

**ALASKA MENTAL HEALTH TRUST AUTHORITY**

**FULL BOARD MEETING**

**August 27, 2020**

**8:30 a.m.**

**WebEx Videoconference/Teleconference**

**Volume 2 of 2**

**Originating at:**

3745 Community Park Loop, Suite 120

Anchorage, Alaska

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**Trustees Present:**

Chris Cooke, Chair

Rhonda Boyles

John Sturgeon

Laraine Derr

Ken McCarty

Verne' Boerner

Anita Halterman

**Trust Staff Present:**

Mike Abbott

Steve Williams

Carol Howarth

Miri Smith-Coolidge

Kelda Barstad

Travis Welch

Luke Lind

Michael Baldwin

Carrie Predeger

Katie Baldwin-Johnson

Jimael Johnson

Valette Keller

Eric Boyer

Autumn Vea

Allison Biastock

Kat Roch

**Trust Land Office:**

Wyn Menefee

Jusdi Doucet

Sarah Morrison

Paul Slenkamp

Holly Chalup

**Also participating:**

Beverly Schoonover; Kristin Vandagriff; Roger Branson; Sheila Harris; Ed Hopkins; Jillian Gellings; Michael Bailey; Jenny Weisshaupt; Anne Applegate; Brenda Moore; Lisa Cauble; Kim Champney; Becky Carpenter; Stuart Goering; Charlene Tautest; Jared Parrish; Sara Clark; Travis Welch.

**PROCEEDINGS**

**CALL TO ORDER**

CHAIR COOKE called the meeting back into session and began with a roll call. With all trustees present, he asked for any announcements. He announced that he looked at the election website and stated that Trustee McCarty had a healthy lead and congratulated him. There being no other announcements, he moved to the Finance Committee report.

**FINANCE COMMITTEE REPORT**

TRUSTEE DERR stated that as a result of the July 30<sup>th</sup> Finance Committee meeting there were several items on that agenda and those are all in the packet. There was only one to come before the Full Board as a motion.

**MOTION:** The Finance Committee recommends that the Full Board of Trustees authorize the Chief Financial Officer to transfer upon receipt of the proceeds from the Juneau Subport sales transaction from the TADA account to the Permanent Fund for investment.

TRUSTEE DERR stated that this motion came about because of getting this money in the account that is being held in escrow.

MR. ABBOTT stated that there is a mistake in the motion, it should start with: The Full Board of Trustees authorizes the CFO.

TRUSTEE DERR agreed that the motion actually starts with: The Full Board of Trustees.

MR. ABBOTT asked that it be considered a technical amendment.

**MOTION:** The Full Board of Trustees authorizes the Chief Financial Officer to transfer upon receipt of the proceeds from the Juneau Subport sales transaction from the TADA account to the Permanent Fund for investment.

TRUSTEE DERR asked if the rest of the money was received or is there an expected date of arrival.

MS. HOWARTH replied that the TLO expects to receive the funds, at the latest, the last day of September.

TRUSTEE DERR asked Chair Cooke to take over.

CHAIR COOKE stated that by passing this motion, which contemplates the receipt of the money, it would enable to put the proceeds into the Mental Health Trust fund without having another board meeting to take the action. He continued that this was discussed at previous board and committee meetings and called the question.

*After the roll-call vote, the MOTION was APPROVED unanimously. (Trustees Boerner, Boyles, Derr, Halterman, McCarty, Sturgeon, and Cooke).*

TRUSTEE DERR stated that there was nothing further from the Finance Committee.

## **RESOURCE MANAGEMENT COMMITTEE REPORT**

CHAIR COOKE recognized Trustee Sturgeon.

TRUSTEE STURGEON stated that there were three consultations to consider and read the first one.

**MOTION:** The Resource Management Committee recommends that the Alaska Mental Health Trust Authority Board of Trustees concur with the disposal of old-growth timber acquired through exchange and reconstruction of road in the Shelter Cove area, near Ketchikan, through a competitive timber sale of Trust land on Revillagigedo Island.

MR. MENEFEE stated that the actual motion got rid of “The Resource Management Committee recommends that,” which is on page 103.

CHAIR COOKE read the correct motion into the record.

**MOTION:** The Alaska Mental Health Trust Authority Board of Trustees concurs with Resource Management Committee for the disposal of the old-growth timber acquired through exchange and reconstruction of road in the Shelter Cover area, near Ketchikan, through a competitive timber sale on Trust land on Revillagigedo Island.

CHAIR COOKE asked for any further discussion. There being none, he called the vote.

