate that contract with the collaboration of the four advisory boards serving as the steering committee.

TRUSTEE WEBB makes a motion to recommend approval to the Full Board of Trustees for a contract not to exceed \$200,000 to develop the 1915(i) Medicaid State Plan Service Implementation Plan. \$100,000 is from the FY14 General Authority Grant Funds to the advisory boards, and \$100,000 is from FY15 Designated Grants.

TRUSTEE BARTON seconds.

TRUSTEE WEBB amends the motion to say that this should be up to \$200,000, with the caveat to make sure that whatever administrative is available is obtained and bring back a budget of what that would be.

There being no objection, the motion is approved.

CHAIR DERR moves on to the last designated grant, which is Behavioral Health Needs Assessment and Gap Analysis for Southeast Youth for Bartlett Regional Hospital. She recognizes Katie Baldwin-Johnson.

MS. BALDWIN-JOHNSON states that Darcy Lockhart, with Bartlett Hospital, is on-line. She continues that this request is to fund \$25,000 to Bartlett Hospital to contribute to the cost of funding a comprehensive local community and regional needs assessment for children and adolescent services. She adds that these funds will specifically be used to engage a contractor that will work with the community stakeholders and other regional service providers of child and adolescent services to inventory what is available, understand utilization of those services, identify those trends, make sense of those trends, and identify gaps and needs for service planning in this region. She states that Bartlett is concerned about the community's ability to support the needs of youth with psychiatric crises, longer-term needs of those youth in the region without sending them to Anchorage or out of state. She continues that Bartlett is contributing to this project, a combination of both cash and in-kind services. Their plan is to continue working with the stakeholders that have already been engaged, and reach out with others through the assessment process.

TRUSTEE WEBB makes a motion that the Finance Committee approve a \$25,000 FY15 Designated Grant to Bartlett Regional Hospital for the Behavioral Health Needs Assessment and Gap Analysis for Southeast youth.

TRUSTEE BARTON seconds.

There being no objection, the motion is approved.

CHAIR DERR thanks Ms. Baldwin-Johnson.

MS. LOCKHART thanks the Trust.

CHAIR DERR moves on to the motion for the shortfall of funds in the Designated Grant Fund.

TRUSTEE WEBB makes a motion to recommend approval to the Full Board of Trustees to use unobligated funds to increase FY15 Designated Authority Grants currently at \$560,000 by \$500,000 to a new total of \$1,060,000, AR167827.

TRUSTEE EASLEY seconds.

There being no objection, the motion is approved.

CHAIR DERR moves forward to the Aging in Place Renovation.

MS. LOFGREN states that this request is from REACH to renovate their existing group home, which has served Beneficiaries for many years who are now aging and require a more appropriate design that supports both their physical needs and to age in place successfully. She explains that REACH began exploring the condition of the home and the property with the needs of the Beneficiaries in 2007. She continues that REACH then participated in the predevelopment program to create a space plan, in addition to a cost estimate, to determine whether they should remodel or purchase property and build new. She states that it was determined that reconstruction was the most financially viable, and another home was identified to rent during renovation for the residents to live in until renovations were complete. She continues that this is a partnership project with Rasmuson Foundation. REACH has already secured a community block development grant through the City and Borough of Juneau, and they are securing a loan for this project.

TRUSTEE WEBB makes a motion that the Finance Committee recommend approval to the Full Board of Trustees for a \$75,000 FY15 Partnership Grant to REACH for the Aging in Place Renovation of Mark Alan Home Project.

TRUSTEE BARTON seconds.

There being no objection, the motion is approved.

CHAIR DERR states that the next item to come before the Finance Committee is the Alaska Seeds of Change request for \$70,000.

MR. JESSEE explains that Seeds of Change is a youth transition employment program to assist youth in transitioning from growing up to actually working for a living. It is built on a greenhouse model. He continues that there is a business plan to develop fresh vegetables and herbs for the Anchorage market. He adds that McCall Group did a market service for them and are very confident that the market does exist. He states that a warehouse for the growing operation has been secured, and the Department of Health and Social Services gave them a couple of million-dollar grants to acquire that and to get the program going. He explains that this \$70,000 is to hire a greenhouse growing manager and program director for six months in order to work up the business plan and actually get them into production.

TRUSTEE WEBB makes a motion that the Finance Committee recommend approval to the Board of Trustees for the \$70,000 FY15 partnership grant to Anchorage Community Mental Health Services for the Alaska Seeds of Change project.

TRUSTEE BARTON seconds.

A short discussion ensues.

There being no objection, the motion is approved.

MR. SOBOCINSKI thanks the Trustees.

CHAIR DERR moves on to LINKS Mat-Su Parent Resource Center, Inc.

MS. LOFGREN states that in 2011, the Trust, the Mat-Su Health Foundation, and other partners commissioned the community needs assessment to identify strategies to address the increasing needs of seniors in the Mat-Su. One of the four recommendations was an aging and disability resource center. She explains that this request is a partnership with LINKS, Mat-Su Health Foundation, and Senior and Disability Services to provide bridge funding to support the Aging and Disability Resource Center to sustain the existing level of services through FY16. She states that the Aging and Disability Resource Center provides information, referral, and options counseling to Beneficiaries regardless of funding sources, and often with no funding sources, to access community-based services, other supports to live in the community, or settings of their choice. She continues that the request is to provide \$30,000, and Mat-Su Health Foundation will provide the \$27,000 to get them through FY15. She adds that for FY16 there will be additional funds from Senior and Disability Services.

TRUSTEE WEBB makes a motion that the Finance Committee approve a \$30,000 FY15 partnership grant to the LINKS Mat-Su Parent Resource Center for the Mat-Su Aging & Disability Resource Center.

TRUSTEE BARTON seconds.

A short discussion ensues.

There being no objection, the motion is approved.

CHAIR DERR states that ends the Partnership Grants, which leaves less than \$60,000 remaining in the Partnership Grants for this year. She moves to Focus Area Reallocation.

MS. PINEDA states that in November a conversation around the impact of Ballot Measure 2 on youth and Beneficiaries and the important roles the Mental Health Trust can play in engaging and making sure that the Beneficiaries and boards are at the forefront of the conversation related to implementation of the ballot. She continues that, since then, Substance Abuse Prevention and Treatment Focus Area was looked at to see how to engage in this effort at the state and community level.

A short discussion ensues.

TRUSTEE WEBB makes a motion that the Finance Committee approve a reallocation of \$130,000 Substance Abuse Prevention and Treatment Focus Area Funds from FY15 Policy Development for work on marijuana policy.

TRUSTEE BARTON seconds.

The discussion continues.

CHAIR DERR calls the votes. All in favor: Trustee McClellan, aye; Trustee Barton, aye. All opposed: Trustee Easley, aye; Trustee Webb, aye. Tied vote. Chair Derr votes aye. The motion carries three to two.

CHAIR DERR moves on to the focus area, the HCBS Program Assistance and Pilot for \$250,000.

MR. WILLIAMS explains that these are the motions to redesignate the funds that were already approved at the November 20 Board Meeting from MHTAAR to Authority Grant so that the funds can RSA to the Department, assisting them with assessing up to 550 assessments for folks that the Department was way behind in getting done.

TRUSTEE WEBB makes a motion that the Finance Committee recommend approval to the Full Board of Trustees to redesignate \$50,000 of FY13 Housing Focus Area MHTAAR funds and \$200,000 of FY14 Housing Focus Area MHTAAR funds to Authority Grants to reverse the actions taken November 20, 2014.

TRUSTEE BARTON seconds.

There being no objection, the motion is approved.

TRUSTEE WEBB makes a motion that the Finance Committee recommend that the Full Board of Trustees authorize the Trust to negotiate a reimbursable services agreement not to exceed \$250,000 with the Division of Senior and Disability Services for the home- and community-based personal care assistance and pilot, with the caveat that as much of that as possible be matched with Medicaid dollars and that we not expend more than \$250,000 total, and that the Medicaid match reduce the amount of Trust expenditure by whatever amount is obtained. The funding is from as follows: \$50,000 from FY13 Housing IT applications and homes; \$50,000 from FY14 housing, IT applications and homes; \$150,000 FY14 housing, seniors with ADRD institution diversion.

TRUSTEE BARTON seconds.

There being no objection, the motion is approved.

MR. WILLIAMS thanks the Trustees for passing the motion. He states the other way to control this is the way the RSA is set up with DHSS. He continues that they will look at how the RSA is structured so that they are not only paying the costs that are not Medicaid admin reimbursable, but also tracking the amount of funds to accomplish getting the 550 or so assessments completed.

CHAIR DERR asks for anything else to come before the Finance Committee. She thanks all and adjourns the meeting.

(Finance Committee meeting adjourned at 4:03 p.m.)

