Trust
Alaska Mental Health Trust Authority

3745 Community Park Loop, Suite 200
Anchorage, Alaska 99508
Phone: 907-269-7960
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Planning Committee
Agenda
3745 Community Park Loop, Room 120
August 6, 2015

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

Call in number: (866)-469-3239; Session Number: 808 382 604 #; Attendee Number: #

Thursday, August 6, 2015

		Page No.
9:00 am	**Call to order (Paula Easley, Chair)**	
	• Announcements	
	• Approve agenda	
	• Approve minutes	
	• April 16, 2015	**3**
	• History of Planning Committee	**12**
9:10 am	**AK Behavioral Health Systems Assessment Update**	
9:30 am	**FY17 Briefings – Budget Overview and Prioritized List of New Opportunities**	
	• Trust FY16 and FY17 Approved Budget	**15**
	• FY16/17 Budget Briefing Memo	**16**
	• Mini Grant Overview	**23**
10:30 am	**Break**	
10:45 am	**Program Related Investment – Potential Projects**	**32**
11:30 am	**Working Lunch: Medicaid Expansion/Reform & Criminal Justice Reform Capacity Issues**	
12:45 pm	**Break**	
1:00 pm	**FY17 Briefings - Continued**	

1:00 pm	Non Focus Area
1:30 pm	Substance Abuse Prevention & Treatment
2:00 pm	Beneficiary Employment & Engagement
2:30 pm	Break
2:45 pm	Housing and Long-term Services & Supports
3:15 pm	Workforce Development
3:45 pm	Disability Justice
4:15 pm	Questions / Follow-up

4:30 pm **Adjourn**

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Future Meeting Dates

Full Board of Trustee / Finance / Resource Management / Planning

(updated 06/01/15)

FY15/16 - Finance Committee Dates:

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

FY15/16 – Resource Management Committee Dates:

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

FY15/16 – Planning Committee Dates:

- 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:

- 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

PLANNING COMMITTEE

April 16, 2015

9:06 a.m.

Taken at:

Alaska Mental Health Authority
3745 Community Park Loop, Suite 200
Anchorage, Alaska 99508

OFFICIAL MINUTES

Trustees present:

Paula Easley, Chair
Mary Jane Michael
Russ Webb
John McClellan
Larry Norene

Trust staff present:

Jeff Jessee
Steve Williams
Miri Smith-Coolidge
Kevin Buckland
Marilyn McMillan
Valette Keller
Carrie Predeger
Carley Lawrence
Amanda Lofgren
Natasha Pineda
Mike Baldwin
Luke Lind
Katie Baldwin-Johnson
Cat Rock

TLO staff present:

Marcie Menefee
John Morrison
Leann McGinnis

Also participating:

Carlton Smith; Christopher Cook; Kate Burkhart; Kathy Craft; Betty Robart (via speakerphone); Heidi Wailand, Agnew::Beck.

PROCEEDINGS

CHAIR EASLEY calls the Planning Committee meeting to order and does a roll call. She states that John McClellan, Larry Norene, Mary Jane Michael are present, and Carlton Smith and Chris Cook, the two appointees, are sitting as observers and not participants as committee members.

MR. JESSEE states that the Governor has called the Legislature into joint session for confirmations on Friday morning. He adds that there may or may not be a confirmation vote on Friday.

CHAIR EASLEY asks for any recommended changes to the agenda.

MR. JESSEE states that he has an announcement. He announces that the Trust has a new employee whose name is Cat Rock. She will work as the budget controller and comes from the Department of Administration - DMV with a lot of accounting experience.

CHAIR EASLEY welcomes Cat and asks for any other announcements. There being none, she moves to the minutes of January 27, 2015.

TRUSTEE WEBB makes a motion to approve the minutes of January 27, 2015.

TRUSTEE McCLELLAN seconds.

There being no objection, the motion is approved.

CHAIR EASLEY moves to the minutes of February 23, 2015.

TRUSTEE WEBB makes a motion to approve the minutes of February 22, 2015.

TRUSTEE McCLELLAN seconds.

There being no objection, the motion is approved.

CHAIR EASLEY moves on to a report on the Alaska Behavioral Health System Assessment and recognizes Mike Baldwin.

ALASKA BEHAVIORAL HEALTH SYSTEM ASSESSMENT REPORT

MR. BALDWIN states that Heidi Wailand, the contractor with Agnew::Beck, will give an update on the Alaska Behavioral Health Systems Assessment.

MS. WAILAND thanks all and states that today the report is mostly more on the quantitative side. She continues that very good relationships and support from the partners continue and, in particular, DBH and the tribal partners have been amazing on this project. She adds that significant efforts have been made to really engage them in the actual collection and analysis of information about the tribal system. She continues that there are some important recommendations that will help give some direction moving forward as a collective.

MR. BALDWIN states that one of the things where this collaboration has really paid off and the tribal health system has been a good partner is that in the development of the RFP there were a lot of assumptions around where the data would be coming from. He continues that in getting in and trying to find data in the system there was a realization there were some things that were unknown to the developers of the project when the scope was written.

CHAIR EASLEY recaps that what was asked for was to define the public health system, the behavioral health system, to describe the system, to estimate the total need, to estimate the total likely demand, analyze the current utilization, and the unused capacity, and estimate the unmet need and the unmet demand, the need for capacity expansion, and make recommendations.

MS. WAILAND responds that those are definitely the goals that are being worked toward and that is a great overview of the goals of this project. She states that there will be a component that will just be a description of the system, and then there will be the findings from both the qualitative and the quantitative. She continues that DBH uses four planning regions, and the intent is to strike a balance between what is going to be most useful to the regions as a planning tool versus what is needed at a planning level. She provided a handout which is a list of reports that have been created to date, and then talks about creating the meaningful data. She explains the limit of the data and moves on to the expected timelines. She states that the other handout was SAMHSA's ideal continuum behavioral health care. She continues that this is the continuum of care that the Mat-Su Health Foundation has been using for their analyses in their behavioral environmental scan. This pointed to the direction of potentially using this continuum of care in thinking about the publicly funded behavioral health care system in Alaska. She adds that one of the reports shows the number of clients receiving each type of procedure or service in the system and gives peer support services as an example. She states that this continuum of care mapping with the number of clients receiving services in each of the areas could be a real powerful part of that regional report.

CHAIR EASLEY asks for any questions.

A question-and-answer session ensues.

TRUSTEE WEBB states that one of the goals in this project was to set the stage for gathering the information on a continuing basis for an ability to look at the results of what is being done.

The questions and discussion continues.

CHAIR EASLEY thanks Ms. Wailand, and moves on to Medicaid expansion. She recognizes Nancy Burke.

MEDICAID EXPANSION

MS. BURKE begins with updates in the Legislature, and asks Mr. Jessee to continue.

MR. JESSEE states that there are two sets of bills, the Administration's bills; one in the House and one in the Senate. They have some reform elements, but the main point of those bills is expansion, and both are going through the process. He continues that there are also two bills, one in each body, that are referred to as the Pete Kelly Bills, which came out of Senator Kelly's office. He adds that it is fair to describe those as focused exclusively on reform, as opposed to expansion. He goes into greater detail, explaining as he goes along.

CHAIR EASLEY asks if and when there will be a special session to address this.

MR. JESSEE replies that he thinks they will extend, explaining his reasoning.

CHAIR EASLEY asks if Ms. Burke will address what staff and the advocacy groups are doing with regard to Medicaid expansion.

MS. BURKE states that she will go through the advocacy and highlight how staff is approaching working on these issues. She continues that this Medicaid expansion is critical in terms of the priorities and how the services get delivered, particularly for alcohol and addiction services. The population that is covered under expansion is that some are currently excluded from eligibility for Medicaid coverage because they do not have the type of disability that is allowable by the Social Security Administration to go on SSI. She explains that this expansion opens the eligibility for services to everyone under that cap, which in Alaska is about $20,000. She goes through the population and services in greater detail and states that, from the Trust perspective, this issue is No. 1 to move through the legislative process. She adds that public sentiment is also running very strong. She continues that advocacy is being monitored, and in Anchorage there is a group of churches that comes together and works on social issues. She adds that they planned a rally to bring out their members to support Medicaid expansion in these last days of the legislative session just to have their voices heard. She moves on, stating that on staff there are a couple of different expertise areas, and she goes through some of that activity.

CHAIR EASLEY asks if this is just related to Medicaid expansion and not to conflict-free case management.

MS. BURKE replies that the conflict-free case management is a component of the reform that is going to happen. She explains that it is a federal rule coming down from CMS and would probably be under the category of reform.

MS. PINEDA states that they are separate. She continues talking about the two projects that were funded at the last Finance Committee meeting. She explains that she has been working with the Medicaid expansion that is being called the Medicaid Redesign and Expansion Technical Assistance. It is housed in the Commissioner's office with Chris Ashenbrenner and Monique Martin as the main contacts in the Department working on that. She goes through

some of the process, stating that May 22 is the anticipated date of issuing the award. She adds that she can provide copies of the new RFP and send it out to all the Trustees to look at the detail.

CHAIR EASLEY asks Mr. Jessee, on the Medicaid expansion, how procedurally the Beneficiaries in the prison system who need behavioral health services are handled.

MR. JESSEE replies that the Department has a health service system internal to the correctional system. He continues that each prison has a clinic and nurses and provides a lot of the medical care in the facilities themselves. He goes on, explaining in greater detail.

MS. LOFGREN gives a quick update on the second RFP for the reform piece. She states that in addition to the expansion RFP, there was funding approved in January for the 1915(i) and (k) implementation plan, which is Section 1915 of the Social Security Act. She adds that this is a joint project with the Advisory Board and the Department. She continues that the first steering committee meeting was held last week, and the intent is to have the RFP go out May 15 with the contractor on board August 1 to look at how the current system can be reformed with using the 1915(k) and (i) options through Medicaid.

MS. PINEDA adds that both are working really closely and making sure that Monique at the Commissioner's office is actively engaged.

A short question-and-answer session ensues.

TRUSTEE WEBB thanks all for all the hard work being done and for keeping the Trustees up to date. It is a huge undertaking with a tremendous number of moving parts, all of which have to be coordinated effectively.

MS. BURKE states that it is important for Trustees to also consider the way that the Trust is able to help the Department. She continues that the Trust has for a very long time supported the capacity of the Department.

MR. JESSEE states that the behavioral health providers have been particularly concerned about the Medicaid rates not covering the cost of care. Providers are having to pull from grant dollars to supplement what Medicaid pays, which is why the Behavioral Health Association was neutral on Medicaid expansion. He continues that staff was involved in helping to broker a deal between the Behavioral Health Association providers and the Department where the Department has agreed to a rate adjustment for behavioral health based on the Consumer Price Index starting in FY17. This comes with a commitment to do a cost-based reimbursement review and rate adjustment for FY18. Based on that, the Behavioral Health Association changed their position from neutral to supportive.

CHAIR EASLEY asks for anymore comments or questions. There being none, she moves on to the 50-page book in the packet with an interesting chart on page 28, which is the clients served by independent care coordinators by region and waiver types. She asks Ms. Lofgren to continue.

MS. LOFGREN goes through her presentation beginning with a definition of person-centered planning, that every individual must receive that in a conflict-free setting. She explains that individuals who receive case management services must receive that from an agency that does not also provide those direct services. She states that this completely changes the way that services are delivered here in Alaska. She goes through, explaining in greater detail. She states that the book in the packet actually identifies all of the components that need to be addressed over the next several months to define very clearly and articulate better. She states that four options were identified: First option allows existing agencies to provide services; second option was a designated entity, one per region, that would provide case management; third option is providing some entity that acts as an intermediary that provides the quality assurance, the administrative oversight, and potentially the billing for individuals; option four is all three of the options compiled together for the need of multiple agencies, nonprofit, for-profit that provide that administrative oversight for the case management entities.

A discussion ensues on the conflict-free case management.

MS. LOFGREN states that it is important to acknowledge that there is clarification from CMS that existing waiver recipients receiving services will not lose their services due to this change. She continues that this is probably the largest change that has happened to the Senior and Disability Services System and is occurring really fast. She adds that another component is working closely with the Department of Labor and the Trust Training Cooperative and the partners through the workforce development to make sure that when the decision is made to go forward that the training is ready to make sure that the capacity is there.

The discussion continues.

MS. LOFGREN states that they will continue to be very involved in this process going forward and will report back on a regular basis to keep all apprised of what is going on. She adds that it is very important to make sure that it is all tied together and that there is continuity.

CHAIR EASLEY calls a break.

(Break.)

CHAIR EASLEY calls the meeting back to order.

MS. LOFGREN states that $232,778,000 is the amount of money that gets paid out to provide services under the four waivers. She thanks the Trustees for allowing her to present.

CHAIR EASLEY thanks Ms. Lofgren and moves on to the matter of re-entry, prison coalition.

RE-ENTRY, PRISON COALITION

MR. WILLIAMS begins with an overview of what has been going on around the state in terms of current re-entry efforts. He states that there are a number of different groups focusing on recidivism, trying to figure out strategies for reducing the incidents of recidivism not only for

Trust Beneficiaries, but also nonTrust Beneficiaries. He goes through a short presentation, explaining as he goes along. He states that there are five local re-entry coalitions that are grassroots-oriented and have been around since about 2014. They exist in Anchorage, Fairbanks, Dillingham, Mat-Su, and Juneau. He adds that the most active and developed of these coalitions is the one in Juneau. He states that these re-entry coalitions are critical because they are the link to returning citizens or offenders coming out of Corrections. The re-entry coalitions are made up of providers, advocates, concerned citizens, family members, and are envisioned to be the lynch-pin to the community where someone is going to be restored. Again, they are all grassroots with no staff associated with them right now. He states that the last piece is the Alaska Prisoner Re-entry Initiative whose framework was developed by Dennis France with the Department of Corrections. It is initially focused on looking internally to Corrections on how a person is engaged. He continues that they will also be worked with to change their practices as it relates to their offender management plan, and then be actively engaged with the community when someone leaves their institutional care.

TRUSTEE MICHAEL asks if the coalition is volunteer case management for people coming out.

MR. WILLIAMS replies yes, and explains how it came about. He moves on to a visual to show how these various things interface, and explains it in greater detail.

A short discussion ensues.

MS. PINEDA states that what is interesting about the re-entry coalitions is that they are more of an organic community process where the re-entry coalitions are specific groups of people that are selected and brought into the group because they can help provide specific services for citizens that are returning to the community. They are services providers, agencies that are specifically typed to those needs and is a bit more structured than other coalitions from the past. She adds that they are doing everything out of the volition of their own desire to help the people in their community and improve their community. She goes through and explains the coalition coordinators' responsibilities, which are pretty extensive. She states the hope to provide seed funding so that they can get organized, have really clear plans, clear visions with in-reach into the institutions, more formalized, more effective, which leads to better outcomes for Beneficiaries when they come into communities. She goes over the assessment, stating that these are the most comprehensive lists with important areas that will help better understand what can and cannot be provided to returning citizens. She continues that they will be able to understand the housing options, transportation options and all those areas. She adds that when these assessments are completed, the coalitions will be in a position to apply and hopefully secure other funds.

The discussion continues.

CHAIR EASLEY moves on to updates and recognizes Kathy Craft.

MS. CRAFT states that after the last health workforce data collection there were concerns with regard to the limitation of just gathering vacancy data. She continues that the surveys were customized to find out the difficulty on employing the types of occupations that they would have

in their agency. She states that the survey was piloted with about 12 agencies last week and met with positive response. She continues that the surveys are going out with the hope to have all of them back by the end of May. The data collection will start over the summer, and the report should be written and ready by early fall. She adds the hope that this -- coupled with other information that the Department of Labor collects -- will result in a broader viewpoint of the health workforce data. She briefly goes over the loan repayment incentive and breaks out the 55 behavioral health occupations that are participating in the loan and incentive program: 17 counselors; 16 social workers; 10 psychiatrists; six psychologists: three physicians' assistants; and three nurse practitioners. She adds that they are also working with the McDowell Group to ensure that the mission of the Trust Training Cooperative still meets stakeholder needs.

CHAIR EASLEY thanks Kathy and recognizes Katie Baldwin.

MS. BALDWIN-JOHNSON asks that Natasha Pineda present the SAPT Focus area.

MS. PINEDA gives a quick update for the polling strategy and explains that it is a work group of Recover Alaska, as well as a part of the focus area around Substance Abuse Prevention and Treatment. She explains that it is going to be a comprehensive statewide poll that will look at knowledge, attitudes, and beliefs around alcohol and substance abuse. She states that the first full draft of the actual survey was just received and will be meeting with the broader work group tomorrow to work on it.

MS. BALDWIN-JOHNSON gives a couple of quick updates, beginning with partner updates. She states that Recover Alaska is moving forward with their executive director seat. The Sultana New Ventures, LLC, which is a subsidiary of Foraker, is the new fiscal sponsor for Recover Alaska, which will be a benefit to that effort.

CHAIR EASLEY asks Ms. Burke about housing.

MS. BURKE states that she will hold off on that because of the time.

CHAIR EASLEY calls attention to the Alaska Scorecard on page 111, and states that it is exciting hearing all this on data and how it is being used to advance our programs.

MR. BALDWIN states that in the fall the plan is to go through the process of pulling together stakeholders to look at the scorecard to make sure the indicators are still appropriate to be tracking. There will be more updates coming.

CHAIR EASLEY recognizes Carley Lawrence.

