Creating change that improves the lives of Alaskans with disabilities.

FY 26/27 Budget Recommendations to the Alaska Mental Health Trust

What Does the Council Do?

The Council is a state board of up to 26 members (24 currently) and has five statutory duties. The state laws governing the Council are Programs for People with Disabilities (AS 47.80), Education for Exceptional Children (AS 14.30.231), Special Education Service Agency (AS 14.30.600), Services for Developmentally Delayed or Disabled Children (AS 47.20.060), and the Alaska Mental Health Trust Authority (AS 47.30.031).

State Council on Development Disabilities: Under the federal **Developmental Disabilities Assistance and Bill of Rights Act,** the Council serves as the State Council on Developmental Disabilities. The Council works to address identified needs by conducting advocacy, systems change, and capacity building efforts that promote self-determination, integration, and inclusion. Key activities include conducting outreach, providing training and technical assistance, removing barriers, developing coalitions, encouraging citizen participation, and keeping policymakers informed about disability issues. The Council is also responsible for developing a five-year plan and FY 25 is the start of a 1.5 year process for the 2027-2032 State Plan. **Under federal law the plan must provide assurances that there will be reasonable State financial participation in the cost of carrying out the plan.** In FY 25, the federal government provides $527.6 to perform this duty, matched by $30.1 in state GF/MH funds, and $200.5 in MHTARR. Congress has not fixed the amount of funding for DD Council's for next year, but in the past, it has stayed the same, or risen slightly.

Interagency Coordinating Council (ICC) for Infants and Toddlers with Disabilities: Under the federal **Individuals with Disabilities Education Act,** the Council serves as the Interagency Coordinating Council for Infants and Toddlers with Disabilities which advises the Alaska's statewide **Early Intervention/Infant Learning Program**, a program funded under DOH/SDS. The Council receives $103.2 of federal funds to support the ICC as a Reimbursable Service Agreement (RSA).

Statutory advisory board for the Alaska Mental Health Trust Authority (Trust). The Council represents Alaskans with intellectual and developmental disabilities (I/DD) to the Trust. The Trust provides $200.5 ($184.5 in FY 24) to support Council staff as it relates to Trust related duties. Of all the statutory advisory boards to the Trust, the

Council, with a staff of eight, is the largest, yet gets the lowest amount of funding from the Trust. The draft FY 25 Budget has an increase built of $24.5 K for a total of $225 K. This is not enough

Special Education Advisory Panel (SEAP): Under the federal **Individuals with Disabilities Education Act**, the Council serves as Alaska's Special Education Advisory Panel which advises and assists Alaska's statewide Special Education program administered through the **Department of Education & Early Development** (DEED). DEED provided an $85.0 RSA to support the Council's duties as the SEAP in FY 24 but increased it to $140.0 in FY 25.

Governing Body of the Special Education Service Agency (SESA): Members of the Council are the majority of the governing board for SESA, which supports the effective education of students with low incidence disabilities throughout Alaska. The Council receives no extra funding to support this duty, but SESA pays for their own board meeting costs and travel for our council members who serve double duty on their board.

FY 25 Council's Budget: $1,699.9

- ***$976.1 Federal*** – Only $617.6 K is identified. $527,000 of our base DD grant award, plus $90.6 Kin other fed grant funds that must be spent this fiscal year. Note: A six-year $400 K federal award ends September 30, 2024, leaving a large hole in our budget. The Council has applied for another federal grant, and we should learn of its outcome in September, otherwise the Council will have to cut back significantly.
- ***$493.2 IA Receipts***--$393.0 identified: $103.6 from DOH/SDS for ICC; $140.0 from DEED for SEAP; $149.3 from DEED for youth employment grant.
- ***$30.1 GFMH***--$30.1, was $79.6 in FY 24.
- ***MHTARR: $200.5*** Joint staffing grant (SOI) for GCDSE Research Analyst (100%) and HHS Planner Position III. This is a small increase from FY 24, which was $184.5.