	Item Type	Proposal	Organization	Page #	Proposed Motion
1	Policy Recommendation	Real Estate Audit Policy Recommendation	Alaska Mental Health Trust Authority	14	Information Item
2	Trust Land Office Item	FY16 Real Estate Budget	Trust Land Office	22	The Finance Committee recommends that the board of trustees concur with the recommendation to approve the incremental building expenditures, totaling \$4,774,400 budgeted for FY16 to be paid by the property manager from rents and other income collected from the properties.
3	Designated Grant	Youth Engagement and Enrichment: Street Outreach Program Preventing Adult Homelessness	Covenant House Alaska	25	Recommend approval to the full board of trustees for a \$75,000 FY15 Designated Grant to Covenant House Alaska for the Youth Engagement and Enrichment: Street Outreach Program Preventing Adult Homelessness project.
4	Focus Area Allocation	Implementation for the 2015 Recidivism Reduction Plan	Alaska Mental Health Trust Authority	31	Recommend the full board of trustees approve a \$100,000 expenditure authorization increase to FY15 Disability Justice (AR 16874-18) to fund a contract to facilitate the implementation of the 2015 Recidivism Reduction Plan and other efforts identified by the Trust aimed at reducing criminal recidivism of Trust beneficiaries.
5	Focus Area Reallocation	Alaska Prisoner Reentry Initiative: Reentry Coalition Capacity Development	Alaska Mental Health Trust Authority	34	Recommend approval to the full board of trustees for \$500,000 FY16 to support local Reentry Coalition Capacity Development in targeted communities.
6	Focus Area Allocation	Alaska Justice Information Center	Alaska Justice Information Center/University of Alaska Anchorage	37	Recommend approval to the full board of trustees for a \$125,000 FY16 MHTAAR allocation to the University of Alaska Anchorage for the Alaska Justice Information Center.
7	Focus Area Allocation	FY16 Beneficiary Projects Initiative Grants	Multiple Grantees	39	Approve a FY16 beneficiary employment & engagement focus area allocation in the amount of \$1,380,100 for the purpose of FY16 BPI grant funding.
8	Focus Area Allocation	Alaska DB101 website and Online Benefits Calculator	Statewide Independent Living Council	42	Recommend approval to the full board of trustees for a \$146,000 FY15 beneficiary employment focus area funding allocation to the Statewide Independent Living Council for the Alaska DB101 website and online benefits calculator project.

To: Larry Norene, Resource Management Committee Chair
Russ Webb, Finance Committee Chair
From: Kevin Buckland, Chief Financial Officer
Date: 4/16/2015
Re: Real estate audit policy

MEMO

BACKGROUND

Through the Real Estate Management Plan (REMP), trustees authorized the acquisition of direct real estate investments¹ beyond the Trust's share of real estate holdings under management by the Alaska Permanent Fund Corporation (APFC).

These real estate holdings are typically placed in a title holding entity (limited liability companies) and are not within the scope of the Trust's existing external audit. Institutional investors typically require each private equity real estate holding be independently audited on an annual basis and require the expense to be budgeted and paid for by the audited entity so as to have a better picture of the cost of ownership related to the asset to ascertain an accurate return measurement when using an independent index.

For reference, APFC real estate investment manager contracts require the following:

- An annual audit of the books and records by an independent CPA firm. Consolidated audited financial statements are acceptable so long as footnotes or supplementary schedules are included that provide balance sheet and income statement for each property.²
- Each annual audit is performed subject to the following additional requirements³:
 - **Compliance report** – the auditors prepare a report regarding compliance with the property management agreement.
 - **Information regarding internal controls** – the auditors must evaluate and report on internal controls in conjunction with the audit of the financial statements.

¹ The REMP currently limits the additional real estate acquisition to \$40 million principal; with debt the portfolio value may reach \$80 to \$120 million. Currently the real estate holdings are managed under TLO or TLO TX1 Investments, LLC-administered contracts with Coldwell Banker Commercial (most Alaska, Washington and Utah-based investments and non-investment real estate assets); or Equitable Commercial Realty Management Company (ECR), which manages the Trust's Texas-based investment.

² For investments held in partnerships or other title-holding entities of which the Fund is not the only owner, a consolidated audit is not performed.

³ APFC also reserves the right to conduct additional audits of advisor's operations and activities under the agreement at any time.

- **Schedule of property management, leasing, Advisor and other Fees** – the auditors must audit all fees and include a schedule of fees in the audit report.
- **Formal correspondence** – the advisor shall provide APFC a copy of all formal correspondence between the auditor and advisor related to the audit.

APFC's standard contractual real estate investment manager provisions related to audits and appraisals ("Exhibit IV") are attached to this document (labeled "Attachment A"). Also attached is an example compliance review scope that provides further details of the contractual provisions subject to audit review (labeled "Attachment B").

I recommend trustees adopt a policy that (unless exempted annually by trustees on a specific property-by-property basis) requires independent annual audits be performed using guidance substantively conforming to that which APFC uses above. I recommend a provision for real estate audit fees be included for FY16 and subsequent years and the fees to be paid from the properties using a rational allocation methodology.

I believe adoption of such a policy is advisable given the size of the Trust and be in conformance with best practices generally adopted among similar sized institutional investors. Audits can be a valuable tool of ensuring proper management of assets and pivotal element to the deterrence of fraud. Finally, such a policy provides protection from adverse public opinion if something unfortunate were to occur and not be detected for an extended period in the absence of audits.

If approved by trustees there will be details to work out regarding administering the audits.

Thank you for your consideration regarding this matter.

EXHIBIT IV
ALASKA PERMANENT FUND CORPORATION
AMENDED AND RESTATED
AGREEMENT FOR INVESTMENT MANAGEMENT SERVICES
APPRAISALS AND AUDITS

[REDACTED]

This is Exhibit IV of the Amended and Restated Agreement for Investment Management Services dated October 1, 2010 (the “**Agreement**”), by and between [REDACTED] (“**Advisor**”) and the Alaska Permanent Fund Corporation (the “**APFC**”).

A. Asset Valuation Procedures

1. Third-Party Appraisals. Advisor shall conduct an appraisal of each Property as of the first anniversary of the date of acquisition of the Property, and every third anniversary thereafter (or at such other interval as may be directed by the APFC In Writing). In addition, Advisor will obtain a limited scope appraisal as of each acquisition anniversary for which a full appraisal is not required. A limited scope appraisal would typically update the discounted cash flow model, provide updated capitalization rate and discount rate analysis and identify recent sales comps. The limited scope appraisal would not include a replacement cost analysis and would not include the boiler plate material included in the full appraisal. The final appraisal document is due to the APFC within 90 days of the appraisal date. Advisor shall begin the appraisal process for a Property well in advance of the due date of each full appraisal by selecting at least three (3) independent third party appraisers, each of whom shall hold the designation Member, Appraisal Institute, or its equivalent, to provide fee proposals for their valuation services for both the full appraisal and the limited scope appraisals due for the following two years. Advisor shall forward the proposals and a recommendation In Writing to the APFC for final authorization to retain an appraiser. Advisor shall retain the independent third party appraiser as directed by the APFC In Writing. All appraisals must be in a format satisfactory to the APFC and must include a summary of assumptions utilized in a format provided by the APFC. Advisor shall opine as to the fairness and appropriateness of the assumptions used in the appraisal and as to the accuracy of the facts and calculations contained in it. The cost of an appraisal conducted pursuant to this Exhibit IV must be

charged to the Asset and included in the operating budget of the relevant Asset required under Exhibit III of the Agreement.

2. Quarterly Valuations Based on Discounted Cash Flow. Advisor shall prepare a 10-year discounted cash flow (DCF) model during the acquisition process for each Property. Advisor shall finalize the DCF model upon closing of the acquisition and such final DCF model shall constitute the baseline model for that Property. The baseline model, combined with the acquisition cost, allows Advisor to calculate the initial internal rate of return (IRR). Beginning at the end of the first full quarter following acquisition, Advisor will initiate the quarterly valuation process. Starting with the baseline model, all property level assumptions are reviewed and modified as necessary. Changes are documented by Advisor and supported by property-level and/or market-based factors. The start and end dates of the analysis move forward each quarter, dropping the previous quarter and adding a quarter at the end. The original discount rate is equal to the IRR from the baseline model. Each quarter, the discount rate is reviewed to properly reflect any changes in the risk profile of the Property and market rates. The following conventions shall be used in each quarterly update, unless Advisor shall have provided properly documented and supported reasons for, and shall have obtained the APFC's consent In Writing to, deviations from these conventions:

- Valuations shall be based on a 10-year DCF analysis.
- DCF data used in connection with each quarterly valuation shall be consistent with data reported by Advisor to the APFC pursuant to Exhibit VIII.
- Discount rates and disposition capitalization rates shall be consistent with the original underwriting model, unless modified as appropriate to reflect changes supported by objective market evidence (including the most recent appraisal performed pursuant to A.1 above), and shall produce values that are consistent with the original purchase price (where no appraisal has been performed pursuant to A.1 above) or the most recent appraisal performed pursuant to A.1 above, adjusted as appropriate to reflect changes in cash flow since the date of purchase or most recent appraisal.
- Disposition costs, based upon normal and customary practices in the local market, shall be considered in determining reversionary value upon disposition.