MS. LAWRENCE states that last year a $500,000 appropriation was received from Senator Kelly for a fetal alcohol spectrum disorders media campaign. She is pleased to announce that the campaign launched on Monday, and will send links to the Trustees. She continues that it will have components of social media, on-line ads, and radio in communities across the state.

CHAIR EASLEY asks for anything else to come before the Planning Committee.

TRUSTEE WEBB makes a motion to adjourn.

There being no objection, the motion is approved.

(Planning Committee adjourned at 12:04 p.m.)

The TRUST
The Alaska Mental Health Trust Authority

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To: Paula Easley, Planning Committee Chair
From: Bill Herman, Evaluation and Planning Officer
Date: 4/23/2014
Re: **History of the Planning Committee & my opinions**

MEMO

BACKGROUND

What follows is my approximation of the history of the Planning Committee, by dusting off my 18 years of memories by sporadically scanning agendas over the years from our computer files. Dates are approximate. Also, I offered more detail previous to 2009, as most current Trustees will remember issues back to that year.

Trust Planning Committee over the years

1996 & 1997 Separate Program & Planning Committee, Kay Burrows chair

Issues:

Mission and guiding principles first adopted
Harborview deinstitutionalization to community services
Basic relationships of planning within Trust and with Boards were established
First envisioning of the Comp Plan

Comp Plan:

Began with DHSS completing a bound document in conjunction with the Trust, in 5 year cycles & with annual updates
Largely a review of DHSS beneficiary programs

1997 to 2006 Separate Program & Planning Committee, John Malone chair

Issues: (Issues were largely driven by Trustees, along with DHSS & Statutory Boards advocacy)

Getting **Department of Corrections** (DOC) into beneficiary planning process (Malone 1997)
DOC planner funded
DOC Women's Mental Health program added
Improved DOC men's mental health units
Title 47 issues

Integration
Substance abuse/mental health
Integration of AMHB & ABADA

Data
Data integration/data warehouse ($750.0 total) 1997-1999
Implementation of AKAIMS 1997-1999
Beneficiary survey conducted 2003

Medicaid: Vision, Hearing & Dental (increases in coverage)
API new downsized facility, community services v fully funded
Tribal & rural: Rural Outreach Committee & outreach trip (S. LaBelle 1997- 2004)
Housing: AHFC, beneficiary owned homes, individualized development accounts
Alcohol tax increase in 2002 (½ of generated revenue went to related programming)
Focus Areas begun 2005, selected by vote by Trustees & staff, and board Executive Directors

Comp Plan:

By DHSS in 5 year cycles with annual updates
Life domain indicators & related strategies
Status of beneficiary programs
Added: Emerging issues & trends

2007 to 2009 Planning Committee OF THE WHOLE, Margaret Lowe chair

Issues:

Emphasized programmatic concerns within focus areas
Separate subcommittee's reported to Planning Committee of whole:
Rural Outreach Trip and Technical Assistance
Coordinated Communications

Comp Plan:

Becomes web based
Results Based Accountability (RBA) advanced: Alaska Scorecard, start of RBA based planning

2009 to 2012 Planning Committee OF THE WHOLE, Paula Easley chair

2012 to 2014 Separate Planning Committee Paula Easley chair

OPINIONS AND SUGGESTIONS

Finally, I offer my personal opinions of what seemed to work or what didn't regarding the Planning Committee. I also offer my suggestions for what Planning Committee structure I think would work best.

WHAT WORKED, WHAT DIDN'T

FIRST YEARS OF PLANNING COMMITTEE

1. PLANNING COMMITTEE RELIED UPON: I don't recollect the full Board ever second guessing this committee's recommendation. Trustees not on the committee rarely attended.
2. BUILDING RELATIONSHIPS: First years were spent establishing effective relationships with state government, DHSS and the Statutory Boards.
3. TRUSTEES WITH PROGRAM BACKGROUNDS: Trustees primarily came from programmatic backgrounds, so programmatic issues were paramount. We had one "money" Trustee and one "land" Trustee.
4. CONFRONTED LARGE ISSUES: Closing of Harborview Center in Valdez was successfully completed, after years of legislative inaction.
5. HEAVY RELIANCE ON STATUTORY BOARDS: Boards gave up to 120 funding recommendations; Trustees funded about 30 each year, usually for three year durations.
6. COMP PLAN NOT USED: Comp Plan was used by DHSS to defend its programs, was not a factor in directing Trust planning. DHSS came in with specific concerns. DHSS Commissioner attended practically all meetings for their duration.

MALONE YEARS

1. COMMITTEE ISSUES DIRECTED BY MALONE:
    a. Trustee Malone used the committee to push his issues of concern, which were largely valid.
    b. He would recommend program intent and funding amounts, and Trustees largely followed his play, with little second guessing.
    c. There was an increasing staff discomfort, and some Trustee discomfort, with the dynamics.
    d. Trustees not on the committee rarely attended, trusting the committee process.
2. BUILDING RELATIONSHIPS: Focus shifts to tribal/rural, DOC, AHFC relationships. Largely directed by John Malone and to a lesser extent by Susan LaBelle.
3. TRUSTEE PROGRAM BACKGROUND WEAKENS: Over time, program interests wane.

4. STILL LARGE ISSUES ADDRESSED:
    a. Largely successful downsizing of API (but community services were never fully supported by legislature)
    b. DOC mental health units were vastly improved
    c. Title 47 problems were reviewed, not much successfully changed
    d. Data improvement issues were emphasized, but were unsuccessful in creating usable information.
5. RELIANCE ON STATUTORY BOARDS WEAKENS:
    a. In the later years, Trustees gave up on reviewing 120 board funding recommendations, each for 3 yrs
    b. Focus areas began, by voting at one meeting
6. DATA & COMP PLAN NOT USED: Frustration with lack of client outcomes data & population level planning

COMMITTEE OF THE WHOLE

1. GOAL: INCREASE FULL BOARD PROGRAMMATIC AWARENESS. It didn't work. Trustees who were disinterested walked out of the meetings. Those that did attend felt information was repeated at Full Board meeting.
2. PARTNERSHIP WITH DHSS COMMISSIONER HOGAN ON RBA
    a. Alaska Scorecard built
    b. Divisions more open to collaborative planning and data driven accountability
3. TRUSTEE PROGRAM BACKGROUND WEAKENS FURTHER
4. FINANCE COMMITTEE BEGINS TO TAKE ON PROGRAMMATIC REVIEW FUNCTIONS

MY RECOMMENDATIONS FOR THE COMMITTEE

1. Planning Committee should direct the Trust's planning, programming, and evaluation via RBA principles:
    a. POPULATION- LEVEL THINKING: identify major areas of concern and recommend Trust action
    b. EVALUATION: Develop data feedback loops on programs, continue to enhance data gathering
    c. UNDERSTAND PROGRAM DETAILS: Delve into programmatic issues other Trustees are not inclined to dig into; develop logical arguments for program/focus area maintenance and improvements.
2. Planning Committee should use its programmatic expertise to gain full understanding of funding changes requested, and accordingly, handle them:
    a. Approve expenditure of authority funds to implement Trust Authority-approved Focus Area allocations or bundles of an unlimited amount for a state fiscal year so long as the total annual budget approved for this purpose for the same fiscal year is not increased.
    b. Approves authority funds for individual Partnership Grants, General Authority Grants and Trust Directed Projects in amounts up to $50,000 awarded to a specific recipient.
    c. Recommends to the Trust Authority individual Partnership, General Authority Grants and Trust Directed Projects in amounts over $50,000 for each specific recipient.
    d. Approves Changes of Intent for MHTAAR grants involving the carry-over from one state fiscal year to the next.

Trust FY16 and FY17 Approved Budget can be found at this link:

http://mhtrust.org/meeting/meeting-1418000981/

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BACKGROUND

Trust staff was advised to determine the viability of FY16 & FY17 projects previously approved by trustees given the current budgetary, fiscal and political environment. There have been more recent pressing initiatives moving forward since development of the 16/17 strategies including Medicaid expansion and reform and a renewed emphasis on DOC reentry and recidivism reduction. There are several projects that have been either funded as a MHTAAR advisory board project in FY16 and unbudgeted in FY17 or have been a focus area project that was slated to be transitioned into GF/MH in FY17 but, at this time, there is no indication that this will occur. These are projects where some transition planning and extended funding may be needed to avoid shutting down an operational program providing services currently and for which focus area funds are not currently allocated.

Attached is a snapshot of the budget recommendations. Details on the new opportunities are on subsequent pages. The possible reallocations from non-focus areas and focus areas will be addressed in the planning committee meeting.

	FY16	FY17
Approved Budget (excluding Trust and TLO admin budgets)	**20,326.5**	**20,434.0**

Unfunded Trust Projects and Initiatives		
MHTAAR that likely won't transition to GF/MH		
Autism Resource Center		75.0
Juneau Mental Health Court		204.4
Assess, Plan, Identify, Coordinate (APIC) DOC Discharge Planning Model		260.0
Alaska Justice Information Center (included in Disability Justice Focus Area)		125.0
Identified New Opportunities, listed by priority		
Medicaid Expansion efforts: administrative costs	1,385.7	0
Division of Health Care services claims payment assistance	205.0	0
Conflict Free Case Management (presented to finance committee for FY16)	0	100.0
Behavioral Health Systems Assessment Follow-up	350.0	0
Comprehensive Integrated Mental Health Plan	200.0	200.0
Nonprofit Technical Assistance	0	TBD
Nonprofit Low-Interest Loans	0	TBD
TOTAL	**2,140.7**	**964.4**

Possible Fund Reallocations & Other Fund Sources		
Non Focus Area Allocations	285.0	250.0
Focus Area Allocations		
Housing and Long-Term Services & Supports		392.1
Workforce Development	30.0	55.0
Substance Abuse Prevention & Treatment		50.0
Disability Justice	27.5	100.0
Beneficiary Employment and Engagement		75.0
Other Trust Fund Sources		
Estimated Unobligated Prior Year Funds	996.0	TBD
Budget Reserves Above 400% of Annual Payout	31,200.0	TBD
Total	**32,538.5**	**922.1**

New Opportunities Identified

The following options, listed in order of staff recommended priority, could benefit from additional funding.

Medicaid Expansion efforts: administrative costs	**FY16 1,385.7**
Division of Health Care services claims payment assistance	**FY16 205.0**

Two RPL requests are being considered.

1. Division of Public Assistance Enrollment and Eligibility for $1,385.700 to match federal dollars to support funding 19-23 temporary positions for the FY2016 initial months of expansion enrollment which is anticipated to start September 1, 2016.
2. Division of Health Care Services Claims Payment for $205,000.00 for medical Assistance Administration positions.

These funds will match 50/50 federal receipts to assist with the administrative costs associated with the expansion of Medicaid in Alaska with an anticipated 20,066 Alaskans for enrollment in coverage.

What is the direct impact on beneficiaries?
Beneficiaries covered under expansion will have access to the same Essential Health Benefits current Medicaid recipients access, including inpatient and outpatient facilities/services, nursing facilities, clinical services, pharmacy, dental, mental and behavior health services. The new population eligible for coverage will include many beneficiaries with chronic substance abuse and mental health issues. Those who qualify will have access to mental health and substance use disorder services and are subject to parity requirements. There will be increased access to low cost pharmacy services, expanded services in rural regions and access to support services like transportation. Additionally, healthier beneficiaries can contribute to the healthier workforce. Furthermore, Alaska can expect a decrease in statewide mortality.

Is it something we should do because of long-term benefits?
Yes, expanding now will allow the state to take advantage of the increased federal match through the Patient Protection and Affordable Care Act. The match rate for newly eligible recipients is as follows (in calendar years):

- 2014-2016: 100 percent
- 2017: 95 percent
- 2018: 94 percent
- 2019: 93 percent
- 2020 and beyond: 90 percent

This timing is critical given that some programs that have provided funds for hospitals to care for indigent populations are being phased out over this same period of time. Without these funds, there will be fewer resources available for the uninsured and more of this type of care will need to be covered by state programs. A second compelling reason for expansion is that it will allow a shifting of high needs individuals who are currently impacting state general-funded grant programs to Medicaid. In an environment where state general funds will be the lowest they have been in many years, this is the time to expand and reform Alaska's Medicaid system.

Conflict Free Case Management	**FY17 100.0**

In March 2014, CMS issued the Home and Community Based Services final rule. The changes included in this final rule further advance efforts to increase individual control, community integration and improve the quality of life for the individuals receiving services. States were required to submit a transition plan for how they intend to implement the new rule, including a timeline (up to 5 years) in March 2015. Adapting to these changes, in addition to implementing the proposed new Home and Community Based Service Medicaid State Plan Options (which also require CFCM) will be the most significant system changes since the closure of Harborview, and it is imperative to have the infrastructure in place.

CMS clarified in October 2014 that states who have not already adopted Conflict Free Case Management, are out of compliance with their current approved Waiver plan. States who have demonstrated to CMS that they are actively transitioning towards CFCM will not be penalized. However, new or renewed (every 5 years) waiver applications will not be approved by CMS without CFCM in place. For Alaska, the Waiver renewal for our four current waivers is required to be submitted and approved by CMS on or before July 1, 2016.

The changes specific to Person Centered Planning that require Conflict Free Case Management have the most impact on Alaska's service delivery system. The rule states: "Providers of HCBS for the individual, or those who have an interest in or are employed by a provider of HCBS for the individual, must not provide case management or develop the person-centered service plan, except when the state demonstrates that the only willing and qualified entity to provide case management and/or develop person-centered services plans in a geographic area also provides HCBS. In these cases, the State must devise conflict of interest protections including separation of entity and provider functions within provider entities, which must be approved by CMS."

# of individuals affected:

4,343 individuals receive Medicaid Waiver services, with 42% receiving CFCM:

- Intellectual and/or Developmental Disability = 1,963 individuals with 17% receiving CFCM
- Alaskans Living Independently = 2,059 individuals with 68% receiving CFCM
- Adults with Physical and Developmental Disabilities = 78 individuals with 41% receiving CFCM
- Children with Complex Medical Conditions = 251 individuals with 19% receiving CFCM

# of organizations interested in keeping care coordination

- There will be direct impact on all SDS service providers; both who choose to provide CFCM and those that continue with direct services. Agencies that provided both care coordination and direct services will have to reevaluate their business plan and delivery model.
- SDS released a survey requiring all service providers to complete by August 3, 2015. The intent for the survey is to measure Alaska's capacity for conflict-free care coordination now, additional needs for the future, and rate-setting for person-centered care coordination.
    - To date, two existing agencies have decided to adopt CFCM; Alzheimer's Resource of Alaska and Southcentral Foundation

Behavioral Health Systems Assessment Follow Up and External Data Analysis Capacity Building	**FY16 350.0**

The Alaska Behavioral Health Systems Assessment will be completed in mid-August 2015. There have been significant data and systems knowledge, expertise and capacity gained in the course of completing this project. At a time of significant system and funding changes it is more important than ever to have data to address key questions about the system of care for Trust beneficiaries, as well as have adequate on-going data analysis capacity within the system to assist in decision making and planning.

We are proposing prioritizing funding to help support these functions, and maintain the gains made in the assessment project.

1. Additional Behavioral Health Systems Assessment data analysis. Funding would allow for procurement of additional data analysis. There are secondary data analyses that could assist in planning and the development of the Comprehensive Integrated Mental Health Plan.

   We are proposing that the Behavioral Health Systems Assessment be an on-going activity that the Trust assumes responsibility for facilitation, analysis, and monitoring on a two-year cycle. The first year is focused on the updating the main analysis of the system, while the second year is focused on analysis of secondary issues. To facilitate this activity, infrastructure and system data analysis capacity needs to be developed.

2. Developing Data Analysis Capacity. A key finding of the AK Behavioral Health Systems Assessment project is that at a time when information technology and data analysis are needed for system improvement and transformation for the benefit of Trust beneficiaries, the Division of Behavioral Health's technology, research, and analysis staffing model is insufficient and unsustainable. Preliminary conversations with DBH indicate that it is unlikely that they would have the capacity, given their current staffing and existing core responsibilities, to maintain the AK Behavioral Health Systems analysis. If the data analysis capacity is not available or possible within the existing state systems, then it should be developed externally. The Trust is in a key position to facilitate and manage the external capacity to help support the comprehensive integrated mental health program.

   Additional funding is being sought to help facilitate development of data analysis capacity to ensure on-going system monitoring in support of a Comprehensive Integrated Mental Health Plan and Program. Funds would be used to support a number of activities that include but is not limited to:

   - Assessment of data analysis capacity and develop an actionable plan for building capacity within DBH as well as externally. This would include exploration of hiring and training of a data analyst position within DBH or the Trust.
   - A series of data capacity summit meetings of key data analytic entities in the state (e.g. University departments, community-based contractors) to identify analytic resources that would lay the groundwork for a Trust based data analytic technical assistance resource and data center. The technical assistance and data center would allow for the integration of a broad variety of data to help facilitate the comprehensive plan.

Comprehensive Integrated Mental Health Plan	**FY16 200.0** **FY17 200.0**

Alaska statute specifies that Department of Health and Social Services (DHSS), in conjunction with the Alaska Mental Health Trust Authority, prepare and periodically revise and amend a plan for an integrated comprehensive mental health program. The most recent plan completed was for the years 2006-2011. There have been unsuccessful efforts to revise and update the plan in the succeeding years. Currently the state is out of compliance with the statute. Given the current situation of the state's financial situation, we are approaching a crisis point that will significantly impact the lives of Trust beneficiaries. A reduction of available funds, as well as anticipated drastic funding cuts over the next several years, coupled with Medicaid expansion create urgency in the need for having a current comprehensive plan.

