

**ALASKA MENTAL HEALTH TRUST AUTHORITY
FINANCE COMMITTEE MEETING
HYBRID/ZOOM
August 1, 2025
9:15 a.m.**

**Originating at:
Alaska Mental Health Trust Authority
3745 Community Park Loop, Suite 200
Anchorage, Alaska 99508**

Trustees Present:

John Morris, Chair
Anita Halterman
Kevin Fimon
Brent Fisher, Ex-officio (Virtual)

Other Trustees Present:

Agnes Moran
Corri Feige
Josie Hickel

Trust Staff Present:

Mary Wilson
Allison Biastock
Katie Baldwin-Johnson
Shannon Cochran
Valette Keller
Julee Farley
Luke Lind
Carrie Predeger
Mike Baldwin
Eric Boyer
Kat Roch
Kelda Barstad
Tine Voelker-Ross
Eliza Muse
Debbie DeLong
Heather Phelps

Trust Land Office staff present:

Jusdi Warner
Jeff Green
Sarah Morrison
Brittany Williams
Blain Alfonso
Mariana Sanchez
Katie Vachris
Pam Cawley

Ashley Oien
Tracy Salinas
Brittany Williams

Also participating:
Catey Habberstad

PROCEEDINGS

CALL TO ORDER

CHAIR MORRIS called the meeting to order and began with a roll call. He asked for any announcements. Hearing none, he moved to the agenda. He stated that the 12:00 p.m. Callan presentation on AMPS was canceled pre-meeting. He asked for a motion to approve the agenda.

APPROVAL OF AGENDA

MOTION: A motion to approve the agenda was made by TRUSTEE HALTERMAN; seconded by TRUSTEE FIMON.

After the roll-call vote, the MOTION was APPROVED. (Trustee Halterman, yes; Trustee Fimon, yes; Chair Morris, yes.)

CHAIR MORRIS asked for any ethics disclosures. There being none, he moved to the approval of the minutes from April 23, 2025.

APPROVAL OF MINUTES

MOTION: A motion to approve the minutes from April 23, 2025, was made by TRUSTEE HALTERMAN; seconded by TRUSTEE FIMON.

There being no objection, the MOTION was APPROVED. (Trustee Halterman, yes; Trustee Fimon, yes; Chair Morris, yes.)

STAFF REPORT ITEMS

FINANCIAL DASHBOARD

CHAIR MORRIS recognized CFO Julee Farley for the financial dashboard.

CFO FARLEY stated that the dashboard is in the expanded format and would continue that way as there has been positive feedback on this additional information. She continued that the dashboard was dated through May 31st, which is 92 percent of the year. The June dashboard numbers would not be finalized until around the time of the audit completion. She asked Kat Roch to present the information.

MS. ROCH begin with the Operating Expenses and went through the numbers, answering questions as she went along.

CHAIR MORRIS questioned as to why the older Authority Grants money from Fiscal Year '22 through '24 had not been spent, and where is it.

MR. LIND explained that those funds were not awarded or granted. They would have been allocated for a purpose, but they were not allocated for various reasons that have to be looked at. In that fiscal year, the partners were not identified, the fiscal year ended, and that is left to lapse. He continued that when he says “allocated,” it means to a specific entity, an allocated grant. The plan is to identify a partner at a later date during the fiscal year and then have trustees designate that. He added that for the bulk of funds never allocated, that partner was not identified and the funds never were granted to anyone specific.

MS. ROCH added that the unspent money does go back into the revenue calculation. The FY22 funds that remain in that budget will go back into future revenue calculation. Any money unspent after the four-year time period will go back in. She continued through the program activities and the Authority agency budget.

CFO FARLEY explained the Land Office information using the expanded dashboard format.

E.D. WARNER reminded the trustees that there was an administrative order in place as a hiring freeze, and they were going through the process of hiring with no luck.

CHAIR MORRIS moved to the Trust Investment Activity.

FORECASTS – FY27 REVENUE AND CALCULATION

CFO FARLEY began with the gains and stated that APFC manages the majority of the Trust investments. She went through the investment earnings, then continued to the FY27 revenue calculation, stating that it is done every year, which sets the stage for the budget approval and what the Trust can spend in FY27. The lapsed appropriations are captured and redeployed. She explained the different numbers and amounts of the available revenue. She stated that the cash management has been the star performer because interest rates came down a little bit.