B. Audits

1. An annual audit of each individual Asset is required and due no later than five (5) months after the Asset's accounting year-end. Advisor shall have the books and records pertaining to each Asset audited annually by a firm of independent certified public accountants ("Auditors"). Except for real estate investments held in partnerships or other title-holding entities of which the Fund is not the only owner, consolidated audited financial statements are acceptable so long as footnotes or supplementary

schedules are included that provide balance sheet and income statement information for each Property. Advisor shall provide the APFC with a copy of the Auditor's most recent peer review report. The costs of the annual financial audit, of any additional reports or statements related to the audit, and of any other audit requested by the APFC must be charged to the Asset and included in the annual operating budget of the Asset required under Exhibit III of the Agreement.

2. Each annual audit shall be performed subject to the following additional requirements:

(a) **Compliance report** – The Auditors must prepare a report regarding compliance with the property management agreement. The Auditors must review the property management agreement currently in effect between the property manager and Advisor and then note any items of non-compliance discovered during the regular course of the audit. This compliance report is intended only to provide negative assurance regarding compliance with that agreement.

(b) **Information regarding internal controls** – The Auditors must evaluate and report on internal controls in conjunction with the audit of the financial statements. The APFC requires a “no material weaknesses” letter from the Auditors indicating that there are no material weaknesses in the internal control system or, if material weaknesses or reportable conditions are discovered, the report by the Auditors must disclose such weaknesses or reportable conditions.

(c) **Schedule of property management, leasing, Advisor, and other fees** – A schedule of all fees must be included quarterly with Advisor's financial statements, with the method of calculation clearly indicated. For purposes of this requirement, “fees” include the property management fee, leasing commissions, incentive fees, asset management fees, legal fees, and any other fees paid, or to be paid, by the APFC or the Title-Holding Entity. The Auditor must audit all fees and must include a schedule of fees in the audit report, either within the notes to the financial statements or as a separate schedule to the financial statements.

(d) **Formal correspondence** – Advisor shall provide to the APFC a copy of all formal correspondence between the Auditor and Advisor related to the Property audit. This includes, but is not limited to, the engagement letter, the management representation letter, and the management letter (pertaining to areas of internal control or other operational efficiencies noted for improvement during the audit).

3. The APFC reserves the right to conduct additional audits of Advisor's operations and activities under the Agreement at any time.

Agreement paragraph	Agreement clause
2.05	Budgets – Manager shall submit a budget to Owner, in a form satisfactory to Owner as directed by the Policy Manual. Manager shall amend, revise, and update the budget as reasonably required by Owner from time to time.
2.06	Collection of Receivables – Manager shall identify and collect any income due Owner from miscellaneous services provided to tenants or the public including, but not limited to, parking income, photocopying income, conference room and tenant storage revenues, and revenues from coin-operated machines of all types. All moneys so collected shall be deposited in a designated Operating Account for the Property. Manager shall not write off, forgive, or otherwise defer any income without having first obtained the written approval of Owner. Unless prohibited by law, all applicable security deposits collected from tenants shall be remitted to the Owner and so reported.
2.07	Operating Expense Limit – Manager shall not (1) enter into any contract for any nonrecurring item of maintenance or repair, (2) incur any liability, or (3) make any expenditure for any single operating expense item (excluding utility expense) in excess of the Operating Expense Limit of \$25,000, unless the same shall have been earlier approved by Owner by virtue of its specific inclusion in the Budget or otherwise in writing or unless Manager used its best efforts to contact Owner to no avail and, in Manager's opinion, using reasonable business judgment, the expenditure was immediately required to be made due to an emergency situation for the preservation and safety of the Property, to avoid the suspension of any essential service to or for the Property, or to avoid danger to life or property at the Property.
2.08	Payment of Expenses, Taxes, and Assessments – Manager shall disburse and pay from the Operating Account all costs and expenses of maintaining and operating the Property. If so directed by Owner, Manager shall be responsible for timely payment of mortgages, ground leases, and other encumbrances affecting the Property from accounts specified by Owner. If requested in writing by Owner, Manager shall obtain and verify bills for taxes, assessments, and other impositions applicable to the Property and pay upon receipt of invoice or bill; therefore, all such taxes and assessments and other impositions applicable to the Property from the Property's Operating Account.
2.09(3)	Operating Activities – Identify all charges payable by tenants and submit bills to all tenants for all such charges payable by tenant at or before the time such charges become due.
2.11	Records and Operating Reports – In accordance with the Policy Manual, Manager shall maintain accurate records of all funds received and disbursed in connection with the Manager's management of the Property.

Agreement paragraph	Agreement clause
2.13 – 2.15	<p>Bank Accounts – In accordance with the Policy Manual, Manager shall establish and maintain a property management trust account in a bank. Manager shall establish and maintain a funds transfer of all funds on a daily basis to the Operating Account.</p> <p>Remittance of Funds - On or before the close of each business month, as and when directed by Owner, Manager shall remit to Owner all funds on hand in the Operating Account. Manager shall retain no funds in the Operating Account without the prior written approval of Owner. Owner shall initiate a bank wire transfer of funds available.</p> <p>Insufficient Funds - If at any time, the cash in the Operating Account from the Property shall not be sufficient to pay the bills and charges, which may be incurred with respect to the Property, Manager shall notify Owner immediately of such condition or the potential for such condition.</p>
3.03	<p>Manager's Insurance – Manager shall maintain, at its sole expense, the following insurance:</p> <ul style="list-style-type: none"> • Commercial General Liability Insurance, with minimum limits of liability of not less than \$3,000,000 combined single limit; • Comprehensive Automobile Liability Insurance covering all owned, hired, or nonowned vehicles with limits of liability of not less than \$1,000,000 combined single limit for personal injury and property damage; • Professional Liability Insurance with limits of liability of not less than \$1,000,000 per claim in the aggregate; • Workers' Compensation Insurance in accordance with applicable law and Employer's Liability Insurance with limits of not less than \$1,000,000; • Fidelity Bonds – Manager and all those of its employees who have access to or are responsible for the handling of the Owner's funds shall be bonded by a fidelity bond or covered by fidelity insurance with limits of not less than the greater of \$500,000 or the equivalent of three times Gross Monthly Collections.
4.01 and Exhibit 1	<p>Management Fee – Owner agrees to pay to Manager and Manager agrees to accept, as full and complete consideration for all undertakings herein provided or contemplated, on or before the first business day of each accounting month, a monthly fee of the greater of i) 1% of the Gross Monthly Collections or ii) \$6,000 for its services in managing the Property.</p>

Agreement paragraph	Agreement clause
4.05	<p data-bbox="440 485 1406 541">Property Management Office Expenses – Owner shall pay as an expense of operation of the Property only the following specific expenses:</p> <ul style="list-style-type: none"> <li data-bbox="440 569 1406 657">• Cost of all printed forms, notices, checks, invoices, purchase orders, stationery, envelopes, and similar items for the exclusive use of the Property, required for compliance with the terms of this Agreement or requested by Owner; <li data-bbox="440 678 1406 827">• Cost of all audits required by this Agreement or requested by Owner (unless an error on the part of Manager is discovered, which affects Owner adversely and is equal to or greater than five percent (5%) of the greater of gross expenses or gross receipts of the Property for the period audited, in which case Manager shall bear the full cost of the audit); <li data-bbox="440 848 1406 905">• Cost of electronic data processing and related computer service costs for reports not required by this Agreement, but specifically requested in writing by Owner; <li data-bbox="440 926 1406 982">• All long-distance telephone costs related to operation and maintenance of the Property; <li data-bbox="440 1003 1406 1060">• All postage, delivery, and photocopy expenses related to operation and maintenance of the Property; <li data-bbox="440 1081 1406 1230">• Cost of all travel and entertainment expenses incurred by Manager and approved by Owner, either through budgetary approval or by specific written approval of Owner; provided, however, that said travel specifically excludes local automobile mileage and all travel costs of Manager's employees traveling between Manager's offices, whether or not such travel pertains to the Property; <li data-bbox="440 1251 1247 1276">• All costs associated with the on-site property management office; and <p data-bbox="440 1304 1406 1421">Manager shall use its best efforts to minimize such expenses and to identify and segregate all costs related to the management of the Property from those related to the management of other properties. All other property management office expenses of any nature or kind shall be the sole responsibility of Manager.</p>



To: Russ Webb, Chair
Finance Committee
From: Craig Driver
Date: 4/16/2015
Re: FY16 Real Estate Budget
Fiscal Year: 2016
Amount: \$4,774,400

Approval

Proposed RMC Motion:

"The Finance Committee recommends that the board of trustees concur with the recommendation to approve the incremental building expenditures, totaling \$4,774,400 budgeted for FY16 to be paid by the property manager from rents and other income collected from the properties."