Despite significant efforts by the Trust to facilitate and encourage an updated plan, a number of factors have contributed to previous efforts being unsuccessful. It is believed the change in DHSS leadership has created an environment more conducive to updating and developing a new plan.

Using the results of the Alaska Behavioral Health Systems Assessment as a starting point, funds would be used to reinitiate the planning and development of the Comprehensive Integrated Mental Health Plan with statutory partners and key stakeholders. If the administration is not open to collaboration, the Trust should pursue an independent strategic plan to serve as the Comprehensive Integrated Mental Health Plan.

Trust beneficiaries exist in all of the state systems, departments and divisions. The task of this project would be to assemble a comprehensive team of representatives across the departments and divisions as well as key stakeholders from community organizations. In particular, funds would be used to procure a contractor to convene statutory partners and key stakeholders through the plan development process.

With a goal of the development of an actionable plan by the end of FY17, potential activities would include, but not be limited to:

1. Facilitated key informant and stakeholder participation to gather data and input for plan development. While using teleconference and videoconferencing resources, some travel expenses might be necessary.
2. A scan of existing available data, reports and information, as well as the identification of missing data or information needed. Some data development or analysis might occur as a result of this scan.
3. A review of state and federal statutes, regulations and relevant legal decisions that mandate beneficiary related services and how that impacts the mental health, state operating and capital budgets.
4. Develop a process or mechanism by which the plan would be reviewed and amended as needed in future years.

Nonprofit Technical Assistance	**TBD**

Below are starting points for discussion on how technical assistance may be allocated and this may serve as a format to consider additional resources. The next step will be to hold key informant interviews with DHSS leadership, provider organizations, other funders, and the Foraker Group to align our efforts with those of the sector.

1. Advertise the pool of funds to nonprofits considering major changes at this time. Allow for proposals to be generated by the agencies with some guideline for our interest in funding:
    a. Nonprofits attempting to increase Medicaid billing, documentation and financial management. This may be particularly focused to Tribal organizations eligible for 100% FMAP (Federal Medical Assistance Percentage) resources through qualified service providers (638 entities). The Trust has previously partnered with DHSS and tribal behavioral health to fund efforts to assess and improve Medicaid reimbursable services within the Tribal Behavioral Health System. While this effort was perceived as beneficial, only a handful of tribal health entities participated due to limited contract resources and a lack of readiness and capacity of tribal entities to provide Medicaid reimbursable services at the time. Future work in this area will need additional financial investment to support a more comprehensive approach of assessment, prioritization of actionable recommendations and on the ground resource to assist with implementation.
    b. Nonprofits considering expansion of service provision under Medicaid expansion – particularly behavioral health providers who are contemplating increase of services to the newly enrolled Medicaid recipients.
2. Utilize resources to examine and assist new providers playing a larger role with Trust beneficiaries accessing behavioral health services through increased patient access at community health clinics.
    a. Increase resources through the Patient Centered Medical Home (PCMH) pilot projects.
    b. Via partnership funding and technical assistance support integration efforts through implementation of evidenced based practices effective in improving health outcomes for Trust beneficiaries in primary care and behavioral health settings.

Low Interest Loans	**TBD**

Low interest loans may be allocated in conjunction with the above TA efforts as a way to help organizations make changes prior to new services coming on line or to build infrastructure to change operations. This concept is to reserve some resources for nonprofits to request assistance in the form of loans to bridge critical periods of low resources or need for capital funds to expand services due to the changes in funding resources or Medicaid expansion.

If trustees are interested in pursuing this strategy, further discussion, analysis, and planning will need to be conducted to develop a comprehensive plan.

Trust
Alaska Mental Health Trust Authority

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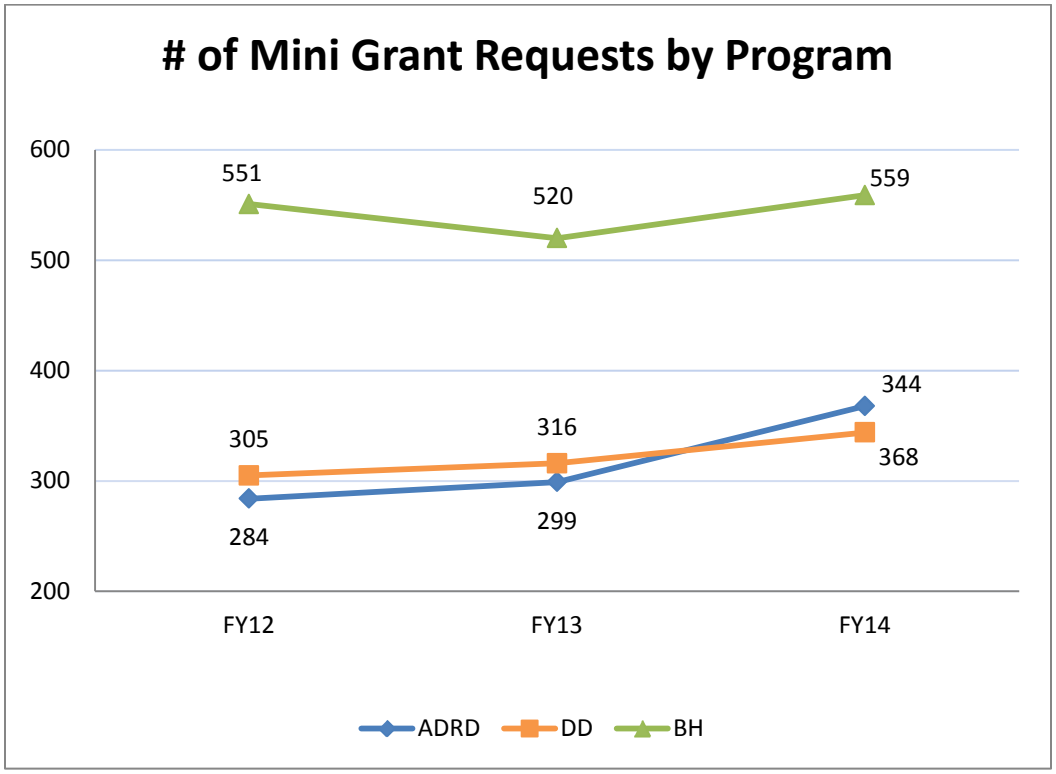
Mini Grant Program Overview, FY12 to FY14

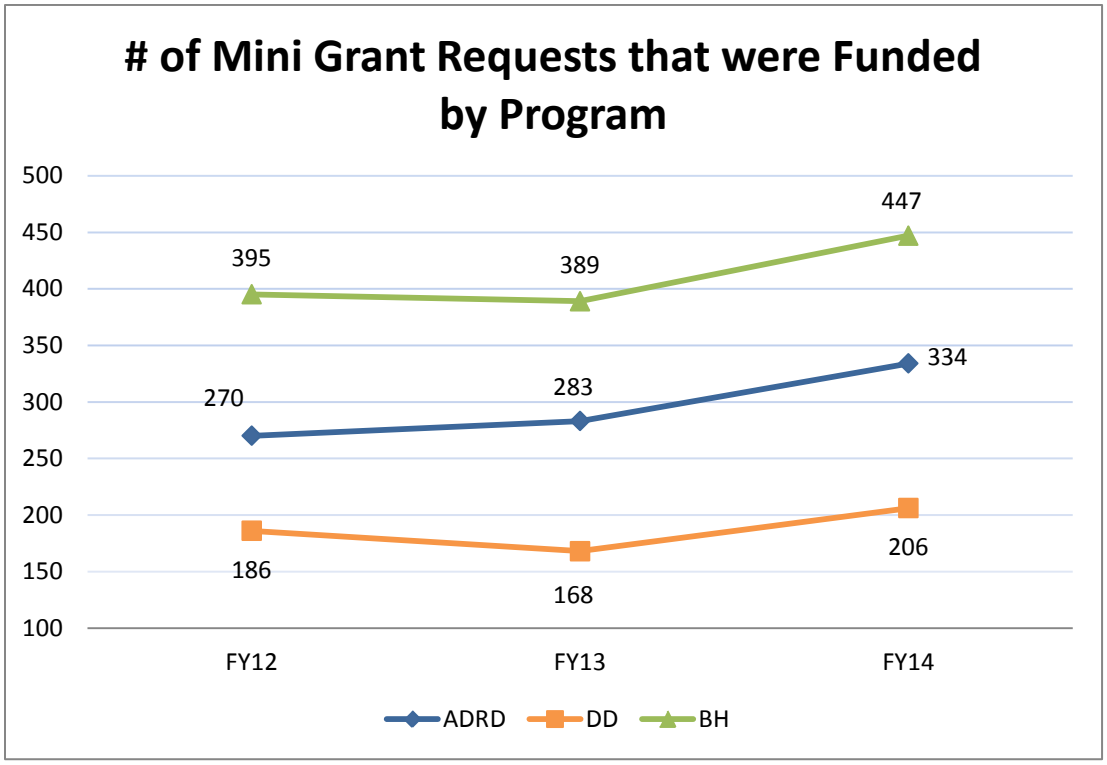
The Trust mini grant program provides individuals within all Trust beneficiary groups up to $2,500 annually for a broad range of equipment, supplies and services to improve their quality of life, increase independent functioning, and to help them attain and maintain healthy and productive lifestyles. A mini grant is based on need and is awarded either to an agency on behalf of the beneficiary, or to the beneficiary themself. Mini grants are available in the following categories:

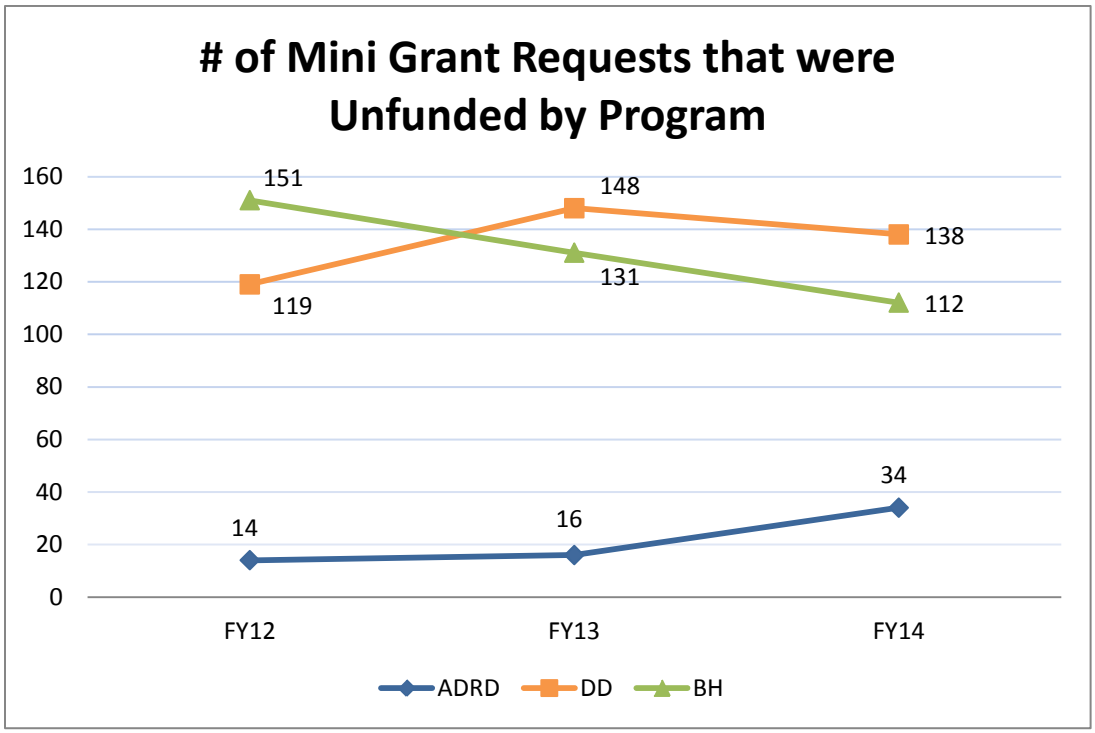
- Behavioral Health (BH) (Includes: individuals with mental illness, individuals with chronic alcoholism and other substance related disorders, and individuals with traumatic brain injury resulting in permanent brain damage)
- Alzheimer's Disease and Related Dementias (ADRD)
- Developmental Disabilities (DD)

The following information contains graphs and narrative that provides an overview of the Trust's mini grant programs from FY12 to FY14.

of Mini Grants Requested, Funded and Unfunded by Program



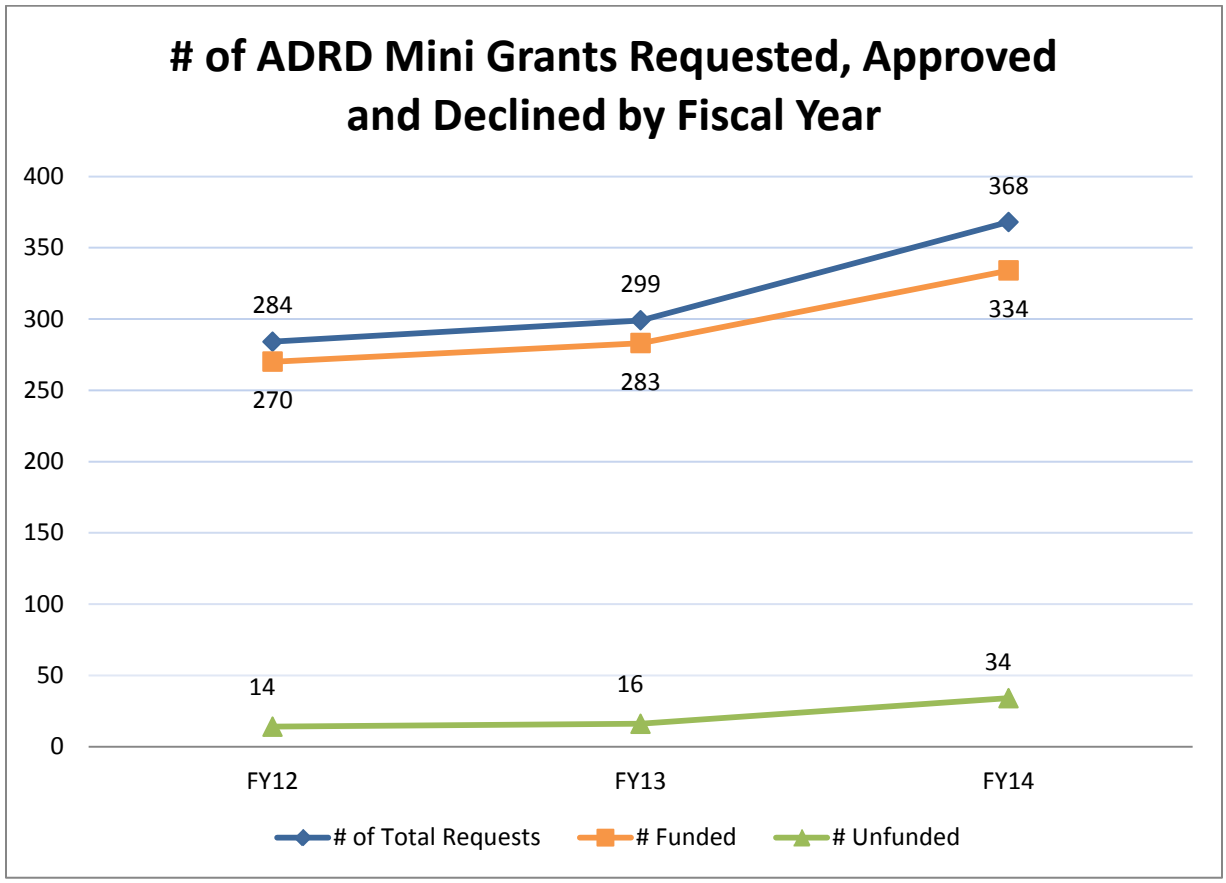

# of Mini Grant Requests that were Funded by Program
500
450
400
350
300
250
200
150
100
395
389
447
270
283
334
186
168
206
FY12
FY13
FY14
ADRD
DD
BH