To meet our statutory obligations as a Trust Advisory Board please support a FY 26 MHTARR budget total of $300 K in FY 26 and $325 K in FY 27, plus $50 K in GFMH in FY 26 and FY 27.

Per our statutory responsibility as a beneficiary advisory board to the Alaska Mental Health Trust Authority, the following are the recommendations of the GCDSE on the FY 26 and FY 27 Draft Budget from 7/23/24.

UNDER NON-FOCUS AREAS ALLOCATIONS

Partnership Grants ($2.15 M): Partnership grants are a lot of different things to a lot of different organizations and quite valuable and appreciated by the agencies that serve our beneficiaries. However, there ae two questions the Trust must consider in funding this "bucket":

- First, is $2.15 M enough in this category, especially what we are seeing with our developmental disability providers? The Council has communicated to the Trust several times that are service arena is not good and getting worse. For a few years now we have heard providers are struggling to maintain services because of workforce shortages and an inability to compete with other sectors of the Alaskan economy. More and more persons, especially those with difficult behaviors or complex needs are being served at hospitals in state or being sent outside to institution like facilities. Yet, the one request to the Trust to help a large established provider survive a fiscal dilemma, was not supported by the Trustees at first, and then the offer to purchase their properties and holdings at far less than their market value was not an answer either. The Council is very concerned that what happened in April and May of this year with one provider, is a harbinger of things to come. Therefore, whether this bucket needs to be increased overall is yet to be seen, but the Trust must be prepared to be nimble enough with its resources to step in with financial support, especially when the failure to act would result in our beneficiaries being institutionalized, which was the very reason the Alaska Mental Health Trust was established in the first place.

- Secondly, are the grants spread someone evenly across the four beneficiary boards as envisioned in the Trust Settlement? In response to the public comment and concerns that the Trust would treat one beneficiary group more so than another, the Weiss Decision related to the Alaska Mental Health Trust Settlement agreement states "there is no reason to assume the Trust Authority would favor one group over another" (Page 133) and continues further to say (same page), "The Trust Authority has a duty to 'deal impartially with trust beneficiaries'". The Trust Authority has only two ways to ascertain if its treating beneficiary groups equally, i.e. staffing assignments and resource allocation. Given that staff work as a whole, and Trust program officers are assigned various beneficiary groups to work with, one could argue their support across the boards is pretty equitable and fair. However, one can argue that is not the case when it comes to distribution of resources for partnership grants. A one year look back shows 28 grants to organizations serving all or mixed beneficiary groups, 28 in the mental health area, 14 in developmental disabilities, 13 for substance abuse, 8 for traumatic brain injury, and only 3 for Alzheimer's and Related Dementia. A much closer multi-year look back of how this tracks and the amount of funding per beneficiary group would be an interesting study, and probably not difficult to do. ***The Council urges the Trust to look at this, but our estimation is that it is likely to show there has not been equal treatment of funding by the Trust of its beneficiaries***. Of course, projects and initiatives ebb and flow, and resource allocations need to adjust accordingly. However, ***the GCDSE also recommends that within this larger "bucket" of funding, that smaller buckets be created with a beneficiary group tag at the start of the year.*** As the year progresses, then the Trust can consider moving funding between the buckets if it appears that one or more beneficiary groups are not going to utilize the funding set aside for their group. Knowing that these siderails are in effect would do two things: a) Trustees and staff would be cognizant of them and would do better to equalize the opportunity for funding amongst the beneficiary groups, and b) beneficiary providers would also recognize the set asides and perhaps bring forward other purposeful and meaningful grant requests to be considered by the Trust.