Background:

Transaction/Resource: Budgets are presented to seek approval from the board of trustees for the expenditures necessary to service the properties. The proposed property expenditures are funded by tenant rents and other income collected from the properties.

Property Description/Acreage/MH Parcel(s): All Real Estate Management Plan and other AMHT Properties are as follows:

Real Estate Management Plan Properties

1111 Israel Road; Tumwater, WA
1973 North Rulon; Ogden, UT
2600 Cordova; Anchorage, AK
2618 Commercial Drive; Anchorage AK
2420 & 2500 Ridgpoint Drive; Austin, TX

Other AMHT Properties

3745 Community Park Loop Road; Anchorage, AK
650 Yonker Court; Fairbanks, AK

General Background: We have established a system to adequately plan, manage, and report activity in the real estate portfolio. Through the use of professional management services, the property information is accounted for by:

- 1) matching income to expenses;
- 2) comprehensive reporting and budgeting for each property;
- 3) capital expense forecasting

Consistency with the Resource Management Strategy: The proposal is consistent with the “Resource Management Strategy for Trust Land” (RMS), which was adopted January, 2015 in consultation with the Trust and provides for maximization of return on investment and provides for long term income generation at prudent levels of risk.

Trust Land Office Recommendation: The TLO recommends that it is in the Trust’s best interest to approve the incremental building expenditures for FY16 to be funded by tenant rents and other income collected from the properties.

Trust Authority Consultation: This briefing document fulfills the consultation requirements that are applicable to the transaction. In the event that significant changes to the transaction are made necessary by the public notice process, the Trust Authority will be consulted regarding the changes.

Schedule of Actions:

Resource Management Committee Consultation: April 16, 2015

Trust Authority Consultation: May 14, 2015

Exhibit(s):

Property Budget Summary

FY16 Real Estate Budget Summary

Name	City, State	Operating	Capital	Principal	Interest	Total
Parks	Tumwater, WA	443,600	27,500	426,000	483,400	1,380,500
IRS	Ogden, UT	818,700	194,300	303,900	315,800	1,632,700
Commercial	Anchorage, AK	8,600		49,300	49,800	107,700
Cordova	Anchorage, AK	269,400	123,500			392,900
TAB	Anchorage, AK	240,700	66,300			307,000
Detox	Fairbanks, AK	14,800	20,000			34,800
Promontory Point	Austin, TX	311,000		169,500	438,300	918,800
Totals		2,106,800	431,600	948,700	1,287,300	4,774,400

To: Russ Webb, Finance Committee Chair
Date: 3/27/2015
Re: FY15 Designated Grant Request
Fiscal Year: 2016
Amount: \$75,000.00
Grantee: Covenant House Alaska (CHA)
Project Title: Youth Engagement and Enrichment: Street Outreach Program
Preventing Adult Homelessness

MEMO

PROPOSED MOTION:

Recommend approval to the full board of trustees for a \$75,000 FY15 Designated Grant to Covenant House Alaska for the Youth Engagement and Enrichment: Street Outreach Program Preventing Adult Homelessness project.

Assigned Program Officer: Natasha Pineda

The following is excerpted from the prospective grantee's application.

PROJECT DESCRIPTION

Funding is requested to help support the street outreach and youth engagement and enrichment activities designed to meet the needs of one of the most vulnerable populations in the state-- runaway, homeless, at-risk and trafficked youth (**RHY**) ages 13-24 many of whom are experiencing signs of early onset mental illness, struggling with chronic substance abuse and/or those with developmental disabilities or traumatic brain injury.

Youth homelessness is a problem consistently increasing in Alaska. In FY2014, CHA served 3,472 unduplicated youth, with 69% of those youth receiving services through our emergency shelter or transitional housing programs. Youth in Alaska experience some of the nation's highest rates of suicide, alcohol abuse and domestic violence. CHA is the only agency offering comprehensive services to RHY, representing a bridge between youth and adult services reducing the likelihood that youth will fall through the cracks. Worse still are the rates of exploitation, sexual abuse and human trafficking the youth we serve have experienced.

Statistics on the youth we served during a 10-year period indicated that among the girls we served, 46% had been sexually abused. In addition, youth we served had previously been in foster care 33% or in residential settings such as in a mental health facility 40%. Fourteen percent (14%) of youth served, had been arrested in the past 3 months. These youth often lack the support needed to overcome their current situations and develop into healthy, self-sufficient adults, particularly as they age out of these

systems. Among the 18-20 year olds who received services at CHA, 66% of them haven't finished high school. Without the proper support, youth are destined for lives that lack social, emotional and economic security and which will likely lead to chronic poverty, poor mental health outcomes, and homelessness as adults.

This effort especially targets Trust beneficiaries, who are vulnerable, often experiencing the confusion of their first mental health symptoms or are struggling with substance abuse. Youth experiencing these challenges easily fall victim to predators' intent on sexual abuse and exploitation. We estimate that 50% of the youth we serve are Trust beneficiaries. Services will be provided in Anchorage and the Mat-Su, but will serve youth from areas throughout the state. There are three main components of the Street Outreach program:

1. Education and Training
2. Developing Strategic Partnerships with other provider organizations and local businesses
3. Street Outreach Activities

CHA has 6 key partners that provide additional services beyond the scope of what CHA can provide, to ensure that vulnerable youth have access to services that address their physical, social, emotional, and spiritual needs. Those agencies include providers of health, behavioral health, education, and cultural services all within CHA's Youth Engagement Center's footprint. CHA's Street Outreach Teams will make 3,400 unduplicated contacts with youth in a 12-month period. Access to health and behavioral health services, including psychiatry, onsite at our Wellness Center has played an important role in engagement with this population. In the past four years, there has been a 50% increase in the number of youth provided health services and a 386% increase in the number of visits made to the Wellness Center. The purpose is to begin the process of building a trusting relationship with youth with the intent of helping to get them off the street. The goal is to help youth build resiliency, increase protective factors and develop the skills necessary to leave homelessness and move to a safe and stable environment.

Street Outreach Teams, comprised of one adult/professional staff and one Peer Outreach worker, frequent areas where homeless youth are known to be. Outreach Teams are in the community 7 days a week and spend 40 hours a week providing services as well as collaborating with other community partners to strengthen services available to youth. In response to funding challenges experiences by both, CHA and AYA (described in the Sustainability section), CHA is re-defining its approach to street outreach in the community. CHA is currently working through a planning process to develop a unified, community-wide approach to providing Street Outreach services throughout the Municipality of Anchorage and the Mat-Su Borough. CHA is partnering with Alaska Youth Advocates (**AYA**), Parachutes, Identity, and My House to develop a Street Outreach Plan that will:

1. Clearly define each agency's terminology and approach to conducting outreach;
2. Identify the locations, times, and days that outreach activities will take place and by which agency;
3. Unify data collection methods and reporting frequency; and
4. Identify the steps necessary to implement a single data management system.

This strategic planning and partnership with the agencies will result in all entities conducting outreach activities entering data into the Efforts to Outcomes system described in more detail in the Evaluation Criteria section. This will allow for a comprehensive view of the youth in our services system.

CHA is requesting funding to support this effort as well as a three-year “step down” approach to gap funding to help continue street outreach services and allow CHA and their partners time to develop a plan to secure private funds in the event federal funds are not secured, while not compromising 7 day a week outreach in our community.

EVALUATION CRITERIA

CHA utilizes the Efforts to Outcomes data management system. Efforts to Outcomes will be used to track all data collected by the Outreach Team including results from the Youth Engagement Scale. Youth Engagement Scale is an assessment that measures engagement and readiness to change, based around the Stages of Change on a 10-step scale across service areas in which youth must succeed to bridge the gap from being homeless to living in safe and stable environments.

How much did we do?

- CHA will serve 1,320 unduplicated youth and 528 will be Trust beneficiaries

How well did we do it?

- 100% of RHY are provided information about CHA programs and know where to go if they need help and/or feel unsafe
- 100% of RHY who exhibit signs of mental health or substance abuse issues will be provided with education and referral information
- 100% of RHY who come to the Wellness Center will be screened for behavioral health and substance abuse issues
- 90% of RHY are more approachable and engage with outreach staff following initial contact with outreach workers.
- 75% of RHY access at least 1 additional service at CHA, beyond outreach

Is anyone better off?

From 2/1/15-1/31/15 CHA contacted 1,320 youth. Of the youth served:

- 554 (42%) access services at our emergency shelter.
- 60 (11%) of RHY went from our emergency shelter to a transitional program.
- 409 (31%) of RHY who completed the Youth Engagement Scale demonstrated an increase in engagement and motivation.
- 185 (14%) came into CHA seeking mental health and/or substance abuse services

SUSTAINABILITY

Federal funding to support street outreach efforts have become increasingly competitive nationwide, with 105 anticipated applications competing for 32 awards during the upcoming round of funding. Despite receiving a perfect score on CHA’s previous application to the Administration for Children and Families, CHA’s application was not funded due to the lack of resources to fund all of the applications that scored within the fundable range. AYA, operated by Anchorage Community Mental Health Services, also experienced this during the last grant cycle and was not funded either.