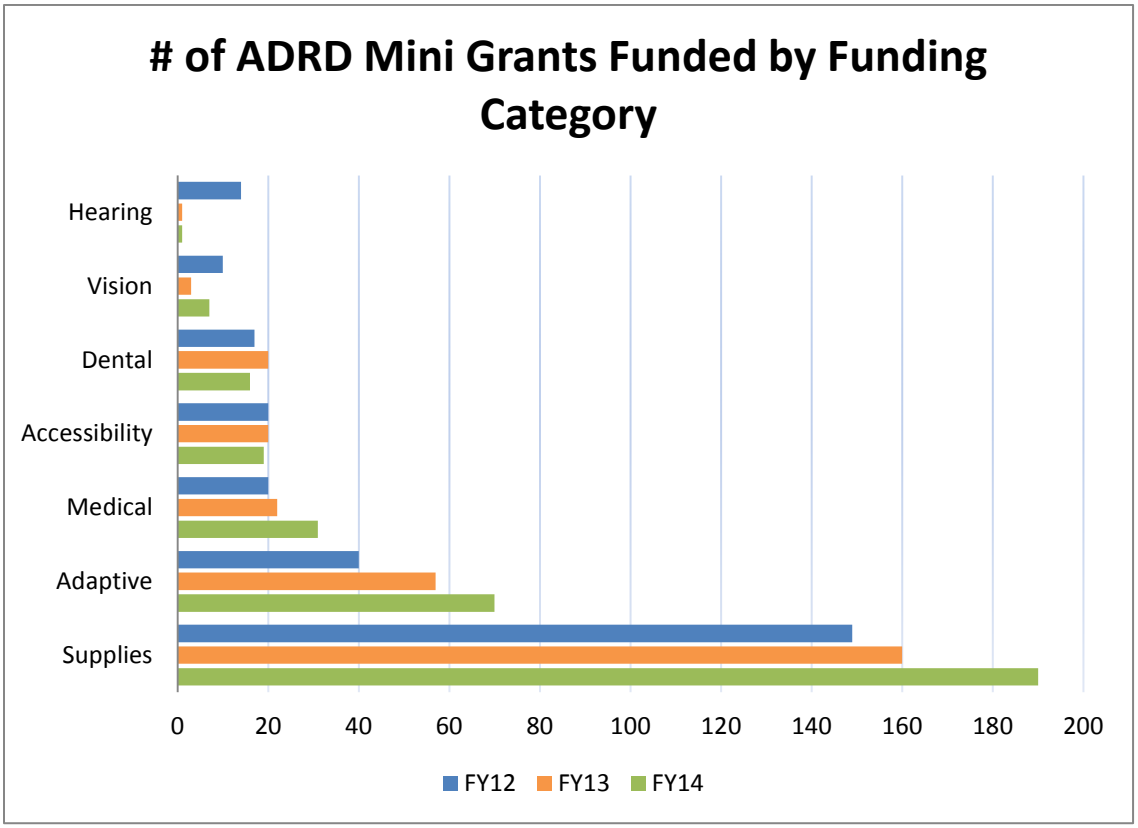

# of Mini Grant Requests that were Unfunded by Program
160
140
120
100
80
60
40
20
0
151
148
138
131
119
112
14
16
34
FY12
FY13
FY14
ADRD
DD
BH

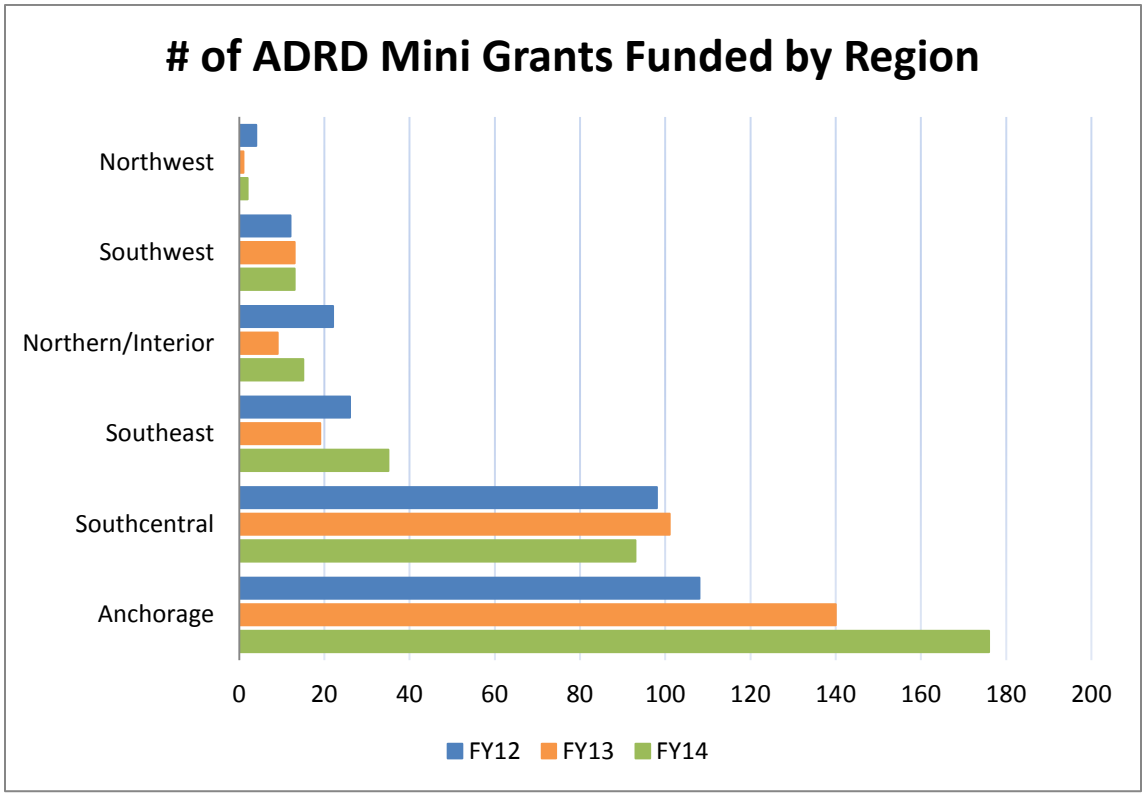
Alzheimer's Disease and Related Dementias Mini Grant Program

Since FY10, the Trust has awarded an Authority Grant to Alzheimer's Resource of Alaska to administer the Alzheimer's Disease and Related Dementias (ADRD) mini grant program.

	FY12	FY13	FY14
$ Amount of Available Trust funds for ADRD Mini Grants	$220,425	$220,425	$243,000
$ Amount of ADRD Mini Grant Requests that were Funded	$227,588 *includes funds from Alzheimer's Resource of Alaska	$218,440	$240,903
$ Amount of ADRD Mini Grant Requests that were Unfunded	Not Available	Not Available	$56,406



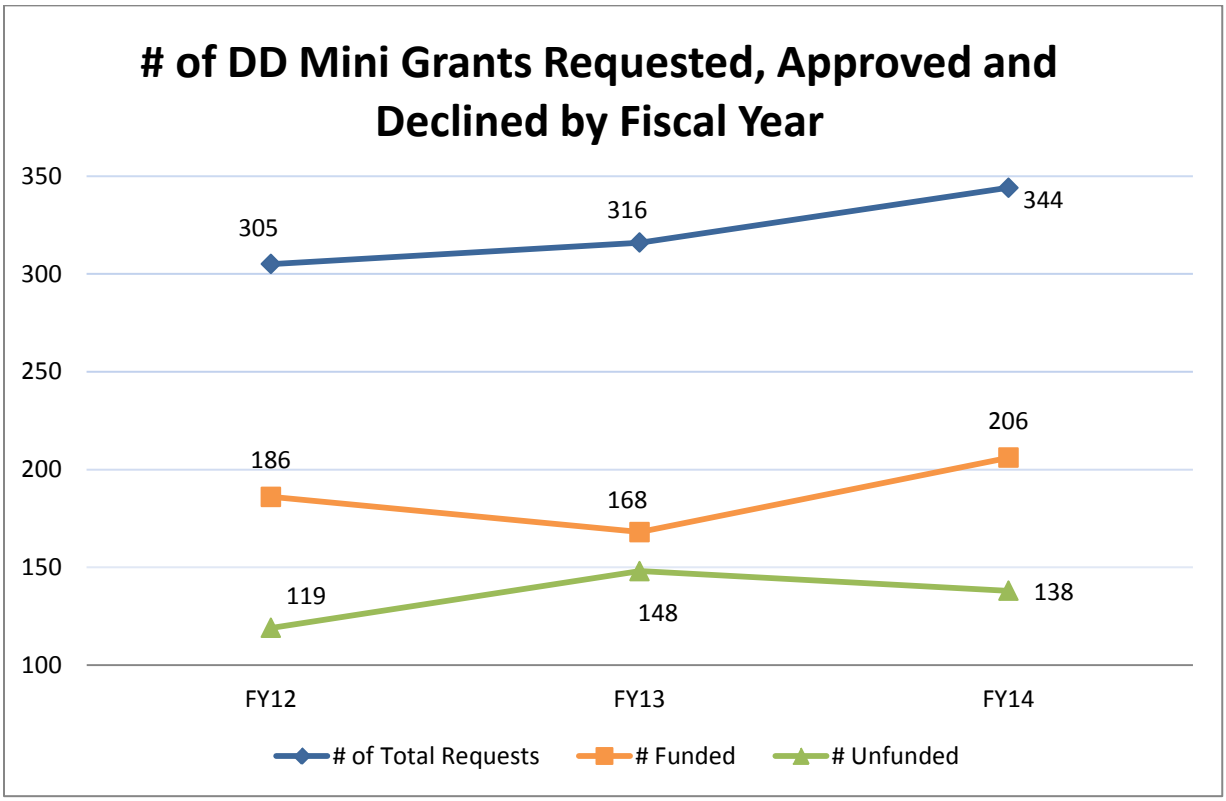

# of ADRD Mini Grants Funded by Funding Category
Hearing
Vision
Dental
Accessibility
Medical
Adaptive
Supplies
0
20
40
60
80
100
120
140
160
180
200
FY12
FY13
FY14

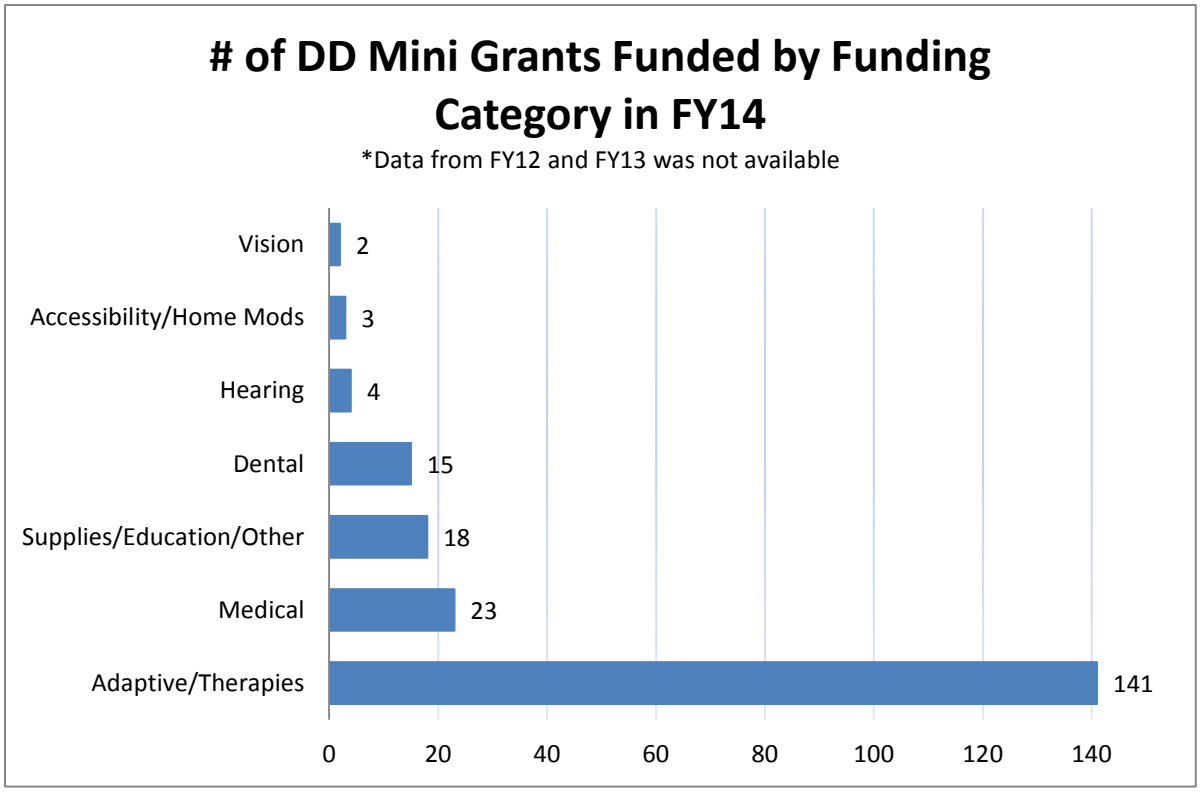

# of ADRD Mini Grants Funded by Region
Northwest
Southwest
Northern/Interior
Southeast
Southcentral
Anchorage
0
20
40
60
80
100
120
140
160
180
200
FY12
FY13
FY14

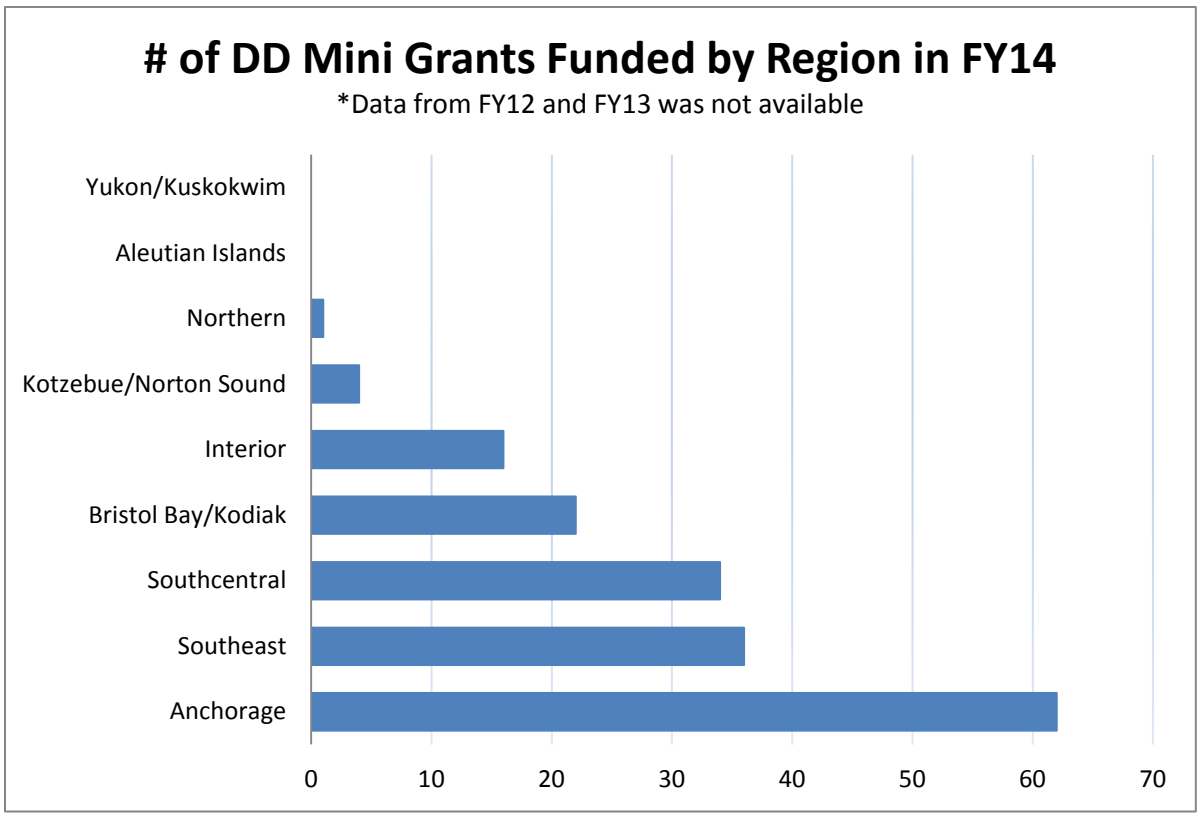
Developmental Disabilities Mini Grant Program

The Division of Senior and Disabilities Services (SDS) receives MHTAAR funding from the Trust to manage the Developmental Disabilities (DD) mini grant program. Since FY10, SDS has awarded a grant to the Stone Soup Group to administer the program. **Please note, not all mini grants that were funded in FY14 are represented in the following graph: *# of DD Mini Grants Funded by Region in FY14*. Trust staff is working with our grantee, SDS, and the contractor, Stone Soup Group, to gather more accurate and reliable data for future reporting.

