

July 8, 2019

The Honorable Cathy Giessel, Senate President
The Honorable Bryce Edgmon, Speaker of the House of Representatives
Sent via email

Subject: Enacted FY20 State Operating and Mental Health Budgets (HB 39/HB 40)

Dear President Giessel and Speaker Edgmon:

With a duty to provide leadership in the advocacy, planning, implementing and support of services and programs for Trust beneficiaries, the Alaska Mental Health Trust Authority is gravely concerned with the current state operating and mental health budgets. While we understand and appreciate the intent to control state spending, we cannot support budget reduction measures that hinder access to behavioral health care and essential safety net services for Trust beneficiaries. Trust beneficiaries include Alaskans who experience mental illness, developmental disabilities, chronic alcoholism and other substance related disorders, Alzheimer's disease and related dementia, and traumatic brain injuries.

Since the FY20 budget bills were signed, our statutory advisory boards (the Governor's Council on Disabilities and Special Education, the Alaska Mental Health Board, the Advisory Board on Alcoholism and Drug Abuse, and the Alaska Commission on Aging) and partners across the state have expressed serious concerns with how the budget as signed will impact beneficiaries. More specifically, community based service providers are grappling with how they will reduce the services they provide, and some are worried about having to close their doors altogether. For Trust beneficiaries who rely on these organizations, service reductions can mean loss of treatment services, and loss of access to essential safety net services like meals and housing.

For a vast majority of Trust beneficiaries, a \$3,000 PFD will not cover the annual costs of needed services like supportive housing, behavioral health treatment or dental care. Without these services, they are at increased risk of poor health outcomes, homelessness, contact with law enforcement, needing psychiatric hospital level care and/or incarceration. These anticipated results will negatively impact the lives of Trust beneficiaries, the health of our communities and the public safety of Alaskans. Over the last 25 years the Trust has applied its assets in partnership with the legislature to identify and implement evidence based services and supports to address their needs. The Enacted FY20 Budget will erode that work, and it is not possible for Trust assets to prevent the toll we will see on the lives of beneficiaries and their communities.

Identified below are critical and essential services and supports necessary to meet the needs of Trust beneficiaries which were reduced or vetoed in the Enacted FY20 Budget.

Access to Community Based Treatment and Safety Net Services

Community-based treatment and support services are less expensive than institutional care and provide jobs for health care professionals and paraprofessionals statewide—all of whom contribute to a healthy economy and workforce. Services such as housing and job assistance, addiction and mental health treatment, case

management, education and training for direct service providers, peer support, and adult day programs help beneficiaries meet their basic needs (healthcare, housing, employment, food, transportation) to remain healthy, active and stable in our communities.

The elimination of or reduction in State funds to the Medicaid program and community based services will result in Trust beneficiaries in expensive psychiatric hospitals, nursing homes, emergency rooms, and in the worst cases, prison. It also means that jobs in the health care and services fields will be threatened or lost.

Further, addiction prevention and treatment, and behavioral health supports help improve outcomes for countless Alaskans. By eroding access to these services, the community behavioral health system will reduce its already stressed ability to meet the current need. As you know, addiction costs us in many ways; it is a root cause contributing to crime, domestic violence, child abuse and neglect and suicide.

Below are programs that have been reduced or eliminated in the Enacted FY20 Budget. The Trust supports the budget amounts as passed by the legislature for community based treatment and safety net services; but particularly, the items below.

Item	Budget	Dept.	Component	Amount
Behavioral Health Treatment & Recovery Grants	Mental Health	DHSS	BH Treatment & Recovery Grants	(\$6,100.0) DGF
Implement Medicaid Services Cost Containment Measures & Reform Initiatives	Operating	DHSS	Medicaid Services	(\$50,000.0) UGF
Eliminate Adult Prev Dental Medicaid SVS	Operating	DHSS	Adult Prev Dental Medicaid Svs	(\$8,273.6) UGF (18,730.9) FED
Mental Health: Alaska Housing and Finance Corporation (AHFC) Beneficiary and Special Needs Housing	Mental Health	DOR	Capital	(\$2,000.0) UGF
Mental Health: Mental Health Homeless Assistance Program	Mental Health	DOR	Capital	(\$7,200.0) UGF
Eliminate Human Services Community Grants	Operating	DHSS	Human Svs Community Matching Grant	(\$1,387.0) UGF
Eliminate Community Initiative Matching Grants	Operating	DHSS	Community Initiative Grants	(\$861.7) UGF
Eliminate Senior Benefits Payment Program	Operating	DHSS	Senior Benefits Payment Program	(\$20,786.1) UGF

Item	Budget	Dept.	Component	Amount
Reduce Maintenance of Effort Requirement by Reducing Adult Public Assistance Payments	Operating	DHSS	Adult Public Assistance	(\$7,471.2) UGF
Mental Health: Deferred Maintenance & Accessibility Improvements	Mental Health	DHSS	Capital	(\$250.0) UGF
Mental Health: Coordinated Transportation & Vehicles	Mental Health	DOTPF	Capital	(\$1,000.0) UGF
Mental Health: Assistive Technology	Mental Health	DHSS	Capital	(\$500.0) UGF

Prevention

Prevention and early intervention services in early childhood are critical for individuals at risk of becoming beneficiaries. Prevention efforts impacted by the Enacted FY20 Budget include early education programs that provide early intervention through child and family support services, and train early childhood professionals to identify trauma and developmental delays. Reducing the number of early interventions provided through child and family support services may lead to increased use of costlier special education and other services in the K-12 education system. Moreover, modern brain science shows that the earlier the intervention during early childhood, particularly prior to age three, the more effective and the greater the return on investment.

Below are programs that have been reduced or eliminated in the Enacted FY20 Budget. The Trust supports the budget amounts as passed by the legislature for prevention efforts; but particularly, the items below.

Item	Budget	Dept.	Component	Amount
Delete Funding for Early Childhood Grants	Operating	DEED	Early Learning Coordination	(\$1,200.0) UGF
Delete Funding for Parents as Teachers	Operating	DEED	Early Learning Coordination	(\$474.4) UGF
Delete Funding for Head Start Grants	Operating	DEED	Early Learning Coordination	(\$6,853.0) UGF
Funding for Best Beginnings Grants	Operating	DEED	Early Learning Coordination	(\$320.0) UGF

In closing, the Legislature carefully reviewed and considered the Governor’s proposed FY20 Amended Budget and passed a reduced budget that included funding for critical services and programs to meet the basic needs of Trust beneficiaries. The Enacted FY20 budget further reduced or eliminated funding for these services and programs. While the Enacted budget may reduce cost of state government next year, it will likely lead to future increased costs to the state, and will negatively impact the lives of Trust beneficiaries and the health and public safety of our communities.

The Trust respectfully requests that you, during this final step in the budget process, carefully reconsider the current budget and take action to ensure funding resources protect services and supports for Trust beneficiaries.

Thank you for your support and if you would like further information from the Trust on our position, don't hesitate to contact me.

Respectfully,

A handwritten signature in black ink, appearing to read "Michael K. Abbott". The signature is fluid and cursive, with a long horizontal stroke extending from the end of the name.

Michael K. Abbott
CEO, Alaska Mental Health Trust Authority

Cc.

All members, Alaska State Senate
All members, Alaska House of Representatives
Donna Arduin, Director, Office of Management and Budget
Adam Crum, Commissioner, DHSS
Bruce Tangeman, Commissioner, DOR
John MacKinnon, Commissioner, DOT&PF
Michael Johnson, Commissioner, DEED