CHA has a proven track record of raising money through partnerships and private funds. With an annual operating budget of over \$5 million, CHA is a leader in building successful relationships with private funders. Currently, 65% of the agency’s operating budget is supported through private donations. One of the goals of the proposed project is to increase CHA’s ability to attract and engage

with donors, volunteers and additional supporters of the organization with the intended outcome of improving the overall sustainability of the organization and this project in particular. Leadership at CHA continues to cultivate and build partnerships in the community. CHA works with organizations we know are also working with the youth we serve, such as AYA, Parachutes, Identity and My House but in different capacities with the overall goal of increasing our ability to share resources and to begin developing a plan for how we approach our work together.

The total annual program budget for the Street Outreach program is \$207,575. CHA has been successfully funded through the U.S. Department of Health and Social Services, Administration for Children and Families, Street Outreach Program for over 18 years. As previously mentioned, due to budget reductions and the increase in requests for funding nationally, the past two funding cycles' funding levels were much lower than in years' past resulting in increased competition. CHA's application to fund the Street Outreach program was not funded by ACF in FY14. This loss of federal funds required CHA's executive team to plan and coordinate with local funding agencies, in order to secure funding to continue this vital program. Based on our projects, we anticipate the following need over the next few years, as we replace those funds.

Year	Projected annual CHA Board Commitment	Projected Non-Trust Funds	Gap \$ Needed	Total Program Costs
FY 2016	\$ 32,575.00	\$ 100,000.00	\$ 75,000.00	\$ 207,575.00
FY 2017	\$ 57,575.00	\$ 100,000.00	\$ 50,000.00	\$ 207,575.00
FY 2018	\$ 82,575.00	\$ 100,000.00	\$ 25,000.00	\$ 207,575.00

Following the loss of funding, CHA worked to refine and strengthen their application for the next round of Administration for Children and Families funding. In FY15, despite our applications' perfect score there were not sufficient resources to fund all of the high scoring applications. Feedback from federal program officers indicates a positive outlook in terms of increased funding levels in the coming year. Simultaneously, the Municipality of Anchorage did not fund CHA's Human Services Matching grant, a source of funding the agency has received to support emergency shelter services in the city for more than 15 years. This resulted in another loss of \$186,000 in funding to support emergency shelter services. CHA's board of directors approved the use of reserves to augment the loss while the Executive team developed a strategy to secure other sources of public and private support. CHA will continue to work to cultivate relationships with donors as well as to increase the money raised through fundraising events. CHA anticipates, with more time and planning, there will be no barrier to securing additional funds to ensuring sustainability of the project after the Trust's support.

WHO WE SERVE

Providing outreach, education and early intervention efforts serves as a preventative measure to reduce the likelihood of chronic drug and alcohol abuse in the future as well homelessness as an adult.

Expected benefits:

- 1) A reduction in risky behaviors such as chronic drug and alcohol abuse
- 2) Access to behavioral health services
- 3) An increase in connectedness with positive role models
- 4) Connectivity to services and support accessing them
- 5) Access to safe and structured living environments

RHY overwhelmingly experience challenges related to mental illness, struggles with drug and alcohol addiction, and unmet needs related to developmental disabilities, particularly with Alaska's high rates of FAS/FAE. Studies show that 50% of school-age homeless children experience anxiety, depression, or withdrawal compared to 18% of non-homeless children. By the time homeless children are 8 y/o, 1 in 3 has a major mental disorder. Access to healthcare services at our Wellness Center is also an effective way to engage with youth and provide them the behavioral health services they need. Street outreach teams inform youth about the availability of healthcare services. All youth who are seen by the ANP are provided a behavioral health screening and those who need services are offered assistance onsite. We recognize the importance of collecting data and when possible, document both estimates and confirmation of mental illness, developmental disability, or chronic alcohol abuse. Our primary goal is engagement and relationship building with a focus on prevention, harm reduction, and positive youth development outcomes.

ESTIMATED NUMBER OF BENEFICIARIES SERVED EXPERIENCING	
Mental Illness:	226
Developmental Disabilities:	20
Substance Abuse	257
Traumatic Brain Injuries:	25
Secondary Beneficiaries (family members or caregivers providing support to primary beneficiaries):	951
Non-Beneficiaries:	792

BUDGET			
Personnel Services Costs	\$71,000.00		
Personnel Services Costs (Other Sources)	\$103,643.00		
Personnel Services Narrative:	Program Coordinator	1.0FTE	6,365.18
	Case Manager	1.0FTE	18,673.93
	Dir of Prog. Svcs	1.0FTE	7,539.50
	Peer Worker	1.0FTE	20,123.83
	Case Workers	2.0FTE	2,052.49
	FICA		4,189.29
	Med		7,021.23
	Unemployment		1,478.70
	Workers Comp		1,509.54
	Retirement		1,818.03
	Disability & Live Ins		228.28

Space or Facilities Costs	\$0.00
Space or Facilities Costs (Other Sources)	\$13,232.00
Space or Facilities Narrative:	

Supplies Costs	\$4,000.00
Supplies Costs (Other Sources)	\$9,200.00

Supplies Narrative:	Food, Water, Hand warmers, Items to engage youth
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Other Costs	\$0.00
Other Costs (Other Sources)	\$6,500.00
Other Costs Narrative:	Vehicle Maintenance and Fuel

Total Amount to be Funded by the Trust	\$75,000.00
Total Amount Funded by Other Sources	\$132,575.00

Other Funding Sources	
Providence Alaska Health System -- SECURED	\$50,000.00
Carr Foundation-- SECURED	\$50,000.00
CHA Board Committed--SECURED	\$32,575.00
Total Leveraged Funds	\$132,575.00

To: Russ Webb, Finance Committee Chair
Date: 4/16/2015
Re: FY15 Disability Justice Focus Area Allocation
Fiscal Year: 2015
Amount: \$100,000
Grantee: N/A
Project Title: Implementation for the 2015 Recidivism Reduction Plan

MEMO

PROPOSED MOTION:

Recommend the full board of trustees approve a \$100,000 expenditure authorization increase to FY15 Disability Justice (AR 16874-18) to fund a contract to facilitate the implementation of the 2015 Recidivism Reduction Plan and other efforts identified by the Trust aimed at reducing criminal recidivism of Trust beneficiaries.

Assigned Trust staff: Steve Williams, Chief Operating Officer

PROJECT DESCRIPTION

Background

The 28th legislature included intent language to the FY15 operating budget bills requesting the development of a Recidivism Plan and with data findings. This plan was developed and presented to the legislature on February 18, 2015. It is anticipated that the 29th legislature will include intent language in the FY16 operating budget to continue these efforts directing the Trust, Departments of Corrections, Health & Social Services, Labor & Workforce Development, the Alaska Court System and the Alaska Housing Finance Corporation to develop an implementation plan. And, to deliver to draft plan to the Office of Management & Budget in the fall of 2015.

To fulfill the legislature's request, a contract will be procured to facilitate the development of the requested report and to assist as identified by the Trust in other efforts aimed at reducing criminal recidivism of Trust beneficiaries. Below is the DRAFT 29th legislature's intent language expected to be included in the FY16 operating budget bills.

LEGISLATIVE INTENT LANGUAGE RELATING TO REDUCING ALASKA RECIDIVISM: It is the intent of the legislature that the Department of Corrections, Department of Health and Social Services, Department of Labor and Workforce Development, Alaska Mental Health Trust Authority, Alaska Housing Finance Corporation, Alaska Criminal Justice Commission, and Alaska Court System to continue to work collaboratively to implement a recidivism reduction plan using evidence-based practices for the

purpose of slowing Alaska's three percent prison population growth rate and reduce its 63 percent recidivism rate.

The above-identified state agencies shall continue to engage in and support meaningful consultation with Alaska Native entities on the design, content and operation of the Alaska Justice system with the purpose of reducing the overrepresentation of Alaska Native people in this system. Further, these entities shall work together to:

1. analyze the state's criminal justice data to identify the factors driving Alaska's rate of prison population growth;
2. identify evidence-based or promising practices (as those terms are defined by the Washington State Institute of Public Policy) that will address each of those factors; and
3. outline a plan for the implementation of each proposed practice that:
 - a. identifies the service or treatment program proposed;
 - b. identifies the number of inmates or returning citizens to be served; and
 - c. includes a five consecutive year, beginning in FY 2017, phased-in outline of the programs and services to be implemented and the cost per fiscal year.

The implementation plan shall include effectiveness and efficiency measures addressing, but not limited to:

1. recidivism rates and cost per client served of current practices and programs;
2. recidivism rates and cost per client served of proposed practices and programs;
3. quality assurances;
4. fidelity to the model assurances; and
5. projected savings to the State of Alaska.