	FY12	FY13	FY14
$ Amount of Available Trust funds for DD Mini Grants	$227,500	$227,500	$227,500
$ Amount of DD Mini Grant Requests that were Funded	$238,729 *includes funds from the Division of Senior and Disabilities Services	$227,500	$227,497
$ Amount of DD Mini Grant Requests that were Unfunded	$246,769	$233,823	$296,811



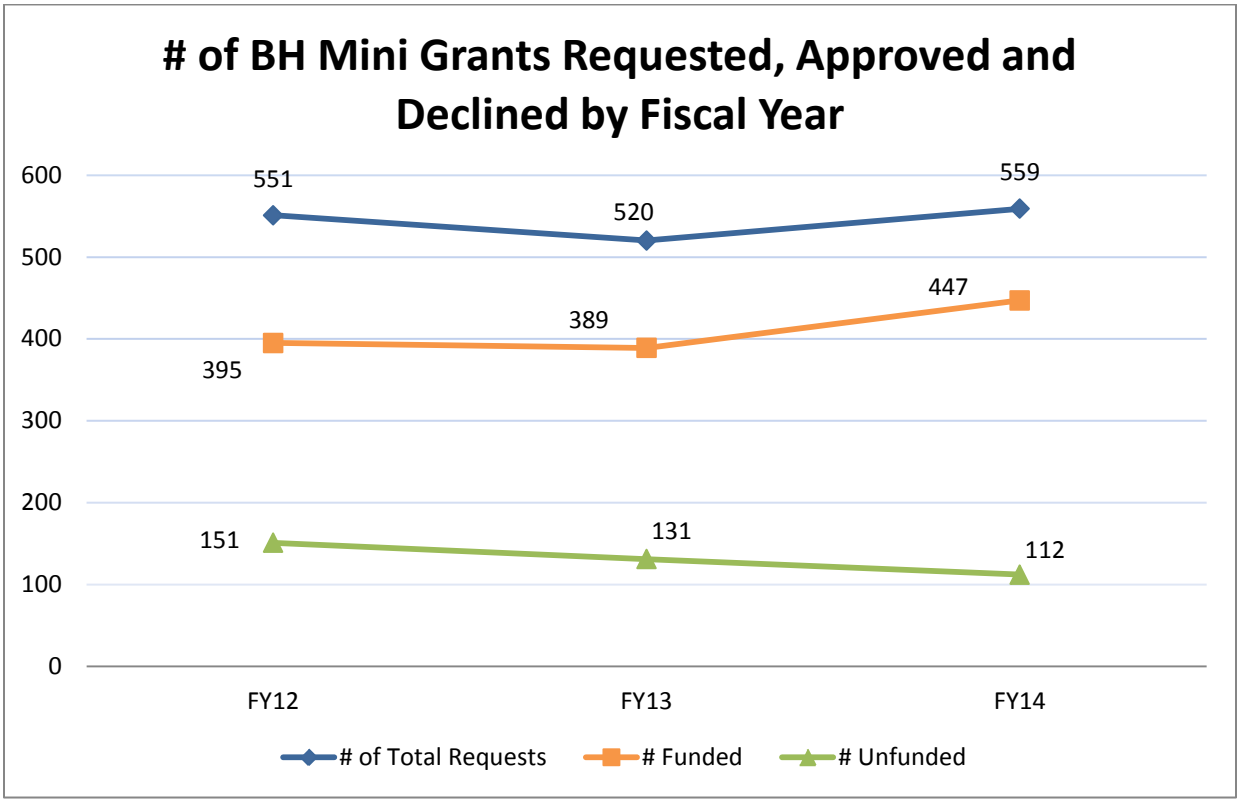

# of DD Mini Grants Funded by Funding Category in FY14
*Data from FY12 and FY13 was not available
Vision
2
Accessibility/Home Mods
3
Hearing
4
Dental
15
Supplies/Education/Other
18
Medical
23
Adaptive/Therapies
141
0
20
40
60
80
100
120
140

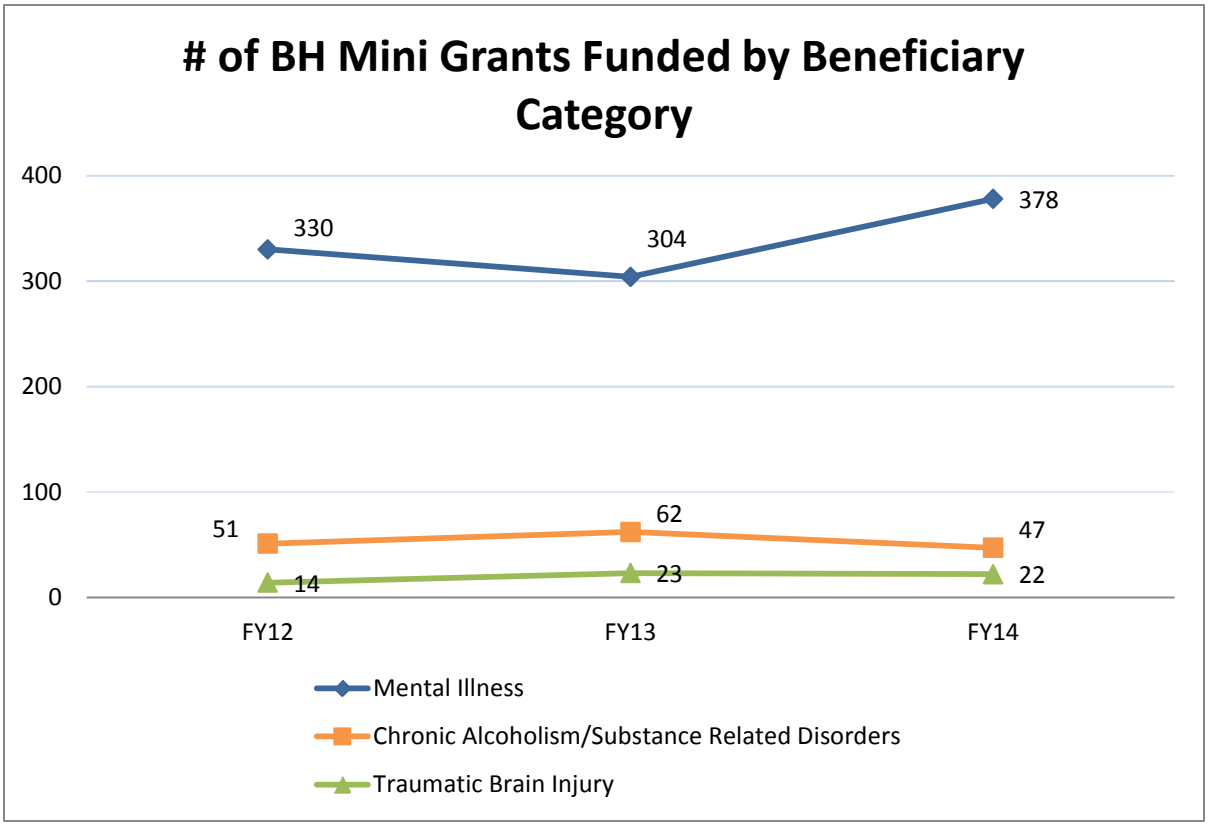

# of DD Mini Grants Funded by Region in FY14
*Data from FY12 and FY13 was not available
Yukon/Kuskokwim
Aleutian Islands
Northern
Kotzebue/Norton Sound
Interior
Bristol Bay/Kodiak
Southcentral
Southeast
Anchorage
0
10
20
30
40
50
60
70

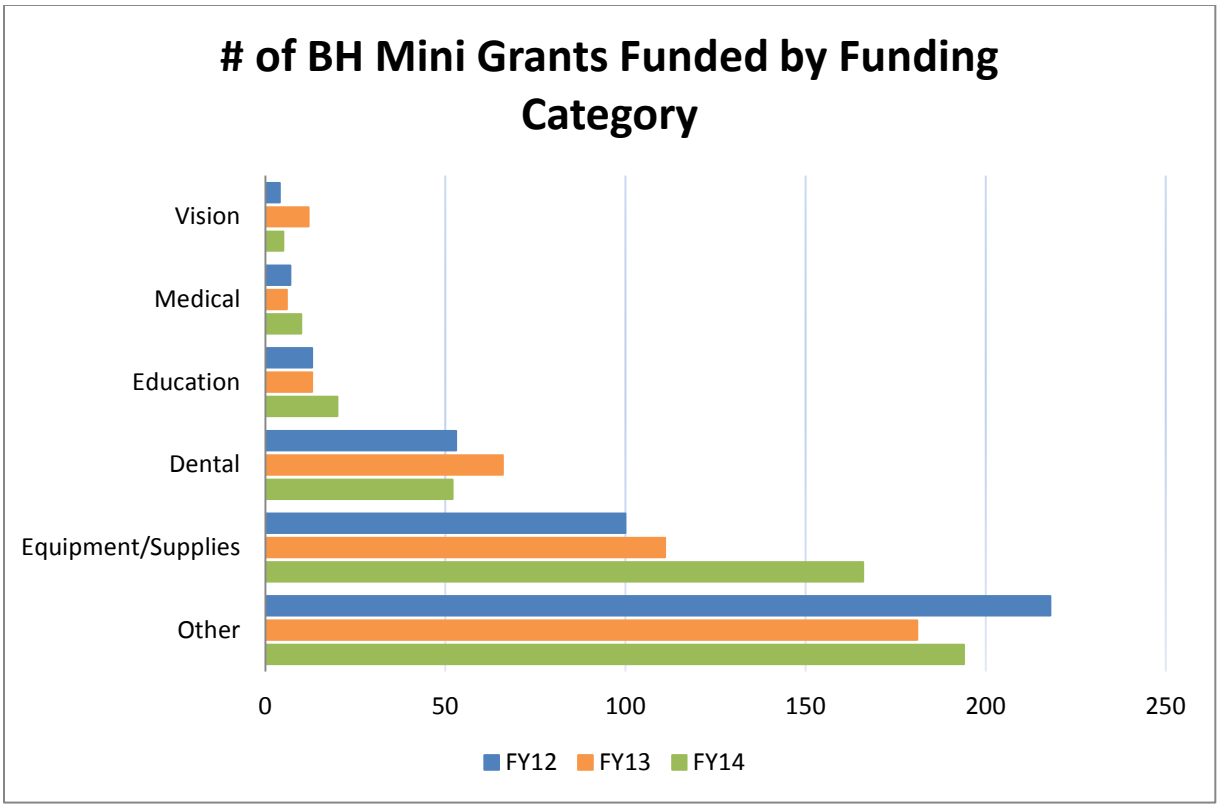
Behavioral Health Mini Grant Program

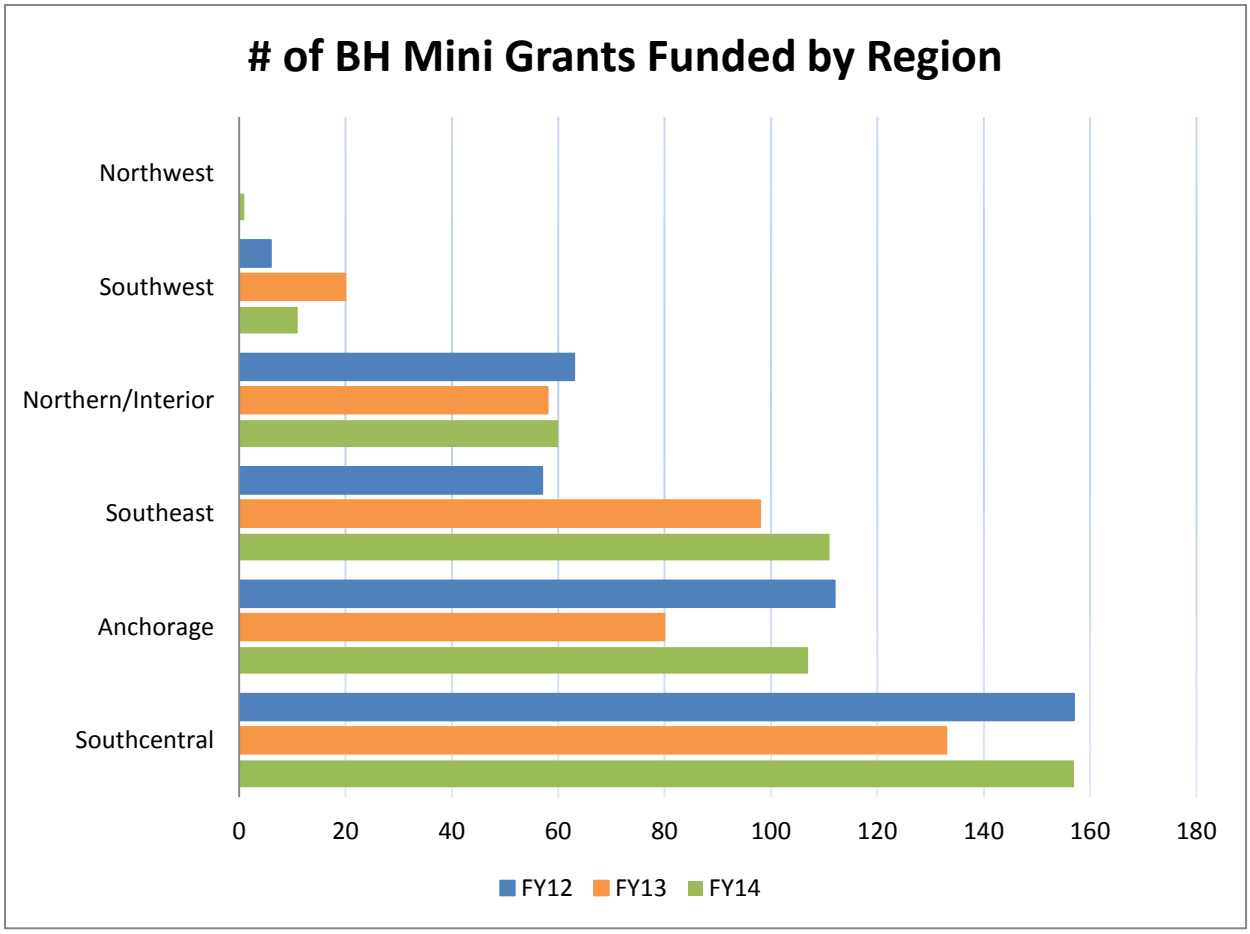
Since FY08, the Trust has had a contract with Information Insights to administer the Behavioral Health (BH) mini grant program.

	FY12	FY13	FY14
$ Amount of Available Trust funds for BH Mini Grants	$615,705	$615,705	$811,300
$ Amount of BH Mini Grant Requests that were Funded	$603,540	$607,293	$766,262
$ Amount of BH Mini Grant Requests that were Unfunded	$290,615	$244,245	$212,815




# of BH Mini Grants Funded by Beneficiary Category
400
300
200
100
0
330
304
378
51
62
47
14
23
22
FY12
FY13
FY14
Mental Illness
Chronic Alcoholism/Substance Related Disorders
Traumatic Brain Injury


# of BH Mini Grants Funded by Funding Category
Vision
Medical
Education
Dental
Equipment/Supplies
Other
0
50
100
150
200
250
FY12
FY13
FY14


# of BH Mini Grants Funded by Region
Northwest
Southwest
Northern/Interior
Southeast
Anchorage
Southcentral
0
20
40
60
80
100
120
140
160
180
FY12
FY13
FY14

Alaska Mental Health Trust Authority
Program Related Investments program proposal
Planning Committee August 5, 2014

Introduction and Background

A Program Related Investment is a financing tool used by many philanthropic foundations to increase the impact of their limited resources for achieving priority activities. The approach utilizes loans or other investments allocated from principle resources to better leverage payouts and other community, state and federal funding opportunities. These investments have been in development by foundations such as the Ford Foundation and the F. B. Heron Foundation, a leader in this investment area, since the late 1960s.

Using PRI investments strategically can further an organization's effectiveness in making change in a social area or sector and can provide the opportunity to re-invest funds that are returned. The Alaska Mental Health Trust has utilized some of these same tools in the past as situational opportunities have arisen, but without the structure of a program and set criteria (see discussion of Fairbanks Detox center below). This proposal is requesting trustee consideration at several organizational levels to establish mechanisms for Program Related Investments.

PRI strategies and some identified examples from Trust projects are highlighted below:

Financial options

- Targeted or sustained grant support to achieve a program goal. (This strategy is already in use by the Trust in focus areas and other initiative grant making areas that span a period of time). Sustaining an investment in an identified area can be effective in making lasting change
- Matching grants or loans to incentivize development of a specific type of program or facility
    - Trust example: In 2003, the Alaska Commission on Aging and DHSS partnered to provide technical consultation for residents of assisted living homes with Alzheimer's disease and related dementia conditions. Homes that completed sessions with the consultant were then eligible for capital funds (in the form of grants) from DHSS to make structural or furnishing/appliance changes that would improve the skill and quality of care for the residents. This program could be replicated with loans or grant funds.
- Equity
- Senior Loans; Subordinated loans and guarantees

- Other resources – gap financing, capital upgrade loans to increase social service delivery efficacy
    - Trust example: gap financing or a "recoverable grant" has been made by the Trust in two cases: 1. to an organization going through a bankruptcy proceeding and needing to make payroll expenses during the proceedings (Denali Family Services loan) and 2. Frontier Community Services received a recoverable grant to assist with funds for the design phase of a construction project. This key investment assisted in keeping the project going through design where there are few funds to cover these activities.

Land/Facility acquisition or use options

The Trust has previously utilized this strategy to greatly benefit the community and our beneficiaries when there is a very specialized treatment or rehabilitative service that requires a specific type of building. When the contract for services is competitively bid, the building is utilized as a site to offer for service location. This increases the effectiveness of the bid process because any provider who can perform the services can use the location. This ensures accountability for services and provides leverage in the event that services are not occurring satisfactorily.

- Owning/operating a facility for a designated purpose in an effort to reduce the cost of providing the service or use of the facility.
    - Trust example: Fairbanks Detox Center – Trust owned; managed with a contract service; partnering with the state DHSS and offered as a component of the alcohol detox services procurement process as a location to provide the service.
- Purchase of a facility for a short/longer period as a strategy to secure a valuable property (this may be done to assist with: maintaining real estate value, utilizing a desired zoning of property, proximity to adjacent community or Trust assets, etc.)

Market investments

The Trust Land Office has developed the *Resource Management Strategy*[i] plan to serve as a guide on the use of Trust land and the resources of the Trust Land Office for several asset areas, including beneficiary program use. The TLO strategy is silent on the use of market rate investments that may be used for beneficiary use. This program would allow us to explore this use with qualified service organizations.

Proposed Programmatic PRI Framework

In considering using PRIs as a tool, the Trust will pursue methods that allow us to better leverage Trust, state, private business and federal funding. In a declining economy with multiple pressures on the social services sector, it makes sense to pursue all methods available to assist our beneficiaries. Further, as we consider how to strategically invest in our priority areas, we can also consider following in other funder's footsteps as they evaluate the partners they have and examine if there are other sectors that can increase the impact of their work. Their funding strategy has changed from individual targeted programs or projects to one of a systematic approach to achieving the outcomes desired. This means considering how to best use resources as a whole – grant making, loans, and in the case of the Trust, assets such as buildings or essential equipment may also be considered.

