

# 2024 Annual Report



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# About the Trust

Alaska Mental Health Trust Authority (Trust) is a state corporation that administers the Alaska Mental Health Trust, a perpetual trust, to improve the lives of beneficiaries. The Trust operates much like a private foundation, using its land and cash assets to help ensure that Alaska has a comprehensive integrated mental health program. The Trust Land Office is contracted exclusively by the Trust to manage its approximately one million acres of land and other non-cash assets to generate revenue to better serve our beneficiaries.

## History

Prior to statehood, there were limited services in the Territory of Alaska for anyone with mental illness, addictions, or other cognitive disabilities. In 1956, Congress transferred responsibility for providing mental health services to the Territory and, ultimately, the State of Alaska. One million acres of land were a part of this transfer of responsibility, which were to be managed to generate income for a mental health program. However, in a class action lawsuit ruling in 1984, the Alaska Supreme Court determined the State had breached its fiduciary responsibility, and in a final landmark settlement in 1994, the Alaska Mental Health Trust Authority was established. You can learn more about the Trust's rich history at [alaskamentalhealthtrust.org/about/history](https://alaskamentalhealthtrust.org/about/history).

### Beneficiaries Of The Trust Include Alaskans Who Experience

- Mental Illness
- Intellectual And Developmental Disabilities
- Substance Use Disorders
- Alzheimer's Disease And Related Dementia
- Traumatic Brain Injuries

# Letter from the Chair and CEO



On behalf of the Alaska Mental Health Trust Authority (Trust), we are pleased to present our Annual Report for the fiscal year 2024 (FY24), and to highlight our continued commitment to supporting beneficiaries of the Trust; individuals living with mental illness, intellectual and developmental disabilities, substance use disorders, Alzheimer’s disease and related dementias, and traumatic brain injuries.

We’d like to first celebrate a key milestone: our 30th anniversary. It was three decades ago that the landmark legal case Weiss v. State of Alaska was settled, and the Trust Authority was created as an independent state corporation that uses its cash and land resources to help ensure that Alaska has a comprehensive, integrated mental health program. Since its inception, the Trust has been a leader in advancing initiatives and efforts to strengthen Alaska’s system of care supporting Trust beneficiaries. Further, over the last thirty years, the Trust has awarded more than \$460 million in grant funding to thousands of beneficiary-focused projects across the state.

In FY24, the Trust awarded nearly \$24 million in grant funding, positively impacting not only Trust beneficiaries but the organizations that support them. Our grants-supported efforts include ongoing investments in improving behavioral health crisis care in Alaska, funds to strengthen early prevention and intervention services for beneficiary youth and their families, and support for beneficiary-focused housing efforts. In addition to grantmaking, we also continue to educate the public and policymakers about beneficiary needs, serve as a catalyst for positive system change, and help inform impactful policy decisions.

Our ability to continue this vital work is supported by our stable financial position; earnings from both our invested assets and revenues generated from our lands managed by the Trust Land Office grew in FY24, as did the value of our primary financial assets managed by the Alaska Permanent Fund and the Department of Revenue. Through continued prudent management of our cash and non-cash assets, we are ensuring the Trust is well-equipped to fulfill our mission on behalf of Trust beneficiaries for years to come.

This last year also yielded some change for our organization, with an executive leadership transition and the board finalizing updates to its governing documents. The board has also augmented the formula used to determine our annual expenditure amount, increasing certainly around our planned spending as we look to future investments in programs and projects that positively impact Trust beneficiaries.

While our 30th anniversary is an opportunity to acknowledge and appreciate the accomplishments of the Trust and our partners in improving beneficiary care and the stewardship and growth of Trust assets, it is also an occasion to look forward. In doing so, we pledge to continue our work to improve the lives of Trust beneficiaries, to grow our financial resources, and to be a valued partner to the State, local governments, Tribal partners, nonprofits, and other beneficiary-serving organizations across Alaska.

## BOARD OF TRUSTEES

**Brent Fisher**  
Chair

**Agnes Moran**  
Vice Chair, Program  
and Planning Committee Chair

**Rhonda Boyles**  
Secretary

**Kevin Fimon**  
Audit & Risk Committee Chair

**John Morris**  
Finance Committee Chair

**Corri Feige**  
Resource Management  
Committee Chair

**Anita Halterman**  
Trustee



**Allison Biastock**  
*Acting Chief  
Executive Officer*



**Brent Fisher**  
*Board Chair*

# History Timeline

**1994** - Landmark legal settlement from Weiss v. State of Alaska creates the Alaska Mental Health Trust Authority with its independent board of trustees

**1996** - The first Comprehensive Integrated Mental Health Program Plan, "In Unison," is published by the State with partnership from the Trust

**2007** - The Trust begins its mini-grant program, supporting individual beneficiary needs. Since then, more than 12,700 mini-grants have been awarded.

**1997** - With the availability of more community-based services for individuals with developmental disabilities, Harborview Center in Valdez closes permanently.

- The Trust Land Office (TLO) sells its first parcel of Trust land

**2003** - The Trust earns its first royalty payment from its mineral interest at Fort Knox Mine

**2010** - Thanks to continued growth in Trust assets, the board of trustees approves more than \$20 million in grant funding for the year for the first time

## 1990 - 2000

## 2001 - 2010

**1999** - The first therapeutic court in Alaska is developed with support from the Trust

- The Trust organizes its first rural outreach trip to the YK region. Since then, there have been 13 rural outreach trips resulting in visits to 80 rural communities.

**2011** - Karluk Manor, the first Permanent Supportive Housing project supported by the Trust, opens in Anchorage

**2004** - In partnership with the Anchorage Police Department, the Trust helps implement Crisis Intervention Training (CIT) in Anchorage, focusing on how to best assist those in psychiatric crisis. CIT later expands to Fairbanks, Mat-Su, and Juneau.