Mini Grants for all Beneficiaries (approx.$1.6 M): Mini grants are incredibly important to all beneficiary groups. They fill gaps in services not paid by Medicaid or other funding. They are often the key to helping a family survive, or an individual to maintain their independence. While all mini-grant funds were fully utilized in FY 23 and FY 24, a significant number of requests were denied, some for good reason, but many because of the lack of funding available that month. This was true across all beneficiary groups. This puts an incredible amount of pressure on the mini-grant review teams who must spend a lot more time prioritizing requests, often without clear guidance. Although numbers vary slightly, between the four beneficiary groups, approximately $400 K is being used for each group. ***We strongly urge the Trust to add $100 K to each mini-grant pot and raise to $500 K per group, or $2 M.*** We also recommend that our boards work with Trust staff on reviewing the parameters of each mini-grant program and consider upping the limits per individual grant. Many have not been raised in years and is not keeping pace with inflation.

Technical assistance for beneficiary groups & Trust initiatives ($500 K): We have said it before and will say it again, the DD support system is in trouble. The only question is "how bad is it"? ***This is more urgent than the FY 26 Budget and the Council strongly urges the Trust to consider a technical assistance contract now to ascertain the fiscal integrity of our delivery system***. Perhaps this can go hand in hand with wait reviews, but its broader than just rates and we think it is a good idea to interview all large DD providers across the state, as well as many smaller ones to ascertain their fiscal health and their ability to maintain home and community-based services in their community. ***There is a strong sentiment in the DD beneficiary world that what happened with one large and established provider could happen to others. We need ideas and recommendations to help us shore up the system, which the Trust had a statutory and fiduciary responsibility to do so.***

Capital Request: Coordinated Community Transportation ($1.0 Million GFMH): Grant requests under this program has been building the past couple years, and we maxed out this last go around with the GFMH and the Trust funding. However, the FY 26 and 27 budget draft envisions no Trust funds, which we think is a mistake and could jeopardize the program, especially because a statutory duty of DOTP&F to support transit does not exist. Without the partnership of the Trust, this program could easily be dropped, which would devastate a few large and many small transit providers who use this funding to fills service gaps that they normally cannot provide. ***We recommend adding the $250 K back in MHTTAR funding to this category.***

Capital Request: Essential Equipment Grant ($250 K): The Council has not seen a lot of value in this grant program run by the Department of Health, Facilities Section. ***We do feel SDS could do much better with this, but perhaps it is best spent on increases to the mini-grants or coordinated transportation.***

UNDER DISABILITY JUSTICE

The Council has a hard time understanding why so much Trust funding is spent in this category, but the proposed budget shows a significant drop off in FY 27, so perhaps that is the trend. However, that being said, one item that is not included and has been in the past is **the Friendship and Dating Train the Trainer Curriculum(UAA/CHD): $85 K**—We see nothing for this in future years and this is disappointing given how powerful this curriculum has been, especially teaching persons with I/DD respectful interactions with the opposite sex, thereby helping to keep them from getting in trouble with the law. ***Please add this back into the budget until such time as a different funding source can be found.***

UNDER BENEFICIARY EMPLOYMENT AND ENGAGEMENT

Overall, the Council does not like the downward trend of this focus area, and we also believe the draft is heavily waited toward one beneficiary group—Mental Health; we support them, but our beneficiary group seems left. Granted, we understand some of the funding has shifted over to Workforce Development. However, we want to emphasize the importance to the Trust what having a job means, especially persons with I/DD. Study after study shows that having a job, and a purpose every day, leads to good health outcome for our beneficiaries, as well as economic self-sufficiency and less dependence on government support. Given the hot job market, now is the time to increase this focus area, not decrease it. Even with a good job market, our Council is constantly hearing stories of beneficiaries having to give up their job because they cannot find transportation, or a job coach or assistive technology they need to hold a job. In addition, community engagement is also incredibly important, as it leads to networking, the learning of soft employment skills and job training.