The draft implementation plan described herein shall be delivered to the Office of Management and Budget by September 30, 2015 so it can be considered for inclusion in the Governor's FY17 budget and legislative proposals. The final implementation plan shall be delivered to the legislature by January 22, 2016.

EVALUATION CRITERIA

Key deliverables of the contractor will include but are not limited to:

1. Facilitate with the continued collaborative work of the Departments of Corrections, Health and Social Services, and Labor and Workforce Development, along with the Alaska Mental Health Trust Authority, Alaska Housing Finance Corporation, and the Alaska Court System to develop an implementation plan of the *2015 Recidivism Reduction Plan*, as defined by the 29th legislature.
2. Coordinate and facilitate joint meetings of the named entities as requested or deemed necessary.
3. Gather and analyze the state's criminal justice data to identify the factors driving Alaska's rate of prison population growth.
4. Identify evidence-based or promising practices (as those terms are defined by the Washington State Institute of Public Policy) that will address each of those factors.

5. outline a plan for the implementation of each proposed practice that:
 - a. identifies the service or treatment program proposed;
 - b. identifies the number of inmates or returning citizens to be served; and
 - c. includes a five consecutive year, beginning in FY 2017, phased-in outline of the programs and services to be implemented and the cost per fiscal year.
6. Write and produce in consultation with the name entities the implementation plan as outlined in the legislative intent language.
7. Present the draft implementation plan to the Office of Management and Budget by September 30, 2015.
8. Deliver and present the final implementation plan shall be delivered to the legislature by January 22, 2016.
9. Create a PowerPoint presentation of the Implementation Plan.
10. Participate in presentations of the Implementation Plan as requested.
11. To assist as directed by the Trust in other efforts aimed at reducing criminal recidivism of Trust beneficiaries.

To: Russ Webb, Finance Chair
Date: 3/27/2015
Re: FY16 Focus Area Reallocation
Fiscal Year: 2016
Amount: \$500,000
Grantee: Determined through a request for proposal (RFP) process
Project Title: Alaska Prisoner Reentry Initiative: Reentry Coalition Capacity Development

MEMO

PROPOSED MOTION:

Recommend approval to the full board of trustees for a \$500,000 FY16 Disability Justice authority grant to support local Reentry Coalition Capacity Development in targeted communities. The funds for this project will be allocated from the sources listed in the attached table.

Fund Source	Original Intent	Amount	Appropriation	Colocation Code
FY14 Disability Justice	Norton Sound Behavioral Health Wellness Center Capital	\$200,000	16867-17	04806671
FY15 Disability Justice	Norton Sound Behavioral Health Wellness Center Capital	\$200,000	16874-18	04806875
FY15 Substance Abuse Prevention and Treatment	Coalition Capacity Development/Advocacy	\$100,000	16874-18	04806880

Assigned Program Officer: Natasha Pineda

Request summary:

This request seeks authorization to fund the first year (FY16) of a planned two year project (FY16-17) to support the hire of a local reentry coordinator in five communities with an established Prisoner Reentry Coalition. The five target communities include Anchorage, Mat-Su, Fairbanks, Juneau and Dillingham. The funding for year two will be incorporated in the FY17 focus area budgets.

PROJECT DESCRIPTION

Background – Summary of the Alaska Prisoner Reentry Initiative (AK-PRI)

For several years the Trust and the Department of Corrections (DOC), with other government and community partners, have focused on adult criminal justice reform. In 2014, DOC entered into a contract with the Michigan-based *Center for Justice Innovation* (the Center) to conduct an internal

review of Alaska's reentry services. Among many conclusions, was the recognition that increased coordination between DOC and Alaska communities was needed to overcome the barriers faced by returning citizens and preventing their successful reintegration back into the community. To facilitate this coordination, the Center produced a recidivism reduction framework for the Department, the *Alaska Prisoner Reentry Initiative Framework (AK-PRI)*.

AK-PRI is a five year, Trust and stakeholder effort, led by DOC to effectively reduce recidivism. The goal of *AK-PRI* is to ensure that every inmate discharged from prison will have the necessary tools and support needed to succeed in the community. This requires a high degree of coordination of prisoner re-entry plans between correction facility staff, parole and probation officers, and community-based organizations to ensure the right supports and services are available and accessible at the point of release. These services and supports include but are not limited to access to healthcare, substance abuse treatment, mental health services, employment and stable housing.

In 2014, the Legislature passed intent language in HB266 which required DOC, Department of Health and Social Services, Department of Labor and Workforce Development, Alaska Housing Finance Corporation, Alaska Court System and the Trust to develop a comprehensive recidivism reduction plan to ultimately improve prisoner outcomes and reduce recidivism rates. *AK-PRI* is a key strategy of the 2015 Recidivism Reduction Plan developed through this inter-governmental task force.

Prisoner Reentry Coalitions – Capacity Development

At the heart of *AK-PRI* and one of the most important aspects of implementation of the prisoner reentry initiative is the local capacity of any given community to effectively manage the needs of all returning citizens, including Trust beneficiaries, as they transition back into our communities. Within the initiative framework, this capacity lies with local prisoner reentry coalitions. Reentry Coalition membership generally represents a cross section of pertinent state- and community-based service organizations in a given community. Currently, there are active coalitions in five communities across Alaska including Anchorage, Mat-Su, Fairbanks, Juneau and Dillingham. The focus of these Coalitions is to:

- (1) educate the community about the criminal justice system
- (2) identify local challenges facing returning citizens
- (3) identify local gaps in services and identify collaborative solutions to address identified gaps
- (4) be the local point of contact for DOC in the reentry planning and transition for returning citizens in the given community

To identify local challenges facing returning citizens, the local gaps in services and collaborative solutions to address identified gaps, each coalition must complete a community assessment. The results of the assessment will assist each individual coalition to develop a comprehensive community reentry plan focusing on the assets, gaps, barriers, proposed solutions, case management strategy, and plans to follow evidenced-based practices for reentry services. The assessment will reveal pertinent information about the availability of necessary services and resources within the community, such as whether or not the community has available housing, if there is access to treatment in the community and how treatment needs are addressed and drive each coalition's planning for reentry services to support the returning citizen.

Currently, the coordination of these local efforts is limited because community members have limited capacity due to primary responsibilities of their full-time job. The Center and the local coalitions have highlighted the critical need of a full-time coordinator for each coalition. These coordinators will assist with the community assessments, formalize the coordinated efforts of the coalition members, be the identified interface between the local coalition and the Department of Corrections, and facilitate the coalitions' efforts with the DOC to connect the returning citizen with the needed services and supports to be successful in the community.

Trust funds will be used in these first two years by the coalitions to secure a full-time coordinator to fulfill these and other identified functions. It is anticipated that DOC will then be well positioned to apply for Federal Second Chance Act funding to continue the support for Coalition Coordinators beginning in 2018.

Why invest in reentry coalitions?

The Hornby Zeller May 2014 study of Trust beneficiaries in Department of Corrections revealed that of the Trust beneficiaries incarcerated whose clinical characteristics could be determined, 70% of the mental health diagnosis were substance abuse related. According to the same study the second ranked predictive factor for recidivism is having a substance abuse diagnosis. This lends credence to the importance of reentry coalitions being well positioned to address reentry needs around substance abuse, including access to treatment and recovery stabilizing factors such as stable housing and employment.

Timeline & Implementation Plan

With trustee authorization, Trust staff will work collaboratively with DOC and the Center to write an RFP with intent to provide funds for a period of two years to fund the Coalition Coordinators in the five communities: Anchorage, Mat-Su, Fairbanks, Juneau and Dillingham (September 2016-September 2017). Collaboratively, DOC and Trust staff will review and select the local organizations to receive the funds for these Coalition Coordinators in FY16. The Department of Corrections will direct the projects in collaboration with the Trust through the framework of the *AK-PRI* plan.

The second year of Trust funds for these Coalition Coordinators will be incorporated into FY17 focus area budgets and presented to trustees for approval during the August 2015 full board meeting

The Department of Corrections, the Trust and partners anticipate learning much about the reentry needs of returning citizens in the five communities across Alaska. This information will be incorporated and applied to the future planning process within each of the Trust focus areas, potentially influencing strategies within Substance Abuse Prevention and Treatment, Disability Justice, Housing and Employment.

To: Russ Webb, Finance Committee Chair
From: Jeff Jessee, CEO
Date: 4/2/15
Fiscal Year: 2016
Amount: \$125,000 MHTAAR, \$125,000 GF/MH
Grantee: Alaska Justice Information Center/University of Alaska
Anchorage
Project Title: Alaska Justice Information Center

MEMO

PROPOSED MOTION:

Recommend approval to the full board of trustees for a \$125,000 FY16 MHTAAR allocation to the University of Alaska Anchorage for the Alaska Justice Information Center.