**2005** - For the first time, the Trust establishes priority focus areas to best maximize investment in beneficiary supports and services

- The new Alaska Psychiatric Institute opens in Anchorage on land contributed by the Trust

- Working with the Denali Commission, the Trust begins to fund the creation of behavioral health spaces in Alaska's rural health clinics

While the Alaska Mental Health Trust was established prior to statehood with the congressional Alaska Mental Health Trust Enabling Act in 1956, it was 30 years ago that landmark *Weiss v. State of Alaska* legal settlement created the Alaska Mental Health Trust Authority as we know it today. For the Trust, this 30th anniversary has provided an opportunity to recognize some of the key events in the history of not only the Trust, but of Alaska's system of care for Trust beneficiaries.

**2019** - The Trust launched the Behavioral Health Crisis Response (Crisis Now) initiative, working closely with State and community partners

- The TLO sells the unique Juneau Subport parcel for \$20 million to Norwegian Cruise Lines, representing the single largest transaction in Trust history

**2015** - Mineral exploration begins at Icy Cape on TLO-managed Trust lands near Yakutat

- Medicaid is expanded in Alaska
- The Trust strongly advocated for and funded start-up costs leading to this expansion knowing it would increase access to treatment for Trust beneficiaries and help control costs

**2020** - TLO Launches its Big Game Guide permit program, offering exclusive hunting guide access to select Trust parcels

- Trustees approve the creation of a COVID-19 response grant program for beneficiary-serving partners, which ultimately funded 79 grants totaling \$1.5M

**2021** - The Trust adds a new priority area, Early Childhood Intervention & Prevention, recognizing the connection between adverse childhood experiences and behavioral health conditions later in life

**2022** - The first-ever Trust Improving Lives Conference is held, bringing together more than 350 partners to engage on beneficiary priorities

## 2011 - 2020

## 2021 - 2030

**2017** - The U.S. Congress approves a land exchange between the Trust and the U.S. Forest Service, paving the way for monetization of Trust timber resources

- The Trust's assets managed by the Alaska Permanent Fund Corporation surpass \$500M in value

**2023** - The TLO receives its first batch of gold assay results from resource definition drilling at Icy Cape

- A new Subdivision Development Program is begun by the TLO, aimed at generating additional land sale revenue from large Trust parcels

**2018** - The Trust supported the passage of SB 174, which enshrined Alaska's Developmental Disabilities (DD) Shared Vision, a vision of a flexible system in which each person directs their own supports

- With support from the Trust, DHHS submitted an 1115 waiver to create additional Medicaid-funded behavioral health and substance use conditions
- Trust funds supported the development of a peer support workforce certification process in partnership with the State

**2024** - The TLO signs first alternative energy lease on Trust land, authorizing what is planned to become the largest solar farm in the state

- The latest version of the Comprehensive Integrated Mental Health Program Plan "Strengthening the System II" is released



# Trust Grantmaking

**Want to learn more about Trust grantmaking?**

Our comprehensive FY24 Grant Investment Report, available on our website, lists every Trust grant awarded in FY24.

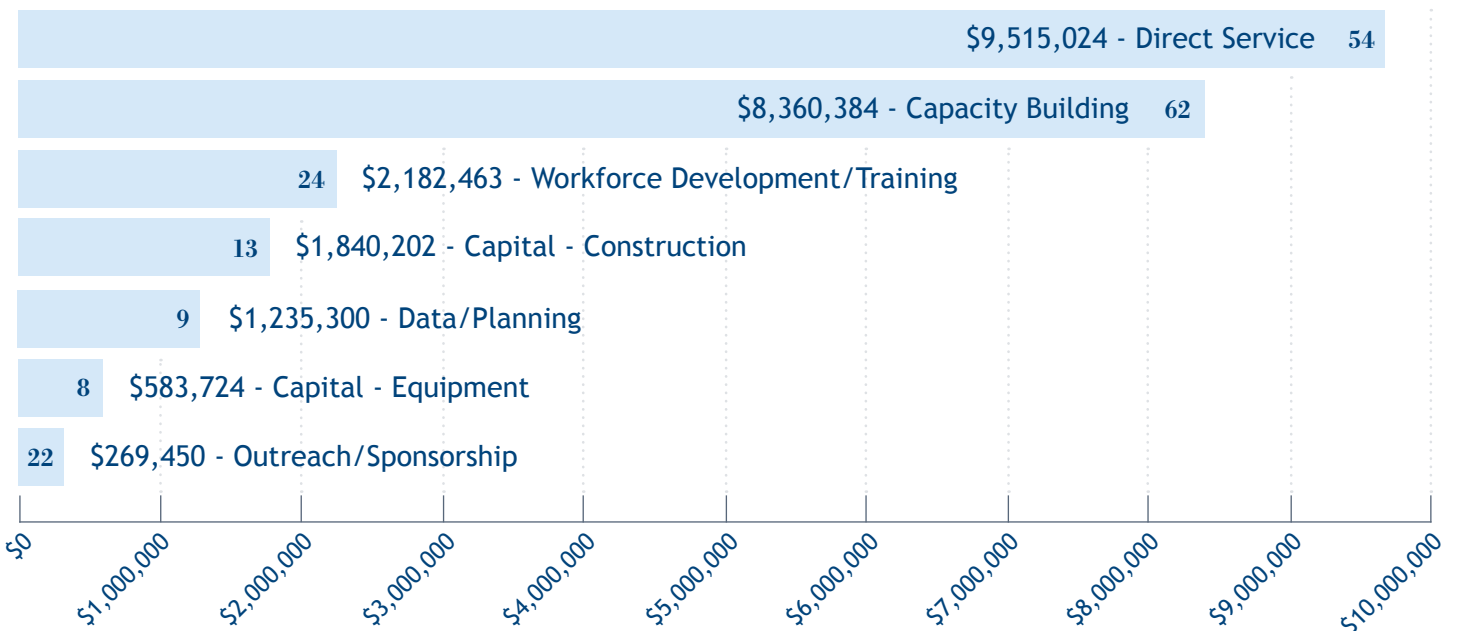
The majority of the Trust’s annual budget is devoted to grantmaking. Trust grants are awarded to a variety of partners across Alaska who serve and support Trust beneficiaries, including nonprofit organizations, service providers, Tribal entities, state and local governments. The Trust supports grants for various beneficiary-related purposes, including for direct individual services, capital projects, capacity building efforts, outreach, training and more.