*After the roll-call vote, the MOTION was APPROVED unanimously. (Trustees Boerner, Boyles, Derr, Halterman, McCarty, Sturgeon, and Cooke).*

TRUSTEE STURGEON moved to the one that had to do with disposal of the gravel material.

**MOTION:** The Alaska Mental Health Trust Authority Board of Trustees concurs with the Trust Land Office disposing of gravel material from two Trust Parcels CRM-0386 and CRM-387 through a negotiated sale was made by TRUSTEE STURGEON; seconded by TRUSTEE HALTERMAN.

MR. MENEFEE provided the consultation on this one, and it is similar to the next one. He explained that both of the material sales were done in such a way to wait for some DOT process before bringing them forward. He asked Holly Chalup to present this consultation.

MS. CHALUP stated that this is an opportunity to sell approximately 400,000 cubic yards of gravel material in the Haines area of Southeast Alaska. The project will support a federally funded road construction project to increase the highway speed of the Haines Highway. She continued that it is a two- to three-year project. The contract will be three years and has the opportunity to be extended if necessary. She added that this is an exciting opportunity to leverage the gravel resources in a way that generates some great income for the Trust. Anticipated is approximately \$700,000 in principal revenue over the next three fiscal years and believes it will maximize the revenue-generating potential of these two parcels because of its topography and the location of these parcels. She explained that the sale of this material will also help facilitate the completion of the road rehabilitation project and will have positive downstream effects should there be nearby development happening in Haines.

CHAIR COOKE asked how the revenue would be calculated.

MS. CHALUP replied that the site will be surveyed prior to development and then surveyed periodically throughout the development process, and then finally after closure.

TRUSTEE STURGEON asked how the value was determined.

MS. CHALUP explained the process and stated that \$1.75 per cubic yard was established as the sale price.

TRUSTEE BOERNER inquired about any anticipated public concern, and if any feedback was received from the community.

MS. CHALUP replied that no comments have been received from the community regarding the sale. There will be a public process through the sale process, and we can address those comments as they come in.

CHAIR COOKE called the vote.

*After the roll-call vote, the MOTION was APPROVED unanimously. (Trustees Boerner, Boyles, Derr, Halterman, McCarty, Sturgeon, and Cooke).*

CHAIR COOKE asked Trustee Sturgeon to continue.

**MOTION: The Alaska Mental Health Trust Authority Board of Trustees concurs with the disposal of gravel material from Trust Parcel S20525 through a negotiated sale was made by TRUSTEE STURGEON; seconded by TRUSTEE DERR.**

MS. CHALUP stated that this is another exciting opportunity for the Trust land to really leverage its material resources in its resource portfolio. She continued that this is looking at selling approximately 300,000 tons of construction-grade gravel material in support of another federally funded DOT road construction project. The project is in its third and final phase. She added that the applicant requested additional use of the site and material up to 50,000 cubic yards per 20 years of terms. This is a great opportunity for some continued and long-term material sale. The property is located on Sylvan Road in the northern portion of Wasilla towards Big Lake, along the Parks Highway. She stated that the project will divide the section Parks Highway to reduce

collision potential. She continued that the anticipated final total for project gravel needs is 1.1 million tons. She added that the sale is expected to generate approximately \$350,000 in fiscal years '21 and '22 for project-related expenses and nonproject material sales of approximately \$650,000 over the remaining 18 years of the contract life.

CHAIR COOKE asked for any further discussion. There being none, he called the vote.

*After the roll-call vote, the MOTION was APPROVED unanimously. (Trustees Boerner, Boyles, Derr, Halterman, McCarty, Sturgeon, and Cooke.)*

CHAIR COOKE asked for anything else from the Resource Management Committee.

TRUSTEE STURGEON replied that was all he had.

CHAIR COOKE moved to the budget recommendations for FY22-'23.

### **BUDGET RECOMMENDATIONS FY22-FY23**

MR. ABBOTT began with a couple of very brief introductory remarks and stated that there were two motions. He also talked about being obligated by the settlement and statute to present a two-year budget every other year to the Administration and the Legislature. This is one of the core responsibilities of the Trust Authority as established in the settlement and in statute. He continued that the Administration would provide a response as their budget is submitted for each of these fiscal years to the Legislature on December 15<sup>th</sup>. A response will also be provided for why they agreed or disagreed with the recommendations. The Legislature will also provide a response. He then proceeded to answer questions on the process. He explained the process after the motion is made is to have a high-level description of the budget.

CHAIR COOKE asked for a motion.