The following are possible Trust programs that may benefit from financing tools such as those available in a PRI program:

Focus area investments may have grant components, real estate components and/or loans to achieve goals in each area as defined by trustees with workgroup and subject matter expert input. Examples:

<u>Housing focus area</u>

- Housing focus area programs may include a Trust investment in the facility with a lease to provide the property to a service provider to use the space for identified programmatic purposes. This strategy might be used in collaboration with DHSS to address a specific lack of housing for a population (e.g., Complex Behavior Collaborative project; severely mentally ill/discharge from institutions; etc.)
- Housing focus area programs may also include a loan to the grantee organization with terms for repayment in proportion to financial billing rates and ability to repay the loan. This strategy might be used to assist a nonprofit partner in securing a housing site with beneficial zoning or at a reasonable price.
- The Trust could employ several of the strategies above as a *housing trust*. This would be a larger program growing out of individual investments to maintain Trust investments over time while assisting to buy down the cost of housing in the projects.

<u>Beneficiary Projects and Employment area</u>

- Beneficiary Projects Initiative grant program may include a Trust-owned facility to house critical peer support service development until a time when a start-up or grassroots model organization may move into a more independent state.
- Employment initiative focus area strategies may include partnerships with employers or business entities where equity or other start-up loans may help include beneficiaries in a program or industry.

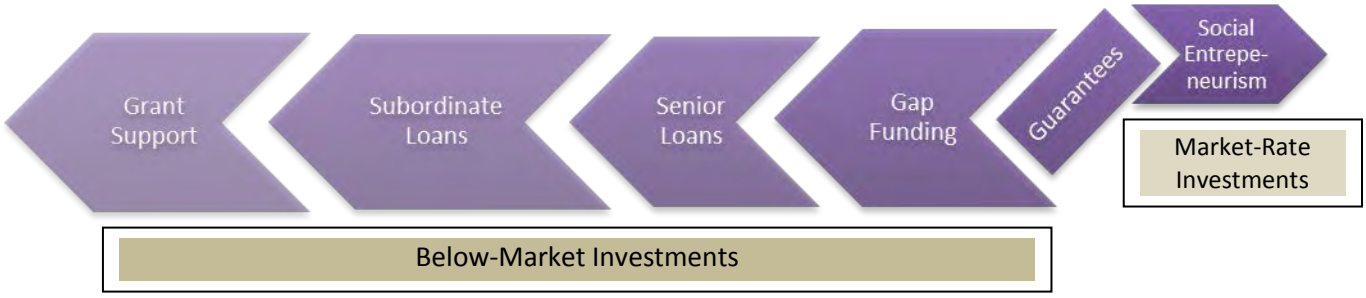
Partnership program: The Trust's partnership program is one of our main funding strategies for capital projects and program enhancements that help us fulfill our responsibility for being a catalyst for change.

- The Trust may pursue additional projects through acquisition of selected properties to

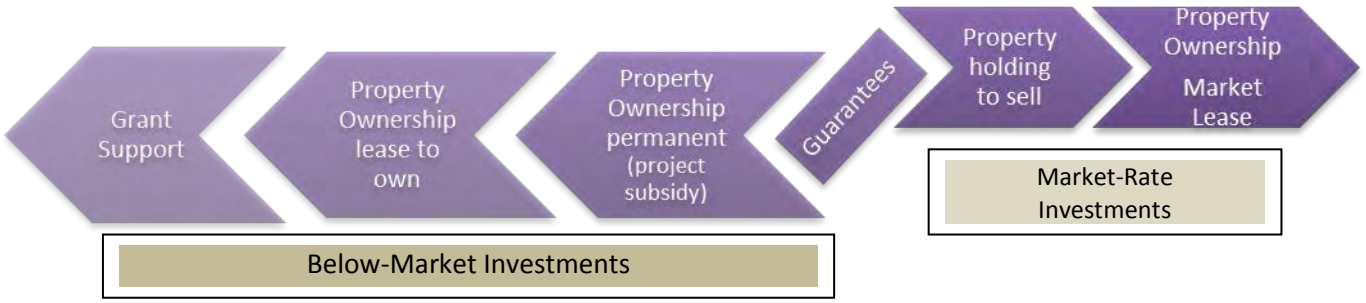
assist communities in preserving needed infrastructure. For example, the Fairbanks Detox Center is a very specific and technical community service and the Trust partnered with the community to develop and hold the facility needed to preserve this service over time. The service provider is selected through a competitive process with the agreement that they may use the Trust owned detox facility as a component of the award of service.

- The Trust may pursue financing of social enterprise programs sponsored by nonprofit organizations. A social enterprise is a business or commercial strategy used to maximize revenue that is reinvested into the nonprofit's mission rather than to shareholders. Alaskan examples, with varying degrees of success, include:
  - Assets printing business and other contracts that provide income for the organization
  - A beneficiary employment strategy with Urban Works to produce screen-printed T-Shirts
  - Seeds of Change, a youth employment program focused on greenhouses and business training (in development)

Potential Investing Continuum
Financial Investments



Potential Investing Continuum
Capital and real estate Investments



Goals and Objectives: The following goals and objective have been provided as a proposed starting place for the Trust's PRI program.

Proposed area #1: Housing program

The Trust has been examining PRIs as a way to achieve greater impact in the area of housing for beneficiaries through our focus area work. Many communities across the state have a crisis in affordable housing which is impacting the ability of the safety net social service providers to keep up with the increased number of people both becoming homeless (a percentage of Trust beneficiaries estimated to be around 40% - 50%) and those that are chronically homeless, or homeless with several episodes of homelessness and having a disabling condition (estimates between 80% - 100% of this population qualify as Trust beneficiaries). The following outline marks parameters proposed to examine and develop a potential program for housing as a PRI.

1. Definition of goals –Increasing the number of units available for Trust beneficiaries below the income levels of 50% area median income. This focus will allow the Trust to target people who are more likely to be beneficiaries.
   Overall outcomes
   a) Highest and best use opportunities for beneficiaries
      - Target communities where supported housing is not available or affordable for Trust beneficiaries
      - Types of housing targeted in light of gaps in the continuum of housing, e.g., permanent supported housing, co-located or co-op housing, housing in community settings (scattered site), specialized assisted living, etc.
      - Data sources: AHFC homeless point in time count; DHSS supported housing stock survey, community housing assessments and Trust focus area documentation
   b) Scaling investment
      - Amount of resource will be determined in order to work effectively in the housing market and to best leverage the other financing resources available
      - Length of return for loans or leases can be negotiated with grantee
   c) Expected returns
      - Stabilizing of Trust beneficiaries in identified communities or in areas of need in the service delivery system, e.g., people exiting Alaska Psychiatric Institute or other institutional settings; people becoming employed and needing stable housing

2. Proposed strategies - all or any of the following strategies may be considered:
   a. Strategy 1: loan financing at a low interest rate (to be determined) to assist with capital funds
   b. Strategy 2: matching funds with State (DHSS or AHFC) resources for start-up rental subsidies in permanent supported housing to stabilize rental units and promote community opportunities for Trust beneficiaries, i.e., assisting people in transitioning out of assisted living homes

c. Strategy 3: provide gap financing, targeted early earnest money, or other targeted loans or grants to assist in acquisition and site control of properties for program development
d. Strategy 4: construct a fund (amount to be determined) to support acquisition of properties meeting identified zoning, construction/configuration, and design standards for specialized social services programs

Program location within the Trust Authority

The PRI program may be located in the Asset Management Plan Statement (AMPS) and adopted according to regulation (20 AAC 40.600. **Management of trust assets**).

[i] http://mhtrustland.org/index.php/news/reportspublications/

Alaska Mental Health Trust Authority
Program Related Investments
Project Proposals
Planning Committee August 5, 2014

1. Sponsor: Fairbanks Community Mental Health Services, LLC, an affiliate of Anchorage Community Mental Health Services
   Project title: FCMHS acquisition of 3830 South Cushman, Fairbanks
   Amount Requested: $3,400,000.00
   Type of request: loan with option to purchase
   Materials: attached

2. Sponsor: RurAL CAP
   Project Title: Safe Harbor Village
   Amount Requested: $930,000.00
   Type of Request: loan – gap financing and start up resources
   Materials: attached

3. Sponsor: AMHTA
   Project: Purchase of building for beneficiary operated services in Anchorage, Replacement building for the Consumer Web program operating in a sub-standard leased facility.
   Amount: TBD
   Type: Trust acquisition with lease to non-profit
   Materials: will be developed if project concept is approved

4. Sponsor: AMHTA/Salvation Army
   Project Title: replacement facility for Alzheimer's Care program (adult day)
   Amount requested: TBD
   Type: Trust/state/Municipal development project
   Materials: will be developed if project concept is approved

5. Sponsor: Assets, Inc.
   Project: Long term lease negotiation for the property at 2330 Nichols Street, Anchorage
   Amount requested: in development
   Type: sub-market lease to Assets Inc.
   Materials: in development

Contact Information	
Organization Name:	Fairbanks Community Mental Health Services, LLC
Contact Name:	Jerry Jenkins
Title:	Chief Executive Officer, Anchorage Community Mental Health Services, Inc.
Address:	4020 Folker Street, Anchorage, AK 99508
Phone Number:	907-261-5310
E-mail Address:	jjenkins@acmhs.com

Request Overview	
Date of this Request:	29 June 2015
Project Title (6-10 word limit):	FCMHS Acquisition of 3830 South Cushman
Tentative Project Start Date:	1 September 2015
Tentative Project End Date:	31 December 2015
Amount Requested from Trust:	$3,400,000.00
Amount Committed from Other Sources:	NA
List Sources of Other Committed Funding:	NA
Anticipated/Tentative Amount Requested from Other Sources:	NA – Proposing capital lease or similar arrangement.
List Sources of Anticipated/Tentative Funding:	
Total Project Amount:	$3,400,000.00

Project Narrative—Overview: ***Please provide a brief 3-4 sentence (a maximum of 90 words) description of what your proposed project will do for Trust beneficiaries***

This project will provide behavioral health consumers in Fairbanks and surrounding areas a location to access recovery oriented community based behavioral healthcare. The facility was specifically designed and built to accommodate the provision of span of life behavioral healthcare services including children, adolescents, adults and seniors.

Project Narrative—Detail: ***Please provide information about your project (a maximum of 350 words) that includes the problem being addressed, target population and geographic area being served, expected outcomes, and how Trust beneficiaries will be better off as a result of this project. Clearly identify which Trust beneficiary group(s) will be the focus of the project.***

The historical community mental health center location in Fairbanks is currently involved in bankruptcy. This project proposes the purchasing out of bankruptcy court 3830 South Cushman Street in Fairbanks, AK with the intent of executing a capital lease/purchase to Fairbanks Community Mental Health Services, LLC (FCMHS), an affiliate of Anchorage Community Mental Health Services. The purpose is to provide a long term location solution for the delivery of community based behavioral healthcare services for Fairbanks and surrounding area. The Cushman facility was originally designed and built to be the community mental health center for Fairbanks.

FCMHS specializes in providing treatment and rehabilitation services for persons impacted by mental illness across the span of life. Services target children and adolescents with severe emotional disturbance (SED) and adults with serious mental illness (SMI). Many of the adults have co-occurring substance use disorders.

The expected outcomes are for residents of Fairbanks to be able to access comprehensive behavioral health services and have community tenure. Services include psychiatry, psychotherapy, case management, community living and integration skills as well as engagement in meaningful activities such as children being in school and adults going to work. Community tenure means people being able to live safely in the community and reducing involvement with acute psychiatric care as well as the criminal justice system.

The Cushman facility offers an opportunity to streamline care delivery by having multiple service providers at one location. NAMI-Fairbanks is already co-located. Akeela is pending co-location of substance abuse focused services. The facility is designed to accommodate primary care.

Anchorage Community Mental Health Services, Inc.

Fairbanks Community Mental Health Services, LLC.

3830 South Cushman Street • Fairbanks, Alaska 99701 • 907-452-1575 • (Fax) 907-371-1385 • e-mail: info@acmhs.com • website: www.acmhs.com

12 June 2015

Mr. Kenneth W. Battley
629 L Street, Suite 201
Anchorage, AK 99501

Re: Fairbanks Community Mental Health Center, Inc., Case No. F14-00288-HAR

Dear Mr. Battley,

Contingent upon approval by the Board of Directors of Anchorage Community Mental Health Services, Incorporated (ACMHS); securing financing and approval by the Court of Jurisdiction, an offer of three million, four hundred thousand dollars ($3,400,000.) cash as closing is made for the property (building and contents in total, and any interest in any vehicles owned by the debtor corporation) at 3830 South Cushman, Fairbanks, Alaska. Title shall be free of liens and encumbrances. The offer will be reduced should ACMHS be able to obtain a reduction in the liens from the State of Alaska.

As part of the transaction trustee shall release ACMHS and Fairbanks Community Mental Health Services, LLC of any liabilities related to the debtor corporation Fairbanks Community Mental Health Center, Inc. Further, the Trustee shall provide ACMHS an owner's title insurance policy. Closing costs will be split evenly and no broker commission will be due and payable by ACMHS.

Sincerely,

Jerry A. Jenkins, M.Ed., MAC
Chief Executive Officer

Cc: Real Estate Committee, Anchorage Community Mental Health Services
Cabot Christianson, 911 West 8th Avenue, Suite 201, Anchorage, AK 99501
Frederick J. Odsen, Attorney at Law, Hughes Gorski Seedorf Odsen and Tervooren
Jon Watkins, Chief Financial Officer, Anchorage Community Mental Health Services

Fairbanks Community Mental Health Services – Pro Forma
Services & Cushman Facility Plan

Fairbanks Community Mental Services, LLC (FCMHS) has been operating out of the 3830 S. Cushman Street facility since the inception of the company in September 2013. In providing services to the North Star Borough communities, it has been a difficult road due to the fact that the available staffing and variety of services available at FCMHS has been much smaller in scope than the previous organization. However, the organization has grown in size and experience level over the past 21 months along with strengthening the corporate structure and processes with the parent organization - Anchorage Community Mental Health Services. Acquisition and permanence of FCMHS in the Cushman facility provides an opportunity for growth and collaboration all aimed to better serve the needs of Fairbanks and the Interior.

Growth has been deliberate since inception. The company started with 23.25 full time equivalent employees (FTE) replacing the former company which employed over 100 before its demise. The new company required orientation to a new way of doing business as well as new business supports. Significant investments were made in staff training and development. The investments continue as the staff matures clinically and administratively.

Clinically, the startup of FCMHS required all consumers to start afresh with FCMHS necessitating new intake assessments. The process took upwards to three hours to accomplish before actual treatment services can begin. By the end of the June 2014, 75 children/youth and 380 adults were in services. That growth continues. Staffing has likewise increased correspondingly.

Major clinical milestones include the implementation of tele-behavioral health in April 2014. This allowed Anchorage based psychiatric staff to serve Fairbanks residents thus increasing psychiatric access. Anchorage based providers traveled to Fairbanks and supplemented care with tele-behavioral health. Matter of fact, all psychiatric services for FCMHS have been provided by Alaska based providers. FCMHS now has a Fairbanks based Medical Director as well as a Fairbanks based Child and Adolescent Psychiatrist. Anchorage based providers continue to compliment care delivery both on site and via tele-behavioral health.

FCMHS has generated net practice income when added to current grants to cover expenses. This is expected to continue based on close scrutiny of revenues and expenses as well as diversification of income streams. Diversification is being pursued through grants, contracts as well as rental income and pursuit of new lines of business.

Future:

In the coming year, FCMHS plans to expand in several areas. The staffing plan for the new year is currently to add 5 additional positions (1 Clinician, 3 Clinical Associates and 1 Administrative Support position) pending state grant budget disposition. FCMHS began with 23.25 FTEs and increased to 32 FTE in the past year along with the support of ACMHS administrative services and contracted psychiatric providers. With the addition of the 5 planned positions, this will total a 60% increase in staffing compared to day one. Growth of services for the priority populations

is projected to continue to grow. Priority populations are children and adolescents with severe emotional disturbance (SED) and adults with serious mental illness (SMI). Many of the adults have co-occurring substance use disorders.

As FCMHS has been able to recruit and add staff, the number and level of services to individuals has increased but has not been able to meet the needs of the community. This makes it difficult to expand the services lines provided. In an effort to increase access to various services and supports for our service population at a single location as well as improve collaboration with community partners, offices in the building are currently leased to NAMI of Fairbanks with plans to add Akeela in the coming months. Akeela will be providing intensive outpatient services for substance abuse clients' post-incarceration, a direct compliment to services the FCMHS provides through DOC APIC funding to provide mental health services. With acquisition of the facility, FCMHS will expand partnerships through leasing additional office space in the South Wing and upstairs. Potential co-inhabitants include Department of Behavioral Health Fairbanks staff; Division of Vocational Rehabilitation staff; licensed independent clinicians able to take private insurance or provide a specialized treatment not available at FCMHS; Primary Care providers; and/or other community partner or coalition staff.

In addition to lease income, FCMHS will also be able to gain additional financial support through the provision of shared administrative services including central reception/scheduling services in the future. Use of the classroom space is currently provided for various trainings provided in the community and it is our intent to become a community training source. By collaborating with other organizations, providing the space and seeking additional funding to bring more training locally to Fairbanks, this will provide a cost savings to the local agencies and provide an opportunity for additional workforce development and specialization in the community.