Most grants are awarded directly by the Trust to partners, but grants to State of Alaska departments and agencies, known as Mental Health Trust Authority Authorized Receipts, or MHTAAR grants, are advanced through the annual state budget process.

*In FY24, the Trust awarded nearly \$24 million in grants.*

Grants to beneficiary-serving partners	<b>\$ 14,183,447</b> (133 grants)	Grants to State Agencies (MHTAAR) supporting beneficiaries	<b>\$9,803,100</b> (59 grants)
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## 2024 GRANTS





# TYPES OF GRANTS

There are several types of Trust grants, all designed to improve beneficiary outcomes:

**Partnership Grants** are considered and awarded year-round, typically for a specific purpose or need.

**MHTAAR Grants** are collaboratively developed grants to state agencies.

**Microenterprise Grants** are administered by the University of Alaska and support small, beneficiary-owned businesses.

**Mini Grants** are small grants awarded through partner agencies on behalf of individual beneficiaries that may be used for a broad range of equipment, supplies, and services to improve quality of life and increase independent functioning. Mini Grants are offered in three areas:

- Intellectual/Developmental Disabilities
- Behavioral Health
- Alzheimer’s Disease and Related Dementia

## FY24 GRANT LOCATIONS

| *Many grants support beneficiaries statewide*





# Trust Focus Areas

To maximize systems change and grant-making work on behalf of Trust beneficiaries, the board of trustees approves spending allocations to projects and initiatives in established focus and priority areas as a part of their annual budgeting process.

## **Mental Health & Addiction Intervention**

The Trust is working to help ensure beneficiaries have timely access to effective addiction and mental health prevention services, interventions, treatment, including medication-assisted treatment, and recovery services. This focus area also supports the Trust's work to transform behavioral health crisis response.

## **Beneficiary Employment and Engagement**

Integrated, competitive employment and meaningful community engagement directly link to improved beneficiary outcomes. Work is an essential part of wellness and self-sufficiency for individuals experiencing disabilities or who are in recovery, and it allows Trust beneficiaries to contribute positively to their community, pay taxes, and experience improved health and well-being.

## **Disability Justice**

Trust beneficiaries with mental health and substance use disorders face a higher risk of criminal justice involvement. Disability justice supports projects to reduce Trust beneficiary involvement in the criminal justice system, reduce recidivism, and enhance and expand access to clinical and case management resources for incarcerated Trust beneficiaries.

## **Housing & Home and Community Based Services**

Home and community-based services help Trust beneficiaries lead meaningful lives by providing independence, autonomy, and dignity in their homes and communities. The Trust is also a leader and strong supporter of efforts to prevent and address homelessness, including permanent supportive housing initiatives, recognizing that housing is a critical component of the continuum of care.

## TRUST PRIORITIES

### Early Childhood Intervention and Prevention

This Trust priority area addresses early screening and detection, intervention, and prevention strategies to connect children, youth, and families to resources. The goal of the Trust's work in this area is to promote healthy development, prevent trauma, reduce and mitigate the impact of Adverse Childhood Experiences (ACEs), and recognize the importance of prevention across the lifespan for mental health and well-being.

### Workforce Development

Alaska's health workforce shortage has a direct impact on the accessibility of quality healthcare services for beneficiaries. Trust-supported workforce efforts include training and technical support, partnerships with the University of Alaska and state agencies, and funding for the development of certification and apprenticeship programs in the behavioral health field.

“If we are able to start talking about stigmas early on and helping support parents in getting out into their community and having their children be part of the community early, that goes a long way to decreasing stigma.”

*Amy, community partner*



# FY24 Highlights

## Mobile Crisis Teams Continue to Meet Beneficiary Needs in Communities

Since 2018, the Alaska Mental Health Trust Authority working with the State and community partners, has worked to transform behavioral health crisis response. Mobile Crisis Teams (MCTs) are a key part of this work and are a component of the Crisis Now model being used as a framework for this initiative. Mobile crisis interventions provide individuals with less restrictive care in a more comfortable environment and avoid unnecessary emergency room use or law enforcement involvement. Under the Crisis Now model, MCTs are comprised of a clinician and a peer support specialist, but different co-response models like Mobile Integrated Health (MIH) teams, pairing social workers or clinicians with first responders are also being successfully implemented in Alaska providing rapid, on-site mental health crisis intervention.

In 2023, MCTs and MIH teams operating in Alaskan communities responded to 6,463 calls. Of those, 89% were resolved within the community, surpassing the Substance Abuse and Mental Health Services Administration (SAMHSA) benchmark for this type of service, which is 70%. In Fairbanks, their MCT resolved 81% of its calls without hospitalization, while Wasilla achieved a 91% resolution rate for its MCT dispatched. In Anchorage, 91% of MCT responses resulted in clients remaining safely in the community. The Trust is committed to continue its support for crisis services in Alaska’s communities - those that have launched MCT’s, and those that are considering how to include this important behavioral health care service.

