

MEMO

To: Anita Halterman, Chair
Through: Steve Williams, Chief Executive Officer
From: Carol Howarth, Chief Financial Officer
Date: August 17, 2022
Re: FY2024 and FY2025 Budget Recommendations – Including
Additional FY24 Early Intervention Strategies (\$800.0)

FY24 REQUESTED MOTION #1: FY24 Budget Including Additional Early Intervention Strategies

I move the full Board of Trustees appropriate MHTAAR, MHT Admin and Authority Grant funds for FY2024 in the amount of \$39,192,600. This consists of \$19,469,100 of MHTAAR and MHT Admin and \$19,723,500 of Authority Grants. These funds are to be used for the programs and activities described in the detailed FY2024-FY2025 Budget Recommendations document prepared for the August 24 & 25, 2022 Board of Trustees Meeting. Included in this motion is a recommendation by the full Board of Trustees for a State of Alaska appropriation of \$9,933,000 of GF/MH funds and \$8,100,000 of Other funds for FY2024.

FY25 REQUESTED MOTION #2: FY25 Budget Including Additional Early Intervention Strategies

I move the full Board of Trustees appropriate MHTAAR, MHT Admin and Authority Grant funds for FY2025 in the amount of \$39,000,900. This consists of \$19,247,400 of MHTAAR and MHT Admin and \$19,753,500 of Authority Grants. These funds are to be used for the programs and activities described in the detailed FY2024-2025 Budget Recommendations document prepared for the August 24 & 25, 2022 Board of Trustees Meeting. Included in this motion is a recommendation by the full Board of Trustees for a State of Alaska appropriation of \$9,499,100 of GF/MH funds and \$8,100,000 of Other funds for FY2025.

Background:

The Trust prepares budgets on a two-year cycle, which incorporates the use of Trust spendable income for operating costs of the Trust Authority Office agency budget, Mental Health Trust Authority Authorized Receipts (MHTAAR), and recommended Authority Grants. The budget additionally includes recommendations to the State of Alaska for the appropriation of General Fund/Mental Health (GF/MH) and Other fund sources for mental health programs that benefit Trust beneficiaries.

The FY2024-2025 Budget Recommendation document provided as a handout and watermarked “Draft FY24/25 Budget Including Additional Early Intervention Strategies” provides the details for how Trust spendable income (MHTAAR, MHT Admin, and Authority Grant) and non-Trust funds (General Funds/Mental Health and Other) are allocated.

This budget incorporates the following increases for FY2024 from the recommended budget presented at the July 27 & 28, 2022 Program & Planning Committee meeting:

- Under *Disability Justice-Line 12*: FY24 increase of \$44,000.
- Under *Other Priority Areas – Early Childhood Intervention & Prevention-Line 33*: FY24 increase of \$200,000
- Under *Other Priority Areas – Early Childhood Intervention & Prevention-Line 36*: FY24 increase of \$200,000
- Under *Other Priority Areas – Early Childhood Intervention & Prevention-Line 37*: FY24 increase of \$400,000

Total FY24 budget increases from the budget presented at the July 27 & 28, 2022 Program & Planning Committee meeting are \$844,000

The Non-Focus area section of the document includes line items for the FY2024 and FY2025 Trust Authority MHT Agency budget (\$4,624,400 for both years) and the FY2024 and FY2025 Trust Land Office Agency budget (\$5,019,100 for both years). These administrative agency budgets were discussed and recommended for approval at the July 26, 2022 Finance Committee meeting.

The Other Non-Focus area, Focus area and Other Priority area sections of the document include all programmatic funding for Trust beneficiary programs, services, supports and system change efforts. The funding in these budget sections was presented and discussed at the July 27-28, 2022 Program and Planning Committee meeting.

As discussed in the July 26, 2022 Finance Committee meeting, revenue for FY2024 is estimated at \$39.2 million. A refined FY2024 revenue projection and a FY2025 revenue estimate will be provided at the October 19, 2022 Finance Committee meeting, after the incorporation of FY2023 projections expected from APFC. The FY2024-2025 Budget Recommendations are not expected to fully utilize anticipated revenues. Staff recommends these funds not be allocated for specific programmatic purposes at this time. Uncertainties regarding the state's policies and funding levels for behavioral health care as well as uncertainty on future investment returns make it important to provide flexibility to ensure the best possible allocation of funds as needs are identified. We expect to bring to Trustees recommendations regarding any allocation of FY2024 unobligated funds in January 2023, well before the start of FY2024.