



January 3, 2024

Board of Trustees  
Alaska Mental Health Trust Authority  
3745 Community Park Loop  
Anchorage, Alaska 99508

Re: Recommendations for the Trust Governance Document Changes

Dear Chair Halterman and Trustees,

On behalf of the Governor's Council on Disabilities and Special Education (Council) I provide these comments and recommendations concerning the Trust Governance document changes being considered to update the operation and organizational structure of the Alaska Mental Health Trust Authority (Trust). I would like to note that I received the documents under consideration only late last week. My understanding is that you plan to address these changes in a special meeting of the Trust this Friday, January 5, which I am unable to attend as I will be travelling. This is a brief period for the beneficiary boards to respond. I would also like to note that the charter documents that you want to change were developed over a several month period back in 2017 by the Trustees, together with the beneficiary boards and Trust professional staff. Having been one of the people involved, I can say it truly was an open and positive experience for everyone.

**Recommendation 1: Slow your process down and open the discussion to all the beneficiary boards and professional trust staff for input.** I do not understand the reasoning for pushing something through so quickly, and without more input from the advisory boards and Trust professional staff. With only a quick look at your proposed changes, I believe there is the potential for all kinds of unintended consequences. I fear that the Trustees will get mired down in lower-level decision-making processes, which is better managed by staff, versus the big picture/ big ticket items like the Trust's investment portfolio, and large resource development projects that improve the principal balance of the Trust and the amount available for grantmaking.

**Recommendation 2: Do not lower the threshold for CEO decision making on authority grants from \$100,000 to \$25,000.** I can recall the discussion on what was a good cutoff point for CEO decision making vs Trustee level decisions seven years ago. After discussion between trustees, advisory board reps and staff, \$50,000 was the level that was agreed upon by the Trust, which was increased to \$100,000 in 2023. The higher level is appropriate, given the need to move expeditiously at times, as was the case during the Covid Epidemic. Trustees overseeing a half billion-dollar investment portfolio is significant, and as such you are often dealing with numbers that are in the hundreds of thousands and even millions of dollars. Do you really want to lower yourself into the weeds of lower dollar level decisions on short-term grants? Changing the CEO charter to a much lower number is likely to require more of your time—time that can be spent on long-term investment strategies and planning decisions. In addition to leaving the \$100,000 level in place for the CEO to approve grants, you might want to enhance the CEO charter to include a specific process for an applicant to appeal to the Trustees, at a later date, a CEO decision not to make a specific grant.

**Recommendation 3: Keep the current committee structure.** This relates to your discussion of having smaller committees of Trustees rather than committees of the whole. This was also a hot topic discussion back in 2017, primarily because a smaller group of Trustees (sometimes 1-2 members) were making decisions about large and small sums of money, without the benefit of full board involvement, or not having all the information to make informed decisions on behalf of beneficiaries. Trustees, especially those that did not agree with the Chair at the time, were left out of major decisions. If I am recalling correctly, this issue and overreach into the daily operations of the Trust office, were the primary reason that the Governor removed the Chair and one other. Committees of the whole ensure that all Trustees are involved and fully informed of all major decisions and can publicly weigh in on them. It was a very deliberate decision back then to create the “committees of the whole” structure, which, given the distrust that was apparent back then, was the right answer. In an ideal world, I would say that smaller committees for a large board are preferable, but with only seven members, why change it? I have watched and admired how well the current structure works now and how each of you provide input all major decisions. This is good thing. Why fix something that is not broke?

Thank you again for allowing me to provide this brief input on this especially critical issue. Again, the Council stands ready to assist in anyway we can.

Respectfully,

*Patrick Reinhart*

Patrick Reinhart  
Executive Director, GCDSE

cc. Jena Crafton, Chair, GCDSE  
Steve Williams, CEO, Alaska Mental Health Trust Authority