*Communities that have implemented a MCT, MIH or Co-Response Model to support individuals in crisis:*

- Anchorage
- Fairbanks
- Mat-Su
- Kenai
- Ketchikan
- Copper River
- Juneau

### **FY24 RELATED GRANTS:**

Ketchikan Wellness Coalition	Crisis Now Community Director	<b>\$125,500</b>
Mat-Su Health Foundation	Crisis Now Implementation Coordinator	<b>\$100,000</b>
City of Fairbanks	Crisis Now Community Coordinator	<b>\$138,000</b>
AK Behavioral Health	Fairbanks Mobile Crisis Team	<b>\$750,000</b>
True North Recovery	Mat-Su Mobile Crisis Team	<b>\$750,000</b>
Central Peninsula Hospital	Crisis Now Collaboration (Kenai)	<b>\$75,000</b>

“Different mental health issues can present in different ways. No two people are exactly alike.”

*David, Trust Beneficiary*





## Successful Partnership with AHFC on Beneficiary Housing

Safe, stable, and affordable housing is essential for overall health and well-being, a fact recognized by the Trust. In response to the pressing housing challenges faced by Trust beneficiaries, the Trust has a long-standing partnership with the Alaska Housing Finance Corporation (AHFC). This collaboration aims to expand housing stability, access, and affordability through initiatives like the Special Needs Housing Grant (SNHG) and the Basic Homeless Assistance Program (BHAP), which continue to make significant strides in providing critical support to some of Alaska's most vulnerable populations.

These programs, which are funded by Trust funds, AHFC funds and State general funds, not only provide stable housing but also essential support services that help ensure Trust beneficiaries can remain safely housed. SNHG grants provide primarily operating and supportive services for permanent supportive housing programs, and BHAP grants are awarded competitively and provide emergency or transitional housing and services to prevent homelessness or rapidly rehouse displaced people.

### ***FY24* RELATED GRANTS:**

#### **BHAP**

In FY24, the Trust granted \$950,000 to AHFC for the BHAP. By combining Trust grant funds with other state resources, BHAP supported 29 projects in 15 communities in FY24. Some projects supported include:

- The **Cordova Family Resource Center**, which provides housing and support services to survivors of interpersonal violence.
- **Covenant House's Rights of Passage** in Anchorage, offers low-barrier transitional housing for youth, equipping them with skills for health and independence.
- The **Helping Alaska Loving Sobriety Program** in Fairbanks addresses the needs of homeless individuals in recovery from substance misuse, providing tailored supports.

#### **SNHG**

A \$200,000 FY24 Trust grant to AHFC for the SNHG program is supporting several multi-year projects that represent 266 housing units across six communities, with over \$8 million in leveraged funding. Some key SNHG projects include:

- **Karluk Manor** in Anchorage and **Forget Me Not Manor** in Juneau, providing permanent supportive housing for chronically homeless beneficiaries.
- **Catholic Social Services**, which offers scattered site rental assistance and intensive case management to Trust beneficiaries in private rentals in Anchorage.
- **REACH, Inc.**, which provides assisted living for individuals facing institutionalization in Southeast.
- The **Interior Alaska Center for Nonviolent Living** in Fairbanks, which focuses on survivors of domestic violence and human trafficking, ensuring they have access to secure housing and support services.



## Rural Outreach Improves Understanding of Beneficiary Services in the YK Region

A Trust-sponsored FY24 Rural Outreach Trip to the Yukon-Kuskokwim (YK) region provided critical insights into serving Trust beneficiaries in the region, and the unique challenges and strengths of YK’s local communities. In November 2023, 23 participants, including trustees, state legislators, and state officials visited Bethel and nearby villages St. Mary’s, Toksook Bay, Kwethluk, and Napakiak. The trip, organized in coordination with the Yukon Kuskokwim Health Corporation and many local partners focused on building connections, understanding local needs, and developing strategies to address challenges like access to behavioral health services, psychiatric crisis care, workforce shortages, and more. In addition to a series of site visits, gatherings were held in each location visited, offering elders and community members an opportunity to meet directly with trip participants to discuss issues important to them, this engagement provided valuable insights into how services for Trust beneficiaries are provided in the region and opportunities for partnerships and solutions.

We’re grateful for the YK region’s generosity, hospitality, and willingness to share this rewarding experience with the Trust, as well as every participant’s contribution to making this a successful trip.

### KEY INSIGHTS FROM THE TRIP

#### Trip participant survey results highlights:



#### Awareness Growth

- 89%: increased understanding of regional strengths and challenges
- 78%: increased awareness of rural life and healthcare issues

#### Valuable Experiences

- 89%: highly valued the smaller community meetings
- 100 % valued contacts made in Bethel and the smaller communities visited

*The 2023 Trust Rural Outreach Trip was the thirteenth trip to take place since the Trust began the program in 1999. To-date, more than 423 visitors have traveled to 80 rural communities throughout Alaska as a part of a Trust rural outreach trip.*



# Trust Land Office

The role of the Alaska Mental Health Trust Land Office (TLO), a special unit within the Alaska Department of Natural Resources, is singular: to manage the Trust's one million acres of land and other non-cash assets over time to maximize revenue to support the Trust's work on behalf of beneficiaries. The TLO manages land within several asset classes.

## ASSET CLASSES

### Land and Land Sales

The Trust's surface estate generates revenue from land sales, through leases, interest on land sale contracts, licenses, and easements.