PROJECT DESCRIPTION

The goal of the Alaska Justice Information Center would be to regularly combine data from key criminal justice agencies to create an integrated data platform. That data platform would then support many kinds of research in Alaska. With that integrated dataset, the immediate goals of Alaska Justice Information Center would be to provide:

- (1) reports on the state of the criminal justice system in Alaska
- (2) answers to data questions from agencies and legislators
- (3) reports on the status of Trust beneficiaries within the criminal justice system

A perfect example comes from the questions asked by Senator McGuire during the crime summit. Right now, each of those questions would require 9 to 12 months of work, and at least \$100k. With an integrated data platform, AJIC would have the ability to answer the majority of those questions in a few hours, at no additional cost. AJIC gives us the capacity to move towards data-driven decision making. At the same time, by having regular reports, we will no longer rely on sporadic research reports to make data-driven decisions. Instead, we would now have regular up-to-date information. The difference is analogous to having a yearly wellness check-up, versus having a detailed medical examination every 10 years.

Building this capacity and having up-to-date information will help inform the Trust's disability justice focus area and assist us in assessing the impact of current strategies and provide us with data to make any necessary adjustments.

From the recidivism reduction plan, here are the initial goals of AJIC:

The initial goal of the Center would be to compile, analyze, and report justice data from the Alaska Department of Public Safety, the Alaska Department of Law, and the ADOC and to produce a yearly “State of the Alaska Criminal Justice System” report. This report would include population measures for the entire criminal justice system. Population measures would globally assess how well the Alaska criminal justice system is holding offenders accountable and protecting public safety. This information currently does not exist – but it is essential to develop sound criminal justice policy and to evaluate its impact on public safety. Over time, additional data would be compiled, analyzed, and reported to support additional state initiatives and interests.

One key advantage of AJIC is that it would have the capacity to develop an Alaska-based inventory of best practices. Once a statewide recidivism model is built, it can be partitioned to examine the effectiveness of any program. We would only need three data points:

- (1) who participated in the program
- (2) when did they start the program
- (3) when did they stop the program

With that information, we could re-run the recidivism analysis and assess the effectiveness of any program. Over time, we would see a dramatic increase in the number of programs that are evidence-based. This information would provide significantly more details on the cost effectiveness of our programs in Alaska.

To: Russ Webb, Finance Committee Chair
Date: 3/31/2015
Re: FY16 Beneficiary Employment & Engagement focus area allocation
Fiscal Year: 2016
Amount: \$1,380,100
Grantee: Authorized grantees (attached)
Project Title: FY16 Beneficiary Projects Initiative Grants

MEMO

PROPOSED MOTION:

Approve a FY16 beneficiary employment & engagement focus area allocation in the amount of \$1,380,100 for the purpose of FY16 BPI grant funding.

Assigned Program Officer: Katie Baldwin

PROJECT DESCRIPTION

This request is seeking approval of the attached FY16 BPI authority grant allocation for beneficiary projects in the amount of \$1,380,100. The spreadsheet includes a detailed list of recommended funding levels by program.

In 2015, three programs previously funded under the initiative transitioned from Trust funding completely. This next phase of funding is focusing efforts on the remaining programs which meet an unmet need for Trust beneficiaries, have the potential to create lasting system change, and are capable of working toward greater organizational sustainability. Organizational assessments are underway to help inform focus area planning as well as budget strategy for FY17 and FY18. Staff continues to work with the remaining programs to:

- 1) demonstrate program/service impact on beneficiaries;
- 2) evaluate organizational capacity; and
- 3) establish strategic objectives and timelines for fund development and diversification.

FY16 BPI Authority Grants will be distributed as proposed in the accompanying spreadsheet.

Initiative background:

The primary goals of the initiative when it began in 2006 were to:

- 1) provide a source of funding and technical assistance that would allow for the 'incubation' of beneficiary group initiated and managed projects, activities, developments and advocacy;
- 2) ensure that Trust beneficiary group initiated and managed activities and services are safe, effective, and sustainable; and

3) provide a viable avenue for Trust beneficiary group initiated advocacy that is rooted in community needs and addresses existing service gaps.

The cohort of programs funded through the focus area provides a range of supports and services including:

- Employment, housing and engagement services (Polaris House, Juneau) – A clubhouse model providing a community of people working together toward a common goal of recovery from mental illness through meaningful activities and supported employment
- Peer support services in a community nonprofit utilizing an outreach and community-based model (CHOICES, Anchorage)
- Education, referral, support and advocacy for individuals and families affected by mental illness (NAMI affiliates, Anchorage and Juneau)
- Peer support for individuals and families experiencing Alzheimer’s Disease or related dementias (Brave Heart Volunteers, Sitka)
- Beneficiary led/facilitated training, advocacy and technical assistance (Alaska Peer Support Consortium)
- Peer support, outreach, advocacy and system navigation for youth and families (Alaska Youth and Family Network and Stone Soup Group, Anchorage). Stone Soup Group transitioned from Trust funding in FY15
- Peer recovery support for women and families impacted by addictions (Southcentral Foundation’s Alaska Women’s Recovery Project, Anchorage). This program transitioned from Trust funding in FY15
- Peer support services developed in a community mental health setting – Anchorage Community Mental Health Services’ Wellness Innovation Center (transitioned from Trust funding)

Over the life of the initiative, many lessons have been learned and are continuing to guide systems work around beneficiary run organizations and peer support. As the state of Alaska continues to be challenged by budget constraints, it becomes increasingly clear that the health of the nonprofit sector is challenged with both cuts to programs and services as well as increased pressure to demonstrate impact through well-articulated program outcomes. Part of the story behind the data for the BPI programs is how they are pursuing efficiencies and maximizing opportunities to partner, collaborate, and, even in some circumstances, join services to establish a more effective continuum of care and supports to best serve Trust beneficiaries.

To assist each organization in the cohort to examine sustainability, a primary strategy within the initiative is to invest in the organizational capacity of peer support programs via operational funding and specialized technical assistance. While organizations have made substantial progress in setting up solid foundations, long-term sustainability is an ongoing challenge. As programs make progress, it is anticipated that some BPI programs will become less dependent upon Trust funding over time, however the pace in which this occurs is not the same for all programs and some are further along than others. As most are generally non-medically driven (non-Medicaid) community-based services, grant dependence is a reality for a majority. We anticipate the organizational assessments will provide this information.

The FY16 funding cycle is one year of continuation funding for programs which received BPI funding previously.

Attachment

1. FY16 BPI Authority Grant Award Recommendations

FY2016 Beneficiary Project Initiative Grantee Funding Allocation					
Organization	Beneficiary Group	Program Information	FY14 Award	FY15 Award	FY16
Alaska Peer Support Consortium	All Beneficiary	AKPSC is a statewide network of peer operated, peer support organizations collectively taking the lead to enhance Alaska's system of care with peer and consumer services.	\$137,800	\$137,700	\$137,700
Alaska Youth and Family Network	MI/DD/SA	AYFN is a peer-run, peer delivered service that provides peer navigation services (independent case management and advocacy in a peer/family driven model).	\$147,600	\$147,600	\$147,600
Braveheart Volunteers	Seniors ADRD	Braveheart (BHV), located in Sitka strives to help fill healthcare gaps, offer assistance, visiting and compassionate care to frail elders, those homebound, isolated, disabled, chronically ill and suffering from dementia or another terminal illness.	\$47,000	\$47,000	\$47,000
Choices, Inc.	MI	CHOICES is a consumer run, mental health service provider that offers beneficiaries strategies, opportunities, resources and supports for personal growth, recovery and successful community integration.	\$190,400	\$324,000	*\$347,700
NAMI Anchorage	MI/SA	NAMI Anchorage provides support, education and advocacy to people and families who have experienced mental illness.	\$142,000	\$146,500	\$146,500
NAMI Juneau	MI	NAMI's mission is to provide education, support and advocacy to people and families who have experienced mental illness in the Juneau.	\$90,600	\$90,600	\$90,600
Polaris House	MI/DD/SA	Polaris House is an accredited clubhouse located in Juneau serving persons with co-occurring issues.	\$159,000	\$159,000	\$159,000
The Web	MI/SA	The Web is a recovery-based, peer-run drop in center in Anchorage.	\$238,000	\$304,000	\$304,000
Total FY16 Trustee Authorized		\$1,620,000	* Increase for partial cost of new office space lease: \$26,876		
Total FY16 Allocation		\$1,380,100			
Remaining unobligated FY16 funds		\$239,900			

To: Russ Webb, Finance Committee Chair
Date: 3/27/2015
Re: FY15 Beneficiary Employment Focus Area Allocation
Fiscal Year: 2015
Amount: \$146,000.00
Grantee: Statewide Independent Living Council
Project Title: Alaska DB101 website and Online Benefits Calculator

MEMO

PROPOSED MOTION:

Recommend approval to the full board of trustees for a \$146,000 FY15 beneficiary employment focus area funding allocation to the Statewide Independent Living Council for the Alaska DB101 website and online benefits calculator project.

Assigned Program Officer: Amanda Lofgren

The following is excerpted from the prospective grantee's application.