The GCDSE used to get $150 K to lead and support this focus area, but that went away a few years ago when the Council was under different leadership and not performing adequately--***$75 K now goes to UAA/CHD for their work on employment, and we completely support that.*** What has changed is the Council is leading the way once again on beneficiary employment and engagement utilizing some federal funding that is aimed primarily at youth with disabilities—all disabilities. What is missing is all the work on tracking and improving the Medicaid Working Disabled Buy-In, pushing ABLE accounts for savings and maintain benefits, Ticket to Work, Employment First and other adult related employment policies and initiatives***. We highly encourage the Trust to engage the GCDSE in this effort once again, at $150 K per year with MHTARR funding for FY 26 and 27.*** This funding would allow us to direct more staff resources toward Beneficiary Employment and Engagement (BEE). With Trust support, we envision restarting the Alaska chapter of the Association of Programs Supporting Employment (APSE), creating an employment ambassador position at the council for a person with a developmental disability, and continue a cross-beneficiary communications campaign about the value and benefits of work.

Beneficiary Employment Conference $100 K MHTARR, 2027: We support the Employment First conference led by the Division of Vocational Rehabilitation (DVR), which is planned for every other year. However, it needs to be focused on beneficiaries as well as employers. ***Please keep at $100 K MHTARR but require it be at least a two-day conference.***

Micro Enterprise Grants (UAA/CHD) $175 K MHTARR: Working with UAA/CHD this past two years, the Council has been very robust in pushing out the Micro Enterprise grant program and not only are we seeing mor DD beneficiaries applying, but we are maxing out the fund with a good cross section of beneficiary applicants. Therefore, ***we recommend the Trust increase the amount to $200 K in FY 26 and $225 K in FY 27.*** Plus, because of inflation, we recommend increasing the max grant per individual from $10 K to $12.5 K in FY 26 and $15 K in FY27.

<u>UNDER HOME AND COMMUNITY BASED SERVICES FOCUS AREA</u>

The Council supports the following projects identified under HCBS:

- IDD System Capacity Development ($45 K) Alaska Association on Developmental Disabilities. ***Keep same amount for FY 27.***
- HCBS System Sustainability ($150 K)
- HCBS Reform Contract ($150 K)
- Gulf Coast TABI Expansion Project, ILC ($125 K)
- Care Coordination Liaison, SDS ($89.3 K)
- Brain Injury Council of Alaska Staff, CHD ($105 K)
- Home Modifications & Upgrades, SDS ($1.15 M GFMH)
- Environmental Modifications Improvement, SDS ($94 K).
- Self-Directed HCBS, ILC ($300 K FY 26 and $400 K FY 27): ***Highly regarded and needed***
- Person Centered Transportation, SDS ($250 K): ***Highly regarded and needed but recommend consider the Statewide Independent Living Council, or Alaska Mobility Coalition, or another organization better suited to get transportation mini grants out the door.***
- Aging and Disability Resource Centers, SDS ($250 GFMH) ***Consider adding $125 K MHTARR to match $125 K GFMH.***

The Council following projects should be modified or eliminated under HCBS:

- Special Needs Housing Grant ($1.95 M) ***Consider lowering MHTARR and increasing GFMH to pay for requested increases elsewhere.***
- Homeless Assistance Program ($3.8 M) ***Consider lowering MHTARR and increasing GFMH to pay for requested increases elsewhere.***
- TABI Phasic Implementation Plan for Identification, Intervention and Enhanced Community Infrastructure, Southcentral Foundation ($350 K). ***This would not be a priority considering other more pressing needs.***
- "No Wrong Door" Coordinated Access to Services, SDS ($300 K) ***Consider lowering by $50 K per year if needed for other more pressing needs.***

UNDER EARLY CHILDHOOD AND YOUTH PRIORITY AREA

There seems to be a lot of new funding in this category, and we applaud the Trust in recognizing the importance of early intervention and services to children and youth. The Council believes that what is laid out in front of the Trust as draft recommendations will pay off many times over when estimating cost savings across a number of health and social service fronts, from mental health services to family intervention strategies, and to individualized supports and vocational services