### Forestry

The Trust's timber resources are located throughout Alaska, with the most valuable timber in the Southeast. In addition to timber harvests, the TLO also issues negotiated timber sales for forest fire fuel reduction, biofuels, commercial firewood, and other specialty wood harvest projects, and is inventorying timber as a strategy to enter the carbon market.

### Real Estate

The TLO's real estate management program consists of program-related real estate used for beneficiary-serving purposes, real estate development, and investment-oriented commercial real estate assets. In addition to appreciation in value over time, real estate supports the Trust with income generated through ground leases, building rents, and the occasional sale of parcels.

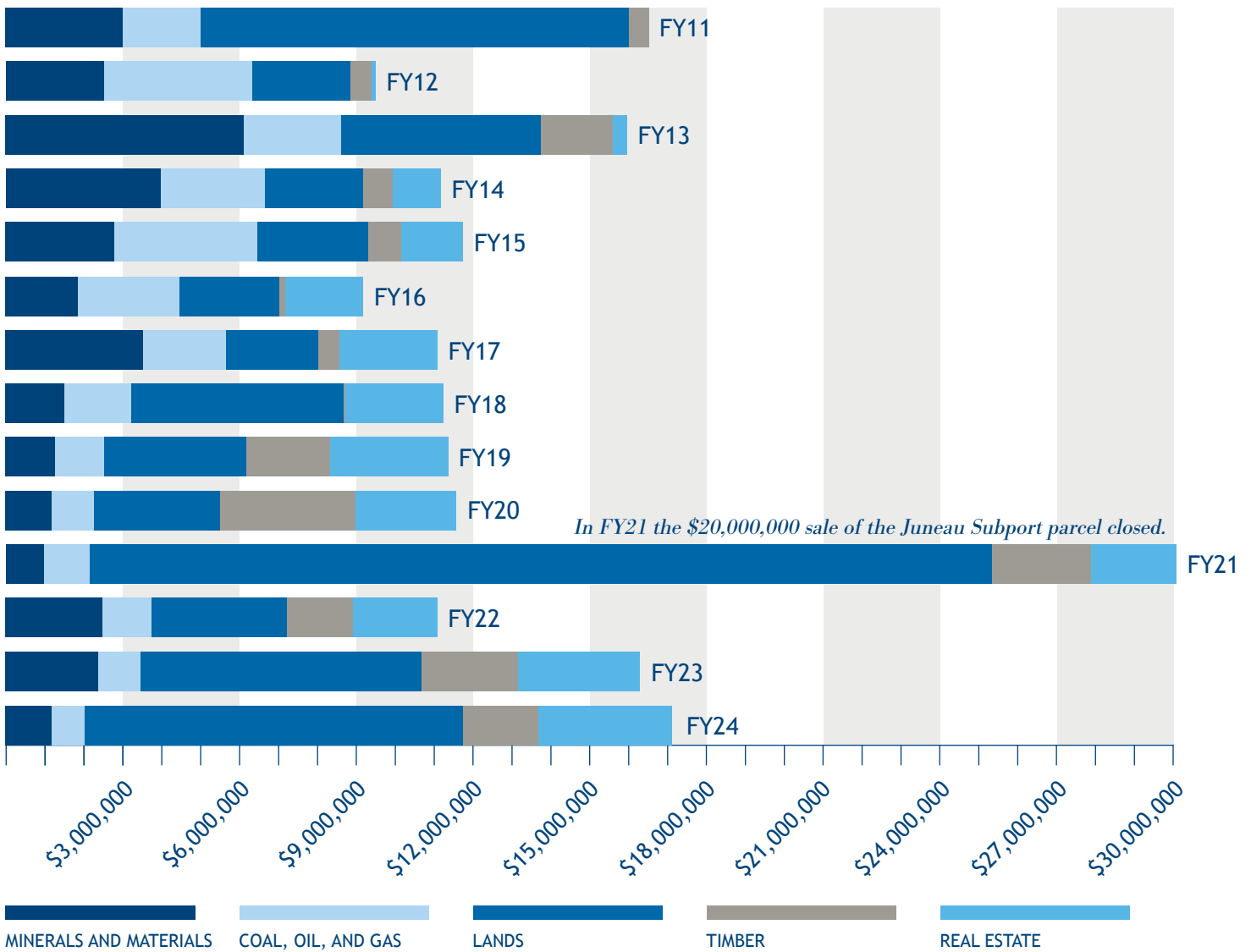
### Minerals and Materials

A large portion of Trust land was specifically selected for its subsurface and material resources. The TLO manages these natural resources, which include coal, minerals, material, and industrial heavy minerals, to maximize revenue generation through leases and royalties.

### Energy

The TLO promotes Trust land for oil, gas, and renewable energy projects, and encourages active development of lands leased for this purpose.

# TRUST LAND OFFICE REVENUES



In FY21 the \$20,000,000 sale of the Juneau Subport parcel closed.

\*Does not reflect additional owner contributions for capital expenditures for Commercial Real Estate, in FY24 contributions totaled \$1.4M.

“Everybody’s worth a chance. Don’t judge someone based on a relapse or an episode. It’s going to take some trial and error.”

*Joel, community partner and Trust Beneficiary*







# FY24 Highlights



*Trust lands near Nikiski slated for the project*

## Trust Land Office Finalizes its First Solar Energy Lease

The Trust Land Office (TLO) finalized a lease agreement for the use of 680 acres of Trust lands outside Nikiski, AK for a solar energy project in FY24. This agreement represents the first renewable energy project ground lease for the TLO, and a welcome addition to the portfolio of energy projects on Trust lands.