FCMHS is currently developing capacity to provide vocational support and DVR contract services within the year. We have hired staff with background in vocational services and plan to add job skill development, job coaching and job carving. In recent months, traffic has increased on S. Cushman due to the addition of a recreational area along with a couple of recreational facilities. This additional traffic provides FCMHS with opportunities to utilize our location for potential peer run businesses in the next 3 years.

A special focus will be in developing services for transitional aged youth. The foci will be educational and job training support necessary to encourage self-sufficiency and independence in the community. A longer term goal for this population will be the development in Fairbanks something similar to the ACMHS Seeds of Change which will be growing vegetables hydroponically for sale to local grocers and the community.

Another potential use of the "clubhouse" area on the second floor is a future partnership with Stone's Throw, a new vocational program currently housed at Stone Soup. It is preparing individuals to work in the food service industry. It is currently supported through funding from the Mental Health Trust, DVR, DOC and other local partners. In the next 3-5 years as the program grows, there is potentially the need for use of a second commercial kitchen which could be provided in this facility.

If this program were to expand to the Cushman facility, it will provide an opportunity for FCMHS clients to participate as well staff to provide additional support services. This could also lead to reinstatement of a lunch program in the facility similar to that which had been provided previously.

While we have seen an increase in the amount of clients able to be served at FCMHS through the Seriously Mentally Ill (SMI), Severely Emotionally Disturbed (SED) and Psychiatric Emergency Services (PES) grant funded outpatient services, further expansion of services will be dependent upon the changes that occur in relation to Medicaid Expansion and Reform along with the revision of Medicaid rates. Within the next year, we can foresee immediate expansion in children's services. This population is already largely insured increasing the amount of staffing possible for increased services. FCMHS has seen a steady influx of families seeking services and the Fairbanks providers of children's services all have waiting lists. FCMHS, through additional support and training provided/supported through the Alaska Trauma Center at ACMHS, will continue to develop specialization with the early childhood population (0-5) with emphasis on complex trauma.

For adults, FCMHS staff is currently receiving specialized training dealing with the effects of complex trauma in the adult SMI population along with substance abuse/co-occurring disorders assessment and treatment. With FCMHS currently being the only Medicaid provider, there is a great need for additional staff and expertise to provide the amount and frequency of services needed in this community. If Alaska moves forward in adopting Medicaid expansion and Medicaid rates are covering the cost of doing business, there is potential for increasing service capacity by 100% or more in the next 3 years if staffing were at the level to allow for intake of new clients beyond hospital discharges and Department of Corrections releases based on previous numbers served in the past by the former company.

The Interior is also in need of a step down level of service from inpatient psychiatric units or incarceration. The Cushman facility has the ideal space to operate an intensive outpatient (IOP) service, along with vocational support services. FCMHS has been working in conjunction with many coalitions to increase supported housing options for our vulnerable populations and plan to increase wrap-around services such as day-treatment and housing supports within the next 3-5 years.

Year 1 Summary

1. Add 5 staff
2. Renew NAMI-Fairbanks Lease
3. Lease space to Akeela
4. Develop and implement employment services for Seriously Mentally Ill Adults
5. Trauma informed training implemented for all staff
6. Trauma treatment capable training targeting children, adolescents, transitional aged youth and adults
7. Priority Admissions: Youth leaving residential or acute psychiatric care; adults with serious mental illness being discharged from Fairbanks Memorial Hospital Acute Psychiatric Care unit or being released from Alaska Department of Corrections
8. Increase census to 550

Year 2 Summary

1. Add 7 staff (This is contingent upon Medicaid rate re-basing. Number will increase with Medicaid expansion.)
2. Lease space to private providers for specialized services and/or primary care.
3. Develop and implement transitional aged youth services
4. Expand employment services for Seriously Mentally Ill Adults
5. Expand Trauma treatment capable training targeting children, adolescents, transitional aged youth and adults
6. Priority Admissions: Youth leaving residential or acute psychiatric care; adults with serious mental illness being discharged from Fairbanks Memorial Hospital Acute Psychiatric Care unit or being released from Alaska Department of Corrections
7. Increase census to 650. Number will increase with Medicaid expansion.)
8. Prepare to implement Intensive Outpatient Program for SMI adults to assist in transition from either acute psychiatric care or Department of Corrections.
9. Research and define strategy for primary care integration.

Year 3 Summary

1. Add 7 staff (This is contingent upon Medicaid rate re-basing. Number will increase with Medicaid expansion.)
2. Lease space to private providers for specialized services and/or primary care. Implement ‘one stop shop’ to access behavioral health services and related social services.
3. Mature transitional aged youth services. Evaluate Seeds of Change for Fairbanks.
4. Mature employment services for Seriously Mentally Ill Adults.
5. Implement micro-enterprise supports for SMI adults.
6. Expand Trauma treatment capable training targeting children, adolescents, transitional aged youth and adults

7. Priority Admissions: Youth leaving residential or acute psychiatric care; adults with serious mental illness being discharged from Fairbanks Memorial Hospital Acute Psychiatric Care unit or being released from Alaska Department of Corrections
8. Increase census to 750. (Number will increase with Medicaid expansion.)
9. Prepare to implement Intensive Outpatient Program for SMI adults to assist in transition from either acute psychiatric care or Department of Corrections.
10. Implement strategy for primary care integration.

Years 4-5

1. Add 20 staff (This is contingent upon Medicaid rate re-basing. Number will increase with Medicaid expansion.)
2. Lease space to private providers for specialized services and/or primary care. Refine 'one stop shop' to access behavioral health services and related social services.
3. Mature transitional aged youth services. Evaluate Seeds of Change for Fairbanks.
4. Mature employment services for Seriously Mentally Ill Adults.
5. Refine micro-enterprise supports for SMI adults.
6. Expand and specialize Trauma treatment capable training targeting children, adolescents, transitional aged youth and adults. Focus on development of 0-5 early childhood services.
7. Priority Admissions: Youth leaving residential or acute psychiatric care; adults with serious mental illness being discharged from Fairbanks Memorial Hospital Acute Psychiatric Care unit or being released from Alaska Department of Corrections
8. Increase census to 950. (Number will increase with Medicaid expansion.)
9. Implement and refine Intensive Outpatient Program for SMI adults to assist in transition from either acute psychiatric care or Department of Corrections.
10. Offer continuums of behavioral health care in partnership with other providers. (young children; youth; transitional aged youth; adults; seniors)

Prepared by: Jami Teets, MA, Chief Operations Officer, Fairbanks Community Mental Health Services

Reviewed by: Jerry A. Jenkins, M.Ed., MAC, Chief Executive Officer, Anchorage Community Mental Health Services

Date: 29 June 2015

3745 Community Park Loop
Suite #200
Anchorage, AK 99508
Phone:(907) 269-7960
Fax: (907) 269-7966

The Trust
The Alaska Mental Health Trust Authority

Trust Capital Project Questionnaire

The Alaska Mental Health Trust Authority, along with our funding partners, Rasmuson Foundation, Denali Commission and the Mat-Su Health Foundation, participate in a program that promotes early and thorough planning for capital projects called the Pre-Development Program. It is administered by The Foraker Group.

This program has demonstrated the need for a thorough examination of the health and operations of a non-profit organization before undertaking a capital project. To assist The Trust in this assessment, all applicants seeking capital funds must complete the following questionnaire and be prepared to respond to questions regarding any of the areas covered.

If you would like more information about the Pre-Development Program and how to participate, please see The Foraker Group's website at http://www.forakergroup.org/index.cfm/Shared-Services/Pre-Development

Organization name: Fairbanks Community Mental Health Services, LLC, an affiliate of Anchorage Community Mental Health Services

Contact: Jerry A. Jenkins, Chief Executive Officer, Anchorage Community Mental Health Services; Jami Teets, Chief Operations Officer, Fairbanks Community Mental Health Services

Email: jjenkins@acmhs.com; jteets@fcmhs.com

Phone: 907-261-5310 – J. Jenkins or 907-371-1379 – J. Teets

A. Organizational Issues

A1	**What is your organization's core mission? How does this project fit into your core mission?**	**Response**: Mission: To promote recovery and wellness by providing consumer-driven behavioral healthcare services.

		This project provides a long term location solution for the provision of community based behavioral health services in Fairbanks, AK
A2	**Please summarize the status of your organization's strategic plan (i.e. in draft form; complete and being monitored annually, etc.) How is this project part of the plan?**	**Response**: Status: Complete and being monitored on at least a quarterly basis with annual reviews. Strategic Goals: **1. Sustain a continuum of evidence-based behavioral healthcare to Alaskans.** (Programs) – This project supports the on-going development of community based behavioral healthcare for the Fairbanks community. This includes expanding access to services for adults with severe mental illness as well as children and youth with severe emotional disturbance. All services focus on being trauma informed and trauma treatment capable. **2. Invest in our consumers, employees, and community.** (People) Long term commitment to the Fairbanks community. **3. Collaborate in the integrated delivery of healthcare.** (Relationships) Seek options to integrate with primary care. **4. Weave ourselves into the fabric of our community.** (Relationships) Become part of the solution for addressing mental illness and substance use disorders in the Fairbanks area. **5. Build financial wellness for the consumers, company, and community** (Money) Novel financing permits a solution that supports long term investment benefiting Trust beneficiaries by leveraging Trust funding to provide stable location of behavioral health services. **6. Continuously improve operations and administration.** Stabilizes operation and promotes further consolidation of limited resources. **7. Utilize data driven decision making.** Data indicates need for service stabilization and expansion.
A3	**Does this project fit into a community or regional plan or process? How?**	**Response**: Yes. Access to community based behavioral healthcare.
A4	**How many months of operating reserves do you maintain?**	**Response**: 4
A5	**Have you explored opportunities for collaboration with other organizations on this project? If so, how?**	**Response**: Yes. Looking to lease space to other providers or allied services.

The Trust
The Alaska Mental Health Trust Authority

B. Program Issues

B1	**What are your current services and how will the project enhance/expand your services?**	**Response**: FCMHS specializes in providing treatment and rehabilitation services for persons impacted by mental illness across the span of life. Services target children and adolescents with severe emotional disturbance (SED) and adults with serious mental illness (SMI). Many of the adults have co-occurring substance use disorders. Services include psychiatry, tele-psychiatry, psychotherapy, case management and community living and integration skills.

C. Site Issues

C1	**Has a site been identified for this project?**	**Response**: Yes. 3830 South Cushman Street, Fairbanks, AK
C2	**Were alternative sites fully evaluated?**	**Response**: Yes. Scottish Rite Care Building, 1117 Sadler Way, Fairbanks, AK
C3	**Has the selected site been evaluated for appropriate size, access, utilities, and environmental constraints?**	**Response**: Yes. It was designed and built to be a community mental health center.
C4	**Has a site plan been completed?**	**Response**: Yes. The building is in place.
C5	**What is the status of site ownership?**	**Response**: Bankruptcy court.

D. Facility Issues

D1	**Explain why you need a new, expanded, or remodeled facility.**	**Response**: This project will provide behavioral health consumers in Fairbanks and surrounding area a location to access recovery oriented community based behavioral healthcare. The facility was specifically designed and built to accommodate the provision of span of life behavioral healthcare services. The purpose is to provide a long term location solution for the delivery of community based behavioral healthcare services for Fairbanks and surrounding area. The Cushman facility was originally designed and built to be the community mental health center for Fairbanks.

D2	**How much total square footage do you think you will need?**	The existing building is 34,092 square feet over two stories. Plans are to utilize a portion for the Fairbanks Community Mental Health Services and to lease the remainder.
D3	**Has a construction cost estimate been prepared? Who prepared it?**	**Response**: NA – This is an existing building.

E. Financial Issues

E1	**Is the full cost of the project identified?**	**Response**: Yes.
E2	**What funding has been identified for the capital project? Please provide amounts and sources.**	**Response**: This is a capital lease purchase.
E3	**How will increased operating expenses be covered?**	**Response**: Billable services and rental income.

F. Other information that helps explain your project:

	The historical community mental health center location in Fairbanks is currently in bankruptcy. This project proposes the purchasing out of bankruptcy court 3830 South Cushman Street in Fairbanks, AK with the intent of executing a capital lease/purchase to Fairbanks Community Mental Health Services, LLC (FCMHS), an affiliate of Anchorage Community Mental Health Services. The purpose is to provide a long term location solution for the delivery of community based behavioral healthcare services for Fairbanks and surrounding area. The Cushman facility was originally designed and built to be the community mental health center for Fairbanks.

Contact Information	
Organization Name:	Rural Alaska Community Action Program, Inc. (RurAL CAP)
Contact Name:	David Hardenbergh
Title:	Executive Director
Address:	731 East 8th Avenue, Anchorage, AK 99501
Phone Number:	(907) 279-2511
E-mail Address:	dhardenbergh@ruralcap.com

Request Overview	
Date of this Request:	June 30, 2015
Project Title (6-10 word limit):	Safe Harbor Village: Affordable Permanent Housing Safe Harbor Muldoon: Transitional Housing
Tentative Project Start Date:	Summer 2015
Tentative Project End Date:	Safe Harbor Village: Summer 2017 PRI-related construction; Safe Harbor Muldoon: Summer 2017 2-year Operating Grant cycle
Amount Requested from Trust:	Safe Harbor Village: $930,000 PRI at 0% interest over 30 years Safe Harbor Muldoon: $50,000 Operating Grant
Amount Committed from Other Sources:	Safe Harbor Village: $3,100,000 Safe Harbor Muldoon: $540,256
List Sources of Other Committed Funding:	Safe Harbor Village: • $2,800,000.00 MOA/HOME/CDBG • $300,000 Deferred Developer Fee Safe Harbor Muldoon: • $295,963 Rental Income at 7% vacancy • $24,000 United Way of Anchorage grant • $220,293 AHFC BHAP grant
Anticipated/Tentative Amount Requested from Other Sources:	Safe Harbor Village: $3,776,164 Safe Harbor Muldoon: $290,000
List Sources of Anticipated/Tentative Funding:	Safe Harbor Village: • $375,000 Rasmuson Foundation • $100,000 Wells Fargo Priority Market Program • $45,000 Energy Credits • $2,161,387 LIHTC • $444,777 AHFC Loan • $650,000 Rasmuson Foundation PRI Safe Harbor Muldoon: • $290,000 SOA DBH pending grant application • Medicaid Revenue-Unknown
Total Project Amount:	Safe Harbor Village: $7,805,847 Safe Harbor Muldoon: $880,256

Project Narrative—Overview: ***Please provide a brief 3-4 sentence (a maximum of 90 words) description of what your proposed project will do for Trust beneficiaries***

RurAL CAP is developing Safe Harbor Village – 23 new permanent housing rental units at 207 Muldoon Road, located adjacent to the agency's existing housing property, Safe Harbor Muldoon.

The Village targets low-income families and individuals with an adult or child Trust Beneficiary to provide affordable workforce housing. Muldoon's 50 transitional units target homeless very low-income families with disabilities, substance abuse issues, and young at-risk children. The two projects, although distinct, will have some joint operational capacity and serve Trust Beneficiaries with slightly different focuses. Both include support staff and services.

Project Narrative—Detail: ***Please provide information about your project (a maximum of 350 words) that includes the problem being addressed, target population and geographic area being served, expected outcomes, and how Trust beneficiaries will be better off as a result of this project. Clearly identify which Trust beneficiary group(s) will be the focus of the project.***

Need

Individuals and families experiencing financial difficulties, raising children, or living with disabilities are extremely susceptible to homelessness. This vulnerability is exacerbated by low rental vacancy rates and a high cost of living. When the demand for affordable housing outstrips availability, economic growth is constricted and a cycle of rental price inflation takes root, leaving Anchorage's most vulnerable populations with substandard, overcrowded, and cost-burdened housing. Anchorage's 2014 homeless survey shows approximately 38% of Alaska's homeless are families with children, and the State of Alaska's 2016-2020 Consolidated Housing and Community Development Plan identifies homeless prevention and transitional housing for low/extremely low-income persons and families with children as high priorities.

Population, Location, and Benefits

Housing is more than physical shelter. Providing a safe, secure space for individuals and families to reside allows them to focus on accessing the resources they need while developing their capacity to move forward in life, as opposed to merely surviving day-to-day. Safe Harbor Village and Muldoon provide space for individuals and families to seek this stability and self-sufficiency. The target population for both programs, each located in Anchorage on Muldoon Road, are low/very low-income individuals and families in Anchorage, especially Trust Beneficiaries of all five determining factor categories and others living with disabilities, experiencing housing insecurity, and/or raising at-risk children.

Outcomes

The Village project supports the goal of increasing housing opportunities for Trust Beneficiaries in Anchorage and contributes to Housing Anchorage's goal of increasing new housing units by 2030 through developing 23 new affordable rental units. According to Anchorage's 2016-2020 Plan, the largest rental need is 0-3 bedroom units for low-income renters with an AMI less than 30%.

The Muldoon project supports vulnerable families over the next two years by providing transitional housing for those on the verge of homelessness, with access to the support staff and services that will help families increase their stability, independence, and well-being. This General Operating funding is a one-time request to be used during the development of the Village. Once built and operationalized, rental income derived from the Village's permanent units will be used to cover Muldoon's support staff/services component.