The Council very much appreciates that this draft budget anticipates several current factors and needs of the Infant Learning Program, which serves primarily very young children with a 50% developmental delay, it does not address what we presented to you in May—supporting an increment for the ILP program that is necessary to maintain the status quo and the possibility of eligibility expansion and what that looks like. In the past year, this issue was brought up to the Trust several times, and it was explained that the Council's ICC finance subcommittee was currently engaged with a contractor, paid for by the Trust, whom we are thankful. Phase I of this work and is detailed in the attached report, ***called "Recommendations to Expand Eligibility and Funding for the Alaska Infant Learning Program". We highly recommend that Trustees and Trust staff review this report in its entirety, but especially the 9 recommendations on page 39-49:***

https://health.alaska.gov/gcdse/SiteAssets/Pages/default/Accessible_Alaska_ILP_PartC_report_final.pdf

Although our time is limited on August 29 to 20 minutes, ***we highly recommend we begin the conversation of costs in earnest.*** We look forward to a fruitful discussion about the future of the ILP program and the need for both the Trust and the State to seek out and support additional funding opportunities to:

a) ***bring ILP providers financially even with ten years of no inflationary increase and flat funding for an estimated total cost of $2.5 million in FY 26. The Council recommends $500 K MHTARR and $2.0 M GF/MH,*** *and*

b) ***The Council recommends a change in eligibility guidelines to catch roughly 25% more infants and toddlers with developmental delays so they can benefit from the value of intensive early intervention therapies and family training and support.*** The expected costs will be determined in FY 25, during phase two of program review and contract extension, for services that would begin in FY 27. Items to be considered but are not limited, variables on per cent of delay and how that is determined, phasing expansion over time, and consideration of all financing options, including private pay and private insurance, Medicaid, grants, and other options. As a placeholder for this work, ***we recommend the Trust include $500 K in the FY 27 projected budget for eligibility expansion, to be matched by $2.0 M in GFMH***

Thank you to the Trust for your careful consideration of these requests.

UNDER EARLY CHILDHOOD AND YOUTH PRIORITY AREA

There seems to be a lot of new funding in this category, and we applaud the Trust in recognizing the importance of early intervention and services to children and youth. The Council believes that what is laid out in front of the Trust as draft recommendations will pay off many times over when estimating cost savings across several health and social service fronts, from mental health services to family intervention strategies, and to individualized supports and vocational services

The Council very much appreciates that this draft budget anticipates several current factors and needs of the Infant Learning Program, which serves primarily very young children with a 50% developmental delay, it does not address what we presented to you in May—supporting an increment for the ILP program that is necessary to maintain the status quo and the possibility of eligibility expansion and what that looks like. In the past year, this issue was brought up to the Trust several times, and it was explained that the Council's ICC finance subcommittee was currently engaged with a contractor, paid for by the Trust, whom we are thankful. Phase I of this work and is detailed in the attached report, ***called "Recommendations to Expand Eligibility and Funding for the Alaska Infant Learning Program". We highly recommend that Trustees and Trust staff review this report in its entirety, but especially the 9 recommendations on page 39-49:***

https://health.alaska.gov/gcdse/SiteAssets/Pages/default/Accessible_Alaska_ILP_PartC_report_final.pdf

Although our time is limited on August 29 to 20 minutes, ***we highly recommend we begin the conversation of costs in earnest.*** We look forward to a fruitful discussion about the future of the ILP program and the need for both the Trust and the State to seek out and support additional funding opportunities to:

a) ***bring ILP providers financially even with ten years of no inflationary increase and flat funding for an estimated total cost of $2.5 million in FY 26. The Council recommends $500 K MHTARR and $2.0 M GF/MH,*** *and*

b) ***The Council recommends a change in eligibility guidelines to catch roughly 25% more infants and toddlers with developmental delays so they can benefit from the value of intensive early intervention therapies and family training and support.*** The expected costs will be determined in FY 25, during phase two of program review and contract extension, for services that would begin in FY 27. Items to be considered but are not limited, variables on per cent of delay and how that is determined, phasing expansion over time, and consideration of all financing options, including private pay and private insurance, Medicaid, grants, and other options. As a placeholder for this work, ***we recommend the Trust include $500 K in the FY 27 projected budget for eligibility expansion, to be matched by $2.0 M in GFMH***

Thank you to the Trust for your careful consideration of these requests.