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*This solar energy project on the Kenai Peninsula represents the first solar energy lease on Trust lands and is anticipated to generate **\$3.3M** in royalty payments over the initial lease term.*

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A two-phased project, the first phase anticipates 62,000-65,000 solar panels across 320 acres of the leased land generating energy to help meet Homer Electric Association's demands. The 28.5 megawatts of power produced by phase 1 of the project is estimated to supply 12% of the utility's energy needs.

Production royalties associated with the agreement are projected to generate \$3.3 million for the Trust over the 30-year term of the lease; this revenue will support the Trust's work on behalf of beneficiaries across Alaska. Engineering, procurement, and construction work on the solar project is slated to begin in 2025, with a goal of starting power generation in the fall of 2027.

## Subdivision Efforts Maximize Revenue Potential

Much of the Trust's approximately one million acres of land are comprised of large parcels. In order to maximize revenues from land sales, the Trust Land Office (TLO) subdivides select parcels into smaller lots more conducive to residential housing. This effort can not only lead to increased revenue from land sales, but builds partnerships with communities to bring in-demand land to market to support needed housing and economic stability.

*Across Alaska, the TLO currently has 10 subdivision development projects underway.*

In FY24, the TLO completed 6 subdivisions in Southcentral Alaska, which resulted in 39 lots that represent \$3.6 million in potential sales. This year the TLO also started 3 new subdivisions statewide with 42 lots and approximately \$4.2M in potential revenue upon sale.

In addition, the TLO launched a subdivision development program in FY24 that, using a cost recovery model, supports value-added activities, including road and utility buildouts, to generate greater returns for identified high-yield parcels with strong development potential.




*The completed Olnes West Subdivision near Fox has generated revenue for the Trust with several parcel sales.*



*The TLO's Control Lake Subdivision project on Prince of Wales Island is currently in the design stage.*



*Lots in the TLO's Oyster Cove subdivision project in Katchemak Bay have been offered in recent land sales.*



“One of the most important things for people to know about caregiving, is that while it is challenging, there is a lot of joy.”

*April, community partner*

## Across Asset Classes, Trust Lands Earn Strong Returns for Trust Beneficiaries

Each year, Trust-owned land generates revenue through land development and management activities executed by the Trust Land Office (TLO). The TLO is contracted exclusively, by Alaska statute, to manage land owned by the Alaska Mental Health Trust Authority. Revenue-generating uses of Trust land are a result of management in the asset classes defined on page 14 of this report. Effectively managing the various Trust land assets requires both diligent analysis and constant coordination across the asset classes in order to determine the highest and best use of Trust lands.

All of the revenue generated by the TLO is managed by the Trust to improve the lives and circumstances of Trust beneficiaries across Alaska. In FY24, the TLO exceeded performance benchmarks and anticipated revenue generation in almost every asset class, ultimately exceeding its expected FY24 revenues by more than \$4.4 million.

Some standout activities on Trust lands in FY24 include:

Natural gas production proceeds exceeded revenue expectations by **34%**

Coal production exceeded expectations, earning **27%** more than anticipated in revenue

The number of material contracts increased in FY24 resulting in higher-than-expected revenue, exceeding the goal by **331%**

The Trust commercial real estate investment portfolio exceeded its performance target established by the NCREIF Property Sector Total Return and defined in the Trust’s Asset Management Policy Statement, and maintained a high occupancy rate (**98%**) compared to the national average (80.9%).

# Financial Summary

Part of the duty of the Alaska Mental Health Trust Authority (Trust), defined in Alaska statute following its inception 30 years ago, is the perpetual management and safeguarding of Trust assets for the benefit of Trust beneficiaries - both current and future. The Trust uses its resources to support system change and capacity building projects. Trust funds are most meaningfully deployed for catalytic opportunities to initiate programs that improve and increase the capacity of Alaska's system of care, and are also intended to support, but not to replace, state spending to ensure the health and welfare of Alaskans.

## Trust Assets

The Trust's investments are managed by the Alaska Permanent Fund Corporation (APFC) and the State of Alaska Department of Revenue (DOR) Treasury Division, both of which invest the Trust's assets in a diverse mix of stocks, bonds, and other investments to generate investment earnings. The Trust Land Office (TLO) is responsible for managing non-cash assets, which include approximately one million acres of land and the associated natural resources.

The Trust also owns commercial real estate assets that are managed by the TLO; these assets were purchased between FY12 and FY17 and were planned as seven to twenty-year investments in the Trust's Asset Management Policy. As such, the investments are within their planned holding period and trustees authorized the TLO to proceed with prudent disposal of the properties at terms acceptable to the Executive Director of the TLO, and at prices at or above the appraised value.

## Revenues and Earnings

The Trust earns revenue from two primary sources: investments and land. Investments include the Mental Health Trust Fund and Trust reserves. Each year, 4.25% of the four-year average value of our invested assets is withdrawn to fund Trust grantmaking and operations.

Trust lands also generate revenue; revenues associated with the disposal of land assets, including land sales, 85% of timber sales, and extracted mineral resources, are deposited as Trust principal managed by the Alaska Permanent Fund Corporation. Recurring revenues such as lease or rent payments, and from real estate investments are considered spendable income and fund Trust operations and grants.

## Annual Expenditure Amount

To ensure stable funding and program continuity, the Trust's annual expenditure amount is developed using a combination of sources. For the FY24 Trust budget the expenditure amount was determined using a four-year average of the following:

- Annual Trust withdrawal, from invested assets (4.25% of the previous four-year average value)
- Spendable income generated from Trust Land Office activities
- Interest income earned on cash balances
- Prior year's unexpended funds

In late FY24, the Board of Trustees approved an update to the formula used to determine the annual expenditure amount. Effective starting with the FY25 revenue calculation, a four-year average will still be used related to invested assets, but now the calculation will use a two-year average of TLO income and prior year's unexpended funds, and the actual interest income from the most recent fiscal year. These proposed changes will increase certainty for the annual revenue calculation, and will not have a negative impact on the annual revenue calculation.