**MOTION: A motion that the Full Board of Trustees appropriate MHTAAR and Mental Health Trust Admin and Authority Grant Funds for FY2022 in the amount of \$32,768,600. This consists of \$16,084,900 of MHTAAR and \$16,084,900 of Authority Grants. These funds are to be used for the programs and activities described in the detailed FY22-23 Budget Recommendations document prepared for the August 26 and 27, 2020, Board of Trustees Meeting. Included in this motion is a recommendation by the Full Board of Trustees for a State of Alaska appropriation of \$12,397,500 of General Fund/Mental Health funds and \$8,100,000 of other funds for FY2022 was made by TRUSTEE BOERNER; seconded by TRUSTEE HALTERMAN.**

CHAIRMAN COOKE asked Mr. Williams to take up the details of the budget.

MR. WILLIAMS walked the trustees through the budget, responding to any questions. He stated that Trust staff began looking at budget recommendations in the spring and coordination with the advisory boards around a process and a review of the budget. This process also involved other key stakeholders and beneficiaries of the Trust and engaged with the departments that may receive some of the Trust funds in the fiscal year. He continued through the details of the budget, explaining and answering questions as he went along. He added that the GF/MH

recommendations in this particular set are very calculated and are intended to address the critical needs of the beneficiaries.

A question-and-answer discussion ensued.

CHAIR COOKE called a break per the agenda.

(Break.)

CHAIR COOKE reconvened the meeting and called the roll. He asked Mr. Williams to walk through the budget proposal.

MR. WILLIAMS did a high-level overview of each major section and pointed out some particular items in each section. He answered questions as he continued through the budget. He completed the nonfocus area allocation portion of the budget and moved to the focus area beginning with the Mental Health and Addiction Intervention focus area.

The discussion continued with the trustees and the staff participating in asking and answering questions.

MR. WILLIAMS continued to the Disability Justice focus area and went through that budget explaining and answering questions as he went along. He then moved on to Beneficiary Employment and Engagement. He explained that this is about Trust investment funds that impact directly beneficiary lives and use beneficiaries to provide services and supports. He specifically noted the microenterprise program and provided a memo that answers the questions raised. He gave more background about what the program is all about, how people get identified, how projects are vetted and then the supports that are used to provide the proposed business models so that beneficiaries can be entrepreneurs.

CHAIR COOKE called the lunch break.

(Lunch break.)

CHAIR COOKE reconvened the meeting and called the roll. Trustee Sturgeon stepped away. He continued to the Beneficiary Employment and Engagement section and asked for anything further. He moved to the next focus area of Housing and Home- and Community-Based Services.

MR. WILLIAMS stated that this focus area is looking at meeting the housing needs and the services and supports that need to accompany the housing needs to serve the beneficiaries so they can successfully be part of the communities. He continued that housing is a cornerstone to ensuring that beneficiaries are stable because their providers know how to reach them and know that one of the basic needs of shelter are being met.

A question-and-answer discussion on this focus area ensued.

MR. WILLIAMS noted the three major sections: Workforce development; Early Childhood Intervention and Prevention; and Medicaid. In terms of workforce development, the Trust's

commitment to make sure that workforce, those serving Trust beneficiaries, the direct service professionals, and others are there to ensure that quality service is provided to the beneficiaries.

**MOTION:** A motion that the trustees adjust the General Fund amount in the reduction that is proposed from FY21 to FY22 to its original amounts for discussion, to amend the budget, was made by TRUSTEE BOERNER; seconded by TRUSTEE DERR.

TRUSTEE BOERNER explained that the current funding level is \$984,000, and the motion is to restore that back or to remove the General Fund for FY22 of \$100,000 and place that back into the Trust funds to State agencies in that same amount.

TRUSTEE DERR asked if someone on staff could speak to the Training Cooperative being mostly virtual.

MR. BOYER replied that the Training Cooperative has been delivering a percentage of their trainings distance-delivered for a number of years. He talked about the process in greater detail and added that, in his experience, some great courses can be developed and be available in a catalog, but that is a lot of cost. He added that some will be virtual, and there will also be some face-to-face.

TRUSTEE BOYLES stated full support for the amendment.

CHAIR COOKE stated that on the motion to restore funding for FY22 budget on the Line Item 9, the Alaska Training Cooperative, the amendment is to go from \$885,000 in the proposal to \$984,000. He asked for a roll-call vote.

*After the roll-call vote, The MOTION to Amend FAILED. Trustee Boerner, yes; Trustee Boyer, yes; Trustee Derr, yes; Trustee Halterman, no; Trustee McCarty, no; Trustee Sturgeon, no; Trustee Cooke, no.)*

CHAIR COOKE moved to the next section.

MR. WILLIAMS stated that Early Childhood Intervention and Prevention is next.