PROJECT DESCRIPTION

One of the most frequent challenges identified by beneficiaries, families, providers and state agencies has been the need for access to basic benefits and work incentives information in an efficient and timely manner. The risk of losing benefits is a significant concern when contemplating employment. Benefits, including Social Security resources, and medical insurance such as Medicaid or Medicare would be too expensive for beneficiaries to cover on their own in addition to their basic cost of living needs. The decision point for a person entering employment about whether to work full time or part time hinges on whether they will jeopardize their core medical benefits and comes with specific timelines after beginning to work. Accurate, reliable information can assist many beneficiaries in making an informed decision about their employment.

Currently, there is very limited capacity for beneficiaries to receive benefits counseling from a Community Work Incentives Coordinators (CWIC's) or "benefits planners." The Social Security Administration only allows Virginia Commonwealth University as the single entity to provide the training and certification. This makes the limited training seats very competitive. Over the last year as part of the employment initiative, the total number of certified CWIC's in Alaska has increased from 6 to 11, with one more attending the training in May. Some beneficiaries can receive this service through the Division of Vocational Services for a benefits analysis which costs approximately \$400-\$600, essentially eliminating access to this service by thousands of beneficiaries who can't afford it. The Center for Human Development has a Work Incentives Planning and Assistance project which employs 1 full-time and 1 half-time benefits planner.

This spring, through the employment initiative, a tier 1 benefits counseling training was piloted for case managers, service providers, teachers and other professionals to understand the basics of Social Security work

incentives and financial planning. This training allows for them to provide benefits counseling to beneficiaries who are exploring employment options. It is imperative that providers have access to this training so we can shift from the mentality of “you should not work or you’ll lose your benefits” to “you should think about working as we can help ensure you won’t lose your medical benefits and your income can be much higher.” An interactive benefits counseling tool that is constantly updated with current with accurate information would significantly increase the access to career planning, health coverage options, and asset building. Providers can use the tool to sit with each of their clients and provide information on work incentives and benefits so beneficiaries can make an informed decision regarding employment.

To increase access to benefits counseling several states are turning to online tools such as DB101, that are developed so individuals, their families and/or providers can understand how the wages they earn from employment may affect their benefits. The DB101 web-based benefits and work calculator can be customized to incorporate specific Alaska information. Anyone with access to the internet can utilize it and enter information about their benefits and the income that would ensure self-sufficiency and provides a blueprint for how they can return to work and keep needed medical benefits. This is the first step for many considering going to work, getting off of benefits and increasing their income, assets, self-sufficiency, self-esteem and, for many, community engagement.

DB101 has developed similar programs for six other states, with two more currently under development. This is a one-time funding request for the costs associated with the development of a customized website with online benefits calculator and web content that allows Social Security beneficiaries to understand how work and wages impact their benefits. This will help them understand how they can maintain needed medical benefits after their wages exceed Social Security Income limits and they are no longer eligible for Social Security benefits due to income.

The DB101 Benefits and Work Calculator allows the user to create and explore scenarios that match their life situations to find out how their health care and benefits might be affected by changes in employment, earnings levels, marital status or other circumstances. The tool allows the user to save their session for up to six months, return to it, and change it as situations warrant. The user can add more than one employment plan to a first plan and compare job opportunities. The benefits and work calculator may include the following components:

- Supplemental Security Income, including Impairment Related Work Expenses, Blind Work Expenses, and the Student Earned Income Exclusion
- Alaska SSI State Supplement
- Social Security Disability Insurance, including the Trial Work Period and Extended Period of Eligibility
- Childhood Disability Beneficiary
- Supplemental Nutrition Assistance Program
- Medicare and the SSDI Medicare extension after paid work begins
- Medicare Part D Low Income Subsidy
- Medicaid: SSI-linked, Sections 1619(a) and (b), spend down/share of cost, Alaska Medicaid Buy-In, and poverty-based categories of Medicaid
- Federally funded Section 8 Housing and its Earned Income Disregard
- State disability insurance (where applicable)
- Private disability insurance
- Private health coverage, including the Affordable Care Act exchange coverage and subsidy
- Federal Earned Income Tax Credit

EVALUATION CRITERIA

- Completion of Alaska DB101 web-based tool by 12/31/2015
- Number and type of users accessing the website after release
- Number of beneficiary providers using the website to assist consumers
- Feedback from agencies, providers, educators and beneficiaries and their families via survey post implementation

SUSTAINABILITY

There are ongoing maintenance fees which will be covered by the Department of Labor and Workforce Development; Division of Vocational Rehabilitation, Employment Security Division (Job Centers) and the State Independent Living Council. With these low yearly maintenance costs, and the significant service given to the entire employment system for Social Security beneficiaries, this tool will be sustainable long into the future.

WHO WE SERVE

The Social Security Administration reports that in Alaska, approximately 12,700 individuals receive Supplemental Security Income (SSI) and 12,800 individuals receive Social Security Disability Insurance (SSDI) benefits, many who are Trust beneficiaries. Individuals, their family or provider share they are afraid that working above what is termed by Social Security as “Substantial Gainful Activity” which in 2015 is more than \$1,090 per month or \$1,820 if the individual is blind. Employment provides wages to live more independently, secure housing, transportation and basic living necessities. Additional benefits from employment include improved overall health, more community integration, improved life structure, increased self-esteem and in many cases, a reduction in disability symptoms.

ESTIMATED NUMBER OF BENEFICIARIES SERVED EXPERIENCING

Mental Illness	8,000
Developmental Disabilities	2,000
Substance Abuse	2,000

BUDGET

Contractual Services Costs	\$146,000.00								
Personnel Services Narrative:	<p>The following deliverables for the contract include:</p> <table><tr><td>Planning and Infrastructure</td><td>\$20,000</td></tr><tr><td>Customized Benefit Calculator</td><td>\$100,000</td></tr><tr><td>Interactive Benefit Worksheets</td><td>\$20,000</td></tr><tr><td>Beneficiary and Provider Trainings</td><td>\$6,000</td></tr></table>	Planning and Infrastructure	\$20,000	Customized Benefit Calculator	\$100,000	Interactive Benefit Worksheets	\$20,000	Beneficiary and Provider Trainings	\$6,000
Planning and Infrastructure	\$20,000								
Customized Benefit Calculator	\$100,000								
Interactive Benefit Worksheets	\$20,000								
Beneficiary and Provider Trainings	\$6,000								



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

**Department of
Health and Social Services**

Senior and Disabilities Services
Governor's Council on Disabilities & Special Education
Patrick J. Reinhart, Executive Director

3601 C Street, Suite 740
Anchorage, Alaska 99503
Main: 907.269.8990

December 17, 2014

Amanda Lofgren, Program Officer
Alaska Mental Health Trust Authority
3745 Community Park Loop Suite 200
Anchorage, AK 99508

RE: Alaska Integrated Employment Initiative Advisory Board Recommendations

Dear Ms. Lofgren,

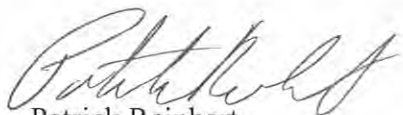
The Governor's Council on Disabilities and Special Education's Alaska Integrated Employment Initiative (AIEI) grant seeks to improve the employment outcomes for youth and young adults with intellectual and developmental disabilities. We recently held our AIEI Advisory Consortia Board meeting this past November with stakeholders comprised of individuals with disabilities, parent/family members, educators, providers, employers, and agency representatives. The feedback that we received from these stakeholders was very strong regarding two recommendations that they would like us to relay to the Trust:

1. The AIEI Advisory Consortia Board would like to recommend that the Trust invest seed money to determine a better rate basing methodology which would incentivize the fading of employment supports by service providers, such as outcome payments/paying for performance. The consortia feels that such new rate structures would be instrumental in increasing not only the utilization of employment services over other day services, but would also ensure their proper use in fading supports over time to make sure that recipients are ultimately able to become as self-sufficient and independent as possible.
2. The AIEI Advisory Consortia Board would also like to recommend that the Trust invest seed money into creating an online "DB101" (Disability Benefits 101) calculator for Alaska to accompany the 2-tier benefits analysis training which is being created. The consortia feels that this will be very useful particularly for individuals and families to be able to see how paid employment impacts an individual's benefits and how they can work, maintain needed medical benefits and have safety nets to return to Social Security benefits if their situation requires. The inability to access current and accurate information about how paid employment impacts benefits and how needed health insurance can be maintained while working has been identified as one of the principal barriers to beneficiaries seeking jobs.

Thank you in advance for your consideration of these recommendations by our stakeholders.

Amanda Lofgren, Program Officer
December 17, 2014
Page 2

Sincerely,

A handwritten signature in cursive script, appearing to read "Patrick Reinhart".

Patrick Reinhart
Executive Director
Governor's Council on Disabilities and Special Education
3601 C St., Suite 740
Anchorage, AK 99503
(907) 269-8554