# FY24 Financial Activity

In FY24, the Trust’s assets generated a total of \$75.3 million, primarily from invested assets. The majority of the Trust’s invested assets are managed by APFC which earned a 7.9% return in FY24, an increase from the 5.2% earned in the prior fiscal year.

Revenue generated from the Trust Land Office (TLO) in FY24 totaled nearly \$17.2 million, an increase over the \$16.1 million generated in FY23. Of the FY24 TLO revenues, \$6.6 million is spendable income with \$1.4 million of this reinvested into Trust-owned commercial real estate properties. The remaining \$5.2 million of spendable income is used to support beneficiary programs and services, leaving \$10.5 million invested in the Trust fund for future growth.

## Trust Budgeting and Spending

Each year, the Trust engages in a robust stakeholder-driven process to help determine funding priorities. When developing the Trust’s annual budget, trustees and staff understand that Trust funds play an important part in programs and services for beneficiaries across Alaska, and work to direct Trust funds towards impactful efforts to improve Trust beneficiary outcomes. In FY24, trustees approved \$29.5 million in combined Authority Grant and Mental Health Trust Authority Authorized Receipt (MHTAAR, or funds to state agencies) spending. The Trust also manages and protects the value of settlement lands, engages in advocacy and systems improvement activities on behalf of Trust beneficiaries and administers Trust grants. For the 12-month period ending June 30, 2024, Trust and Trust Land Office agency spending totaled \$8.8 million. Trustees continue to emphasize deploying financial resources to enhance services to beneficiaries and limiting expenses. The Trust supports all of its activities and grants with self-generated income; there are no State General Fund dollars required by the Trust.

### Primary Trust Financial Assets

(Amounts represent total values at the end of FY24)

Mental Health Trust Fund Principal	\$551,221,000
Real Estate Investment Equity	\$59,846,000
Trust Reserves	\$128,996,766
Unrealized Appreciation	\$108,374,000

In addition to financial assets, the Trust also owns approximately one million acres of land assets. For additional information on the Trust finances, audited financial statements for FY24 are available on our webpage.

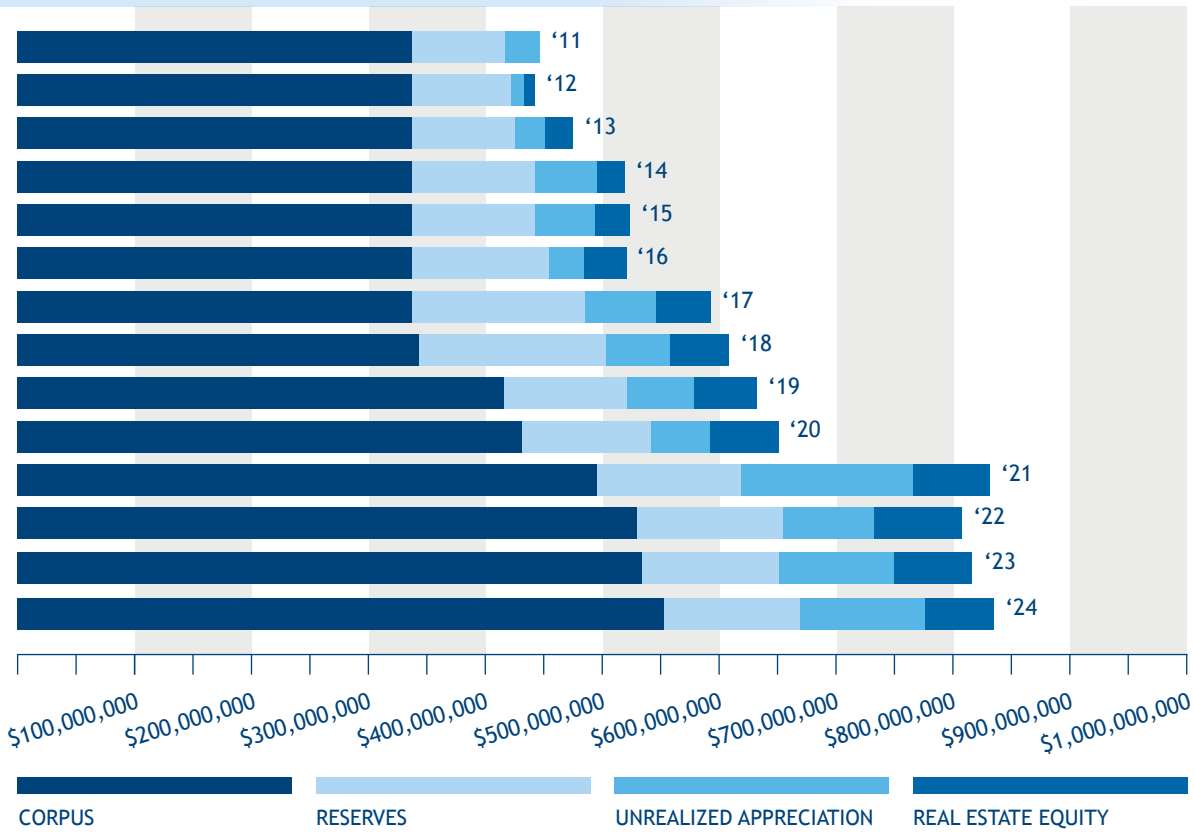
### Spendable Income

- Investment earnings (4.25% of the previous four-year average)
- Rent and payment from nonpermanent uses of Trust land
- Interest from land sale contracts
- Timber sales (15%)