CHAIR COOKE asked Trustee Halterman to become the Chair for the rest of this item.

**MOTION:** A motion to delete this entire item, \$1,074,000 from the FY22 budget with that amount of funds to simply go into the unallocated expenditures was made by TRUSTEE COOKE; seconded by TRUSTEE STURGEON with the caveat for discussion.

TRUSTEE COOKE stated that he had questioned the appropriateness and prompted his concern about whether this kind of expenditure was really benefiting the beneficiaries or not. He reconsidered who the beneficiaries are by statute and court decision. He stated that he was not convinced that this prevention approach really served the needs of the beneficiaries. He noted that none of these funds were going to actual or even potential beneficiaries. They are studies, tests, evaluations, data collection to attempt to identify people who may qualify as beneficiaries now or in the future. He opposed getting into this area, especially with a million dollars this

year, and \$1.15 million the following year.

VICE CHAIR HALTERMAN asked anyone from the Administration to take this.

MR. ABBOTT stated that the recommendations are based on input from the stakeholders and our own internal expertise. In some cases they represent multiyear efforts that have been underway for a year or two for which the suspension of funding would be particularly disruptive. He noted that the funding in this section is clearly directed by the Comprehensive Integrated Mental Health Plan with an entire section that requires the State and the Trust as its partner, to address these issues. He continued that the amount of funding is not a particularly large overall increment of Trust funding, but is also not insignificant. It is not an overweighted allocation based on the importance of this work as described by the stakeholders and as illustrated in the Comp Plan. If the decision to not fund this and make a policy decision that Trust work in this area was not appropriate, steps would probably need to be taken to adjust the Comp Plan and strike the commitments that are in there so work on the Comp Plan will continue to work consistently.

TRUSTEE DERR stated that she had concerns over the years about early childhood intervention, but there were comments from legal saying that prevention is part of the statute. She added that it is important to include this.

TRUSTEE COOKE stated that he did not feel that this motion threatened the Comp Plan. There are plenty of things called for in the Comp Plan that are not being done and could be done with this money.

VICE CHAIR HALTERMAN returned the gavel to the Trustee Cooke. She stated that she had a provider come to her with compelling evidence that we could identify HCPCS and CPT codes that identified children that were at risk in the populations. These are the children that are the most expensive for the Medicaid populations. She continued that the providers educated her to particular diagnoses that could be identified based on the HCPCS and CPT codes that were identified and already in systems that were known to Government. Yet those were not moved into actionable activities that actually would improve the lives of these children. She stated that she firmly believed that early childhood intervention and prevention is a critical part of what the Mental Health Trust should fund. She firmly supported this particular funding area.

TRUSTEE MCCARTY concurred with Trustee Derr, with one caveat: In the aspect of prevention, how far does prevention go in evaluation? He added that the trustees have to be mindful of how far to go with prevention programs.

TRUSTEE BOERNER appreciated the discussion overall and fervently believes that early childhood intervention and prevention is critical to really make differences within the beneficiary population overall. She gave credit to the staff and the advisory boards for their input in the development of where to focus energy. She added that the data that is being requested and are being supported, and collecting goes to whether or not these are areas where the energy should be focused.

TRUSTEE MCCARTY stated that it is very important that the Trust has assessment measurement mechanisms that are required to receive funding and are measuring what is going

on.

CHAIR COOKE called the question on the amendment.

*After the roll-call vote, the MOTION FAILED. (Trustee Boerner, no; Trustee Boyles, no; Trustee Derr, no; Trustee Halterman, no; Trustee McCarty, no; Trustee Sturgeon, no; Trustee Cooke, yes.)*

CHAIR COOKE asked if the budget discussion for FY22 was completed.

MR. WILLIAMS stated that the staff's overview and presentation of the budget is concluded, and the motion that was presented earlier and seconded is set to take a vote.

**MOTION: An amendment motion on the dental program, based on the 80<sup>th</sup> percentile concept, that the \$270,000 be dropped to \$250,000 was made by TRUSTEE McCARTY; seconded by TRUSTEE HALTERMAN for discussion.**

A discussion on the amendment ensued.

CHAIR COOKE asked if it is \$270,000 in the budget, would there still be the ability to negotiate with the providers as to the reimbursement rate or the compensation rate. He continued that this did not obligate to spend that money, and asked if a negotiation with the providers for the reimbursement rate can still be done.

MR. ABBOTT stated that they are willing to enter into negotiations with the providers listed to seek more favorable reimbursement rates. He continued, if the rate is lowered, leaving the budget where it is would simply allow serving a few more beneficiaries. He added, that was the recommendation rather than reducing the budget.

The discussion continued.