DO NOT ENTER DATA IN ANY AREAS THAT ARE SHADED OR HIGHLIGHTED YELLOW ON THE WORKSHEETS

Rental Development Analysis Workbook Version 2014.01

Summary Information

Project Name:	Safe Harbor Village			**Households Served by Project per Year:**		23
				Enter 1 or 2		
Acquisition and Rehab (1) or Rehab(only) or New Construction (2)				1		
Square Footage of Residential Units			16,550			
Square Footage of Managers Units that will Not Be Rented as Income Set-Aside Units		**Enter Figure Here --->**		**How Many Non-Income Set-Aside Manager's Units will Exist?**	**(Enter Figure Here)**	0
Square Footage of Common Areas		**Enter Figure Here --->**	5,500	**What Bedroom Size will the Non-Income Set-Aside Manager's Units Be?**	**(Enter Figure Here)**	N/A
Square Footage of Commercial Area(s)		**Enter Figure Here --->**				
	Total Square Footage		22,050			

PROJECT INCOME AND EXPENSE DATA (PRO-FORMA STATEMENT)

Enter the number of units and the monthly rent per unit

		Safe Harbor Village		
Rental Income:	**# of**	**Sq Ft / Unit**	**Mo. Rent (b)**	**Annual Revenue**
One Bedroom Units:				
Market Rate units	0	-	-	-
Units at 60% of median	15	650	936	168,480
Units at 50% of median	0	650	840	-
Units at 30% of median	0	650	453	-
"Other" set-aside levels (specify level):	0	-	-	-
Manager units: Income Restricted: (Specify Level or	0	-	-	-
Total (One Bedroom Units)	15			168,480
Two Bedroom Units:				
Market Rate units	0	-	-	-
Units at 60% of median	8	850	1,199	115,104
Units at 50% of median	0	850	1,008	-
Units at 30% of median	0	850	542	-
"Other" set-aside levels (specify level):	0	-	-	-
Manager units: Income Restricted: Yes / No?	0	-	-	-
Total (Two Bedroom Units)	8			115,104
Total Number of Units	23	Total Sq Ft	16,550	
TOTAL Annual Rental Income				283,584
Less Vacancy & Uncollectible Rent (use 7% minimum)	5.00%			14,179
Net Rental Income				269,405
				-
				-
EFFECTIVE GROSS INCOME (EGI)				269,405

Enter the annual operating expenses

Operating Expenses: Utilities (attach calculation method, i.e., monthly cost per unit type for each of the followir		**Annual Expenses**	
Utilities (Heat and House Electric)		$39,000	
Water and Sewer and Cable		$9,300	
Garbage Removal		$6,000	
Property Insurance		$12,000	
Property Taxes:		$18,000	
Maintenance		$25,000	
% of Effective Gross Income (EGI)	9.28%		
On-Site Management:			
Monthly Salary + Benefits	$0.00	$0	
Total Annual On-Site Management Expense		$12,000	
Annual Professional Property Management Expense		$16,750	
% of Effective Gross Income (EGI)	6.22%		
Annual Administration Expense		$7,000	
% of Effective Gross Income (EGI)	2.60%		
Asset Management Fee		$5,000	
Annual Audit Fees		$0	
Support Services		$0	
Expense Detail		$0	
Other (Specify): Investor Service Fee		$0	
Rental Assistance Adjustment		$0	
Other (Specify): Land Lease		$0	
Other (Specify):		$0	
Annual Per Unit Reserve Expense (Use $300 per unit minimum)	$300.00		
Total Annual Replacement Reserve Expense		$6,900	
TOTAL OPERATING EXPENSES AND RESERVES		$156,950	$6,824
NET OPERATING INCOME (EGI less Operating Expenses & Reserves)		$112,455	

DEBT SERVICE:	Debt Coverage Ratio on 1st	$3
Amount Available for debt Service (NOI Divided by Debt Coverage Ratio)		$35,142
1st Deed of Trust: AHFC		
Loan Amount		**$444,778**
Enter Term of Loan (in months)		$360
Enter Interest Rate (input as 7.625%, for example)		$0
Annual 1st DOT Debt Service Expense		$32,000
Cash Flow After First Deed of Trust	$80,454.80	
2nd Deed of Trust: Rasmuson PRI		
Loan Amount		**$649,683**
Enter Term of Loan (in years)		$25
Enter Interest Rate		$0
Annual 2nd DOT Debt Service Expense		$29,500
Debt Coverage Ratio on 1st and 2nd	1.83	
3rd Deed of Trust: Mental Health Trust PRI		
Loan Amount		$930,000
Enter Term of Loan (in years)		$30
Enter Interest Rate (input as 7.625%, for example)		$0
Annual 3rd DOT Debt Service Expense		$31,000
Debt Coverage Ratio on 1st, 2nd and 3rd	1.22	
4th Deed of Trust:		
Loan Amount		$0
Enter Term of Loan (in months)		$30
Enter Interest Rate (input as 7.625%, for example)		$0
Annual 4th DOT Debt Service Expense		$0
Debt Coverage Ratio on 1st, 2nd, 3rd and 4th	n/a	
Remaining Cash Flow Payments after Hard & Soft Debt Service Cash Flow Payment Expenses		$0
Debt Coverage Ratio on 1st, 2nd, 3rd, 4th and Cash Flow Expens	n/a	
PROJECT CASH FLOW (Net Operating Income less Debt Service)		**$19,955**

Maximum Amount of Debt Capacity	**$2,024,364**

30 YEAR PROFORMA CASH FLOW	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14
Safe Harbor Village														
Trending Percentages	Income	0.02												
	Expenses	0.03												
INCOME														
TOTAL INCOME	283,584	289,256	295,041	300,942	306,960	313,100	319,362	325,749	332,264	338,909	345,687	352,601	359,653	366,846
LESS VACANCY/COLLECTION LOSS	14,179	14,463	14,752	15,047	15,348	15,655	15,968	16,287	16,613	16,945	17,284	17,630	17,983	18,342
EFFECTIVE GROSS OPERATING INC	269,405	274,793	280,289	285,895	291,612	297,445	303,394	309,461	315,651	321,964	328,403	334,971	341,670	348,504
OPERATING EXPENSES														
TOTAL EXPENSES	150,050	154,552	159,188	163,964	168,883	173,949	179,168	184,543	190,079	195,781	201,655	207,704	213,935	220,353
Replacement Reserves	6,900	7,107	7,320	7,540	7,766	7,999	8,239	8,486	8,741	9,003	9,273	9,551	9,838	10,133
NET OPERATING INCOME	112,455	113,134	113,780	114,391	114,964	115,497	115,987	116,433	116,831	117,180	117,475	117,716	117,897	118,017
DEBT SERVICE														
FIRST MORTGAGE	32,000	32,000	32,000	32,000	32,000	32,000	32,000	32,000	32,000	32,000	32,000	32,000	32,000	32,000
SECOND MORTGAGE	29,500	29,500	29,500	29,500	29,500	29,500	29,500	29,500	29,500	29,500	29,500	29,500	29,500	29,500
THIRD MORTGAGE	31,000	31,000	31,000	31,000	31,000	31,000	31,000	31,000	31,000	31,000	31,000	31,000	31,000	31,000
FOURTH MORTGAGE	-	-	-	-	-	-	-	-	-	-	-	-	-	-
FIFTH MORTGAGE	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CASH FLOW	**19,955**	**20,634**	**21,280**	**21,891**	**22,464**	**22,997**	**23,487**	**23,933**	**24,331**	**24,680**	**24,975**	**25,216**	**25,397**	**25,517**
Debt Coverage Ratio on 1st	3.5142125	3.54	3.56	3.57	3.59	3.61	3.62	3.64	3.65	3.66	3.67	3.68	3.68	3.69
DCR on All Sources	1.8285333	1.83958367	1.85008941	1.8600167	1.86933027	1.877994	1.88596835	1.89321511	1.89969263	1.9053581	1.91016703	1.91407318	1.91702855	1.91898324

	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	Year 21	Year 22	Year 23	Year 24	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30
INCOME																
TOTAL INCOME	374,183	381,667	389,300	397,086	405,028	413,128	421,391	429,819	438,415	447,183	456,127	465,250	474,555	484,046	493,727	503,601
LESS VACANCY/COLLECTION LOSS	18,709	19,083	19,465	19,854	20,251	20,656	21,070	21,491	21,921	22,359	22,806	23,262	23,728	24,202	24,686	25,180
EFFECTIVE GROSS OPERATING INC	355,474	362,583	369,835	377,232	384,776	392,472	400,321	408,328	416,494	424,824	433,321	441,987	450,827	459,843	469,040	478,421
OPERATING EXPENSES																
TOTAL EXPENSES	226,964	233,773	240,786	248,010	255,450	263,114	271,007	279,137	287,511	296,137	305,021	314,171	323,597	333,304	343,304	353,603
Replacement Reserves	10,437	10,750	11,072	11,405	11,747	12,099	12,462	12,836	13,221	13,618	14,026	14,447	14,880	15,327	15,787	16,260
NET OPERATING INCOME	118,073	118,060	117,976	117,817	117,580	117,259	116,852	116,355	115,762	115,070	114,274	113,369	112,350	111,212	109,950	108,558
DEBT SERVICE																
FIRST MORTGAGE	32,000	32,000	32,000	32,000	32,000	32,000	32,000	32,000	32,000	32,000	32,000	32,000	32,000	32,000	32,000	32,000
SECOND MORTGAGE Soft Second	29,500	29,500	29,500	29,500	29,500	29,500	29,500	29,500	29,500	29,500	29,500	29,500	29,500	29,500	29,500	29,500
THIRD MORTGAGE	31,000	31,000	31,000	31,000	31,000	31,000	31,000	31,000	31,000	31,000	31,000	31,000	31,000	31,000	31,000	31,000
FOURTH MORTGAGE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
FIFTY MORTGAGE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CASH FLOW	**25,573**	**25,560**	**25,476**	**25,317**	**25,080**	**24,759**	**24,352**	**23,855**	**23,262**	**22,570**	**21,774**	**20,869**	**19,850**	**18,712**	**17,450**	**16,058**
Debt Coverage Ratio on 1st	3.69	3.69	3.69	3.68	3.67	3.66	3.65	3.64	3.62	3.60	3.57	3.54	3.51	3.48	3.44	3.39
DCR on all Sources	1.919885	1.9196814	1.9183152	1.915729	1.9118622	1.90665	1.9000358	1.891944	1.8823075	1.8710541	1.8581086	1.8433932	1.8268272	1.8083268	1.7878054	1.7651728

Complete if Project Occupancy Rate at Closing is Inadequate to pay 100% of Operating Expenses, Reserves and Debt Service Requirements

Do Not enter data in shaded areas (yellow). 0

Safe Harbor Village

RENT UP RESERVE SCHEDULE

	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7-9	Month 10-12
Total Gross Income (as if 100% occupied)	22,450.40	22,450.40	22,450.40	22,450.40	22,450.40	22,450.40	67,351.20	67,351.20
X Percentage of Occupied Units (Fill in %)	30.00%	50.00%	70.00%	80.00%	95.00%	95.00%	95.00%	95.00%
= Effective Gross Income (Rent-Up Period)	6,735	11,225	15,715	17,960	21,328	21,328	63,984	63,984
- Operating Expenses (fixed[f]/variable[v])								
Property Insurance (f)	1,000	1,000	1,000	1,000	1,000	1,000	3,000	3,000
Property Taxes (f)	1,500	1,500	1,500	1,500	1,500	1,500	4,500	4,500
On-Site Management (f)	1,000	1,000	1,000	1,000	1,000	1,000	3,000	3,000
Replacement Reserves (f)	575	575	575	575	575	575	1,725	1,725
Garbage Removal (f)	500	500	500	500	500	500	1,500	1,500
Utilities (v)	4,025	4,025	4,025	4,025	4,025	4,025	12,075	12,075
Maintenance & Repairs (v)	2,083	2,083	2,083	2,083	2,083	2,083	6,250	6,250
Professional Property Mgt. (v)	1,396	1,396	1,396	1,396	1,396	1,396	4,188	4,188
Tenant Services (v)	0	0	0	0	0	0	0	0
Administration (v)	583	583	583	583	583	583	1,750	1,750
Other	0	0	0	0	0	0	0	0
Net Operating Income (Rent-Up Period)	-5,927	-1,437	3,053	5,298	8,665	8,665	25,996	25,996
- Debt Service (1st DOT)	2,667	2,667	2,667	2,667	2,667	2,667	8,000	8,000
- Debt Service (2nd DOT)	2,458	2,458	2,458	2,458	2,458	2,458	7,375	7,375
- Debt Service (other DOT's)	2,583	2,583	2,583	2,583	2,583	2,583	7,750	7,750
Project Cash Flow (+ -)	-13,636	-9,146	-4,656	-2,411	0	0	0	0
Total of all monthly cash flows through point in which sustaining occupancy is achieved:								**29,847**

PROJECT DEVELOPMENT COST DATA

ALL PROJECTS COSTS (INCLUDING UTILITY AND ROAD ACCESS COSTS) MUST BE STATED. DO NOT ENTER DATA IN SHADED AREAS.

Item	Total Project Cost
Acquisition of Land & Buildings:	
Land or any costs associated with the Land	$0
Acquisition Price of Existing Building(s)	$0
Subtotal-Acquisition of Land & Buildings	$0
Construction/Rehabilitation Costs:	
Demolition Costs	$200,000
New Construction Costs	$3,530,000
Rehabilitation Costs (must exceed $15,000 per unit)	$0
Site Work	$1,175,000
Off-Site Improvements	$0
Impact Fees	$0
Utility Connections	$30,000
Elevator/appliances	$0
Job Training Program Costs	$0
Furnishings	$10,000
Other: Solar PV	$185,000
Other: BEES and Bank Inspections	$10,000
Other: Building Permits	$50,000
Other: Bond	$50,000
Other: Seismic	$0
Subtotal-Construction/Rehabilitation Costs (C/R	$5,240,000
Construction Contingency (10% for Rehab/5% New)	$262,000
General Requirements (10% MAX of lines 25+26)	$400,000
Contractor Overhead and Profit (10% MAX of lines 25+26)	$450,000
Total-Construction/Rehabilitation Costs (C/R Cost)	$6,352,000
Construction Financing Costs:	
Construction Insurance	$25,000
Construction Loan Interest (3.5 %, Avg Loan	$152,000
Amt. $ 5,600,000 , Term 12 Mo's.)	$0
Construction Loan Origination Fee	$16,000
Property Taxes During Construction	$0
Other: legal	$20,000
Subtotal-Construction Financing Costs	$213,000
Item	**Total Project Cost**
Permanent Loan Financing Costs:	
Title and Recording Fees	$20,000
Legal Fees	$0
Documentation Prep. Fees	$0
Escrow Closing Fee	$0
Escrow Prepaid Items (insurance, taxes, interest)	$15,000
Other: Bond Finance Fees	$25,000
Subtotal-Permanent Loan Financing Costs	$60,000
Related Soft Costs - General:	$0
Property Conditions Report	$0
Architectural Supervision (if applicable)	$358,000
Engineering Supervision (if applicable)	$0
Survey	$5,000
Appraisal Fee(s)	$8,000
Environmental Report	$5,000
Soils Report	$10,000
Market Study	$5,000
Independent Cost Estimate Fees	$10,000
Project Accounting & Audit Fees	$20,000
Legal Fees	$20,000
Tax Credit Fees	$10,000
For Homeownership Projects: Initial Home Marketing	$0
Cost of Providing Affirmative Marketing & Fair Housing Info. to Tenants/Homebuyers	$0
Relocation Payments & Assistance Costs	$0
Rent-Up Reserves (from rentup reserve schedule)	$29,847
Operating Reserves	$140,000
Other:	$0
Other: Soft Cost Contingency	$20,000
Subtotal-Related Soft Costs/General	$640,847
Item	**Total Project Cost**
Syndication Costs: (Related to Sale of LIHTC's)	
Partnership Organization Costs	$40,000
Legal Fees	$0
Consultant Fees	$0
Other:	$0
Subtotal-Syndication Costs	$40,000
SUB-TOTAL PROJECT COST	$7,305,847
Developer Costs:	
Developer Fee: Overhead	$0
Developer Fee: Deferred	$300,000.00
Other Consultant Costs:	$200,000
Subtotal-Developer Costs (can never exceed 15% of line 79)	$500,000
TOTAL PROJECT COST (TPC)	$7,805,847

Developer Fee Check:	
Is Over or Under Limit?	Under

SOURCES OF FUNDS TABLE					Safe Harbor Village
DO NOT ENTER DATA INTO SHADED AREAS					
	Commitment Received		**Federal Funds***		
Source	**Yes**	**No**	**Yes**	**No**	**Amount ($)**
Owner/Sponsor Cash					$0
Bullit Grant					$0
HOME Funds - State Portion					$0
HOME/CDBG Funds - Federal Portion	x		X		$2,800,000
Other Grant Funds (specify): Rasmuson		X		X	$375,000
SNHG Grant		X		X	$0
Energy Credit		X		X	$45,000
Wells Fargo Grant					$100,000
LIHTC Sale Proceeds Anticipated		X		X	$2,161,387
1st Deed of Trust (source: AHFC)					$444,778
2nd Deed of Trust (source: Rasmuson PRI					$649,683
3rd Deed of Trust (source: Mental Health Trust					$930,000
4th Deed of Trust (source: Deferred Dev Fee					$300,000
Other (specify):					$0
TOTAL SOURCES OF FUNDS					**$7,805,847**

*Use of federal funds for tax credit deals may reduce the total amount of tax credit available to the project.

Do the Sources of Funds Equal the Total Development Cost?	YES
If No, how much is the difference?	0
Which is larger?	Total Development Cost