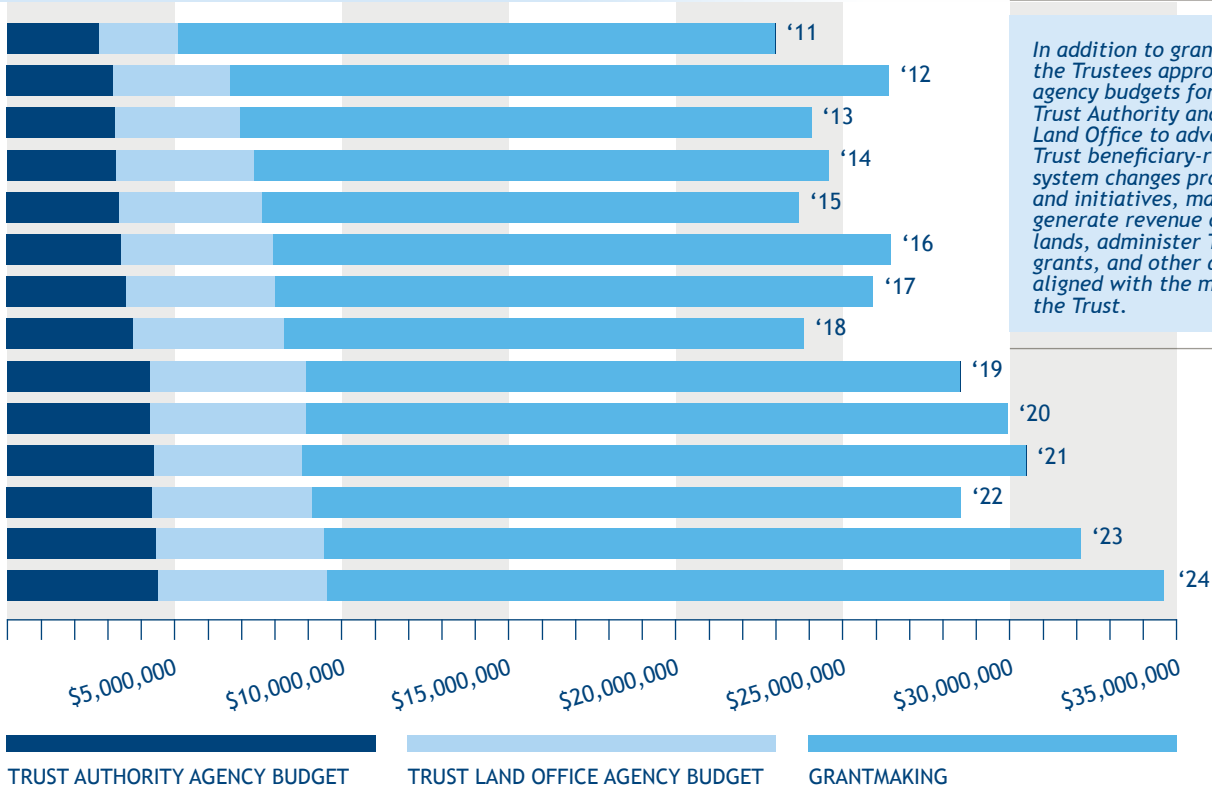
### Non-Spendable Income

- Land sales
- Permanent rights of way and easements
- Coal, oil/gas, materials, and mineral royalties
- Timber sales (85%)

# TRUST INVESTED ASSETS



# ANNUAL TRUST SPENDING (Grants and Agency Spending)



*In addition to grant making, the Trustees approve annual agency budgets for the Trust Authority and Trust Land Office to advance Trust beneficiary-related system changes projects and initiatives, manage and generate revenue on Trust lands, administer Trust grants, and other activities aligned with the mission of the Trust.*

“Instead of just judging, really sit down and get to know somebody. Treating them as human beings with love and grace and mercy goes a long way.”

*Jay, Outreach Program Coordinator*



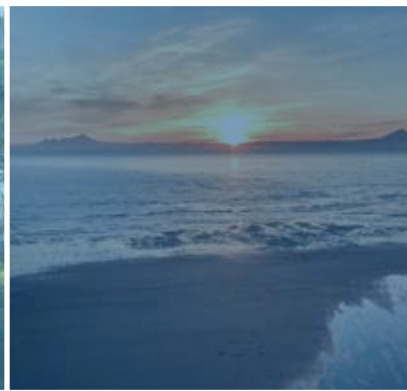
# Approximate Number of Trust Beneficiaries

Many beneficiaries experience more than one of these conditions.

<p><b>Serious Mental Illness</b> <i>(Ages 18+)</i></p> <p><b>37,300</b></p>	<p><b>Serious Emotional Disturbance</b> <i>(Ages 5 to 17)</i></p> <p><b>8,200</b></p>	<p><b>Any Mental Illness</b></p> <p><b>138,300</b></p>
<p><b>Alzheimer’s Disease</b></p> <p><b>9,500</b></p>	<p><b>Traumatic Brain Injury</b></p> <p><b>14,700</b></p>	<p><b>Developmental Disability</b> <i>(Ages 3 to 17)</i></p> <p><b>27,700</b></p>
<p><b>Alcohol Use Disorder</b> <i>(Ages 12 to 17)</i></p> <p><b>2,300</b></p>	<p><b>Alcohol Use Disorder</b> <i>(Ages 18+)</i></p> <p><b>69,600</b></p>	<p><b>Substance Use Disorder</b> <i>(Ages 12 to 17)</i></p> <p><b>7,200</b></p>
<p><b>Substance Use Disorder (Ages 18+)  </b></p>		<p><b>134,700</b></p>



**30** YEARS **Trust**  
 Alaska Mental Health  
 Trust Authority



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