CHAIR COOKE stated that Trustee McCarty's motion was to reduce the subtotal for dental services from 270,000 to \$250,000. He called the vote.

*After the roll-call vote, the MOTION FAILED. (Trustee Boerner, no; Trustee Boyles, no; Trustee Derr, no; Trustee Halterman, yes; Trustee McCarty, yes; Trustee Sturgeon, no; Trustee Cooke, no.)*

CHAIR COOKE moved to the main motion, which was approval of the FY22 budget.

*After the roll-call vote, the MOTION was APPROVED. (Trustees Boerner, Boyle, Derr, Halterman, McCarty, Sturgeon, and Cooke.)*

CHAIR COOKE called a break.

(Break.)

CHAIR COOKE resumed the meeting and noted that all trustees were present.

**MOTION: A motion that the Full Board of Trustees appropriate MHTAAR, MHT Admin and Authority Grant funds for FY2023 in the amount of \$32,716,300. This consists of \$16,381,600 of MHTAAR and Mental Health Trust Admin, and \$16,334,700 of Authority Grants. These funds are to be used for the programs and activities described in the detailed FY22-23 Budget Recommendations document prepared for the August 26<sup>th</sup> and 27<sup>th</sup>, 2020 Board of Trustees' Meeting. Included in this motion is a recommendation by the Full Board of Trustees for a State of Alaska appropriation of \$17,036,500 of GF/MH funds and \$8,138,100 of other funds for FY2023 was made by TRUSTEE DERR; seconded by TRUSTEE HALTERMAN.**

CHAIR COOKE stated that the discussion would involve the same materials that were just discussed at some length for FY22. The third column involves the same programs and descriptions that are contained in the '22 budget. He invited the board members to call attention to specific categories or funding items rather than going through the entire document as was done for the previous budget. The trustees agreed. He recognized Mr. Abbott.

MR. ABBOTT stated that this budget will be submitted as part of the statutory obligation to the Administration and the Legislature. It is particularly important that the trustees will have another chance to address it a year from now, at the August meeting in 2021. It is being submitted as more than a placeholder but less than a solid, irrevocable budget.

CHAIR COOKE asked the trustees if there were any particular areas or line items to look at.

TRUSTEE McCARTY stated, for the record, the change between the two is the mental health for the crisis continuum of care, Crisis Now, and suicide prevention.

A discussion ensued with questions and comments from trustees regarding the FY23 budget.

CHAIR COOKE called the question and took a roll-call vote.

*After the roll-call vote, the MOTION was APPROVED. (Trustees Boerner, Boyles, Derr, Halterman, McCarty, Sturgeon, and Cooke.)*

CHAIR COOKE stated that the budgets for both years are approved. He continued that the final section was trustee comments.

## **TRUSTEE COMMENTS**

TRUSTEE BOERNER stated it was a thrilling, engaging meeting, and she appreciated all of the comments and feedback from trustees, particularly on the FY22 budget. She appreciated the Mission Moment presenters, who were very encouraging and inspiring. She thanked the advisory boards and all the time and energy and engagement in working with us.

TRUSTEE BOYLES stated that she was getting used to the technology in these meetings, but would like to see everyone in person.

TRUSTEE DERR stated that she had no comments.

TRUSTEE HALTERMAN thanked staff for their patience and Trustee Derr for keeping us on task with the parliamentary process. She also appreciated the conversation and the amount of work staff put into putting this budget together.

TRUSTEE McCARTY stated that this is the synergy of a board, the synergy of a team of so many people to help the beneficiaries. He continued that the fact of data collection and asking specific questions that are fitting of standard and reliable assessing tools that are evidence-based will be very efficient in decision-making. He thanked all for the day.

TRUSTEE STURGEON thanked the staff and the presenters and the other trustees. He thanked all for all the work done in preparing this for the trustees.

CHAIR COOKE stated that this two-year budget cycle meeting is probably the heaviest of meetings in terms of all the material, the decisions, the discussion, and the thoughts on what the Trust is going to be doing. That is a big task. This meeting reflected the fact that the trustees prepared well for the meeting to move along expeditiously. He thanked the trustees for all of their efforts. He urged all to check the calendars for the meetings coming up that will involve some very important issues. He thanked all for a successful meeting.

MR. ABBOTT thanked the trustees for a couple of long days. He greatly appreciated the attention, interest, and energy on this.

CHAIR COOKE asked for adjournment.

**MOTION:** A motion to adjourn the meeting was made by TRUSTEE HALTERMAN.

(Alaska Mental Health Trust Authority Full Board of Trustees meeting adjourned at 3:56 p.m.)