COMMERCIAL REAL ESTATE UPDATE WITH RCLCO

CHAIR MORRIS asked for a motion to go into Executive Session.

MOTION: A motion that the Alaska Mental Health Trust Authority Board of Trustees Finance Committee move into Executive Session to discuss the potential sale of the Promontory Point property, and to receive an update from RCLCO on commercial real estate evaluation. The Executive Session is permitted by AS 42.62.310(c)(1), as the matters to be discussed would clearly have an adverse effect upon the finances of the Trust. The motion was made by TRUSTEE HALTERMAN; seconded by TRUSTEE FIMON.

There being no objection, the MOTION was APPROVED.

(Executive Session from 10:05 a.m. until 10:58 a.m.)

TRUSTEE HALTERMAN stated, for the record, that she and her fellow trustees are returning to the Finance Committee meeting from Executive Session. During the Executive Session, the Board of Trustees only discussed the items identified in the motion to move into Executive Session and did not take any action.

APPROVALS

BENEFICIARY FACILITIES

MOTION: The Finance Committee recommends the removal of the \$3,655,000 set-aside of budget reserves which was approved by the Board of Trustees on November 14, 2018, for program-related investment. The motion was made by TRUSTEE FIMON; seconded by TRUSTEE HALTERMAN.

CFO FARLEY explained that this motion pertains to a reserve of \$3.7 million that was approved by trustees in 2018. It was intended for a beneficiary-related project. This amount has been invested in the Trust assets by the Department of Revenue in the budget reserves. It has not been drawn upon.

COO BALDWIN-JOHNSON gave a brief history, noting that the Trust had been actively working on resolving the facility needs of two beneficiary organizations, and it put aside some money to buy or lease a building which was being figured out. The initiative has not evolved that way, and the money has been sitting there.

TRUSTEE MORAN asked if there were other items like this buried in that reserve, or if this is the last of it.

CFO FARLEY replied that she was not aware of any other items.

CHAIR MORRIS called the question.

There being no objection, the MOTION was APPROVED.

FY26 BUDGET RATIFICATION AND AMENDMENT RECOMMENDATIONS

MOTION: The Finance Committee recommends that the Full Board of Trustees ratifies the Legislature's Fiscal Year '26 MHTAAR and Mental Health Trust Admin Budget amounts as appropriated, and therefore increases previous Fiscal Year '26 trustee authorization by \$440,200. The motion was made by TRUSTEE FIMON; seconded by TRUSTEE HALTERMAN.

MS. ROCH explained that these increases are driven by increases to benefits and to salary increases. They are all funded either partially or full positions at these other agencies and are often adjustments to benefits, people getting merit increases.

TRUSTEE HALTERMAN asked if a significant adjustment like this was expected for next year's budget and the year after, or if they are going to be more moderate.

MS. ROCH replied that last year a bill was passed giving three years of COLA, and there was also a new contract for the general government union. She was not sure if there would be big increases or not.

CHAIR MORRIS called the question.

There being no objection, the MOTION was APPROVED.

FY26 PAYOUT AUTHORIZATION

MOTION: The Finance Committee recommends that the Full Board of Trustees amend the Fiscal Year '26 budget to move \$30,000 from the Fiscal Year '26 Rural & Community Outreach line to a new line for Conference/Sponsorships. The motion was made by TRUSTEE FIMON; seconded by TRUSTEE HALTERMAN.

MS. BIASTOCK stated that this is a proposal to create a new line of \$30,000 for conference sponsorships. The reason being that bringing a \$2500 conference sponsorship to the Board in the form of a grant and believing that a sponsorship that could be finalized at the staff level is a bit more reflective of what these funds are doing. This is a one-time expense that provides visibility, local placement, and other benefits associated with the conference. It would just be more efficient to do that at a staff level. Trustees will still see what conferences are being supported in the quarterly Authority Grant non-grant signature reports. This will provide up to 12 conference sponsorships not to exceed \$2500 per event. She noted that \$30,000 would be removed from the Rural Community Outreach line still leaving \$100,000 there.

TRUSTEE HALTERMAN recommended to vote on this with some instructions of staff to come back at some point. She continued that they could move forward and ask staff to bring back some recommendations for a policy. She recommended it be included in the communications plan.

CHAIR MORRIS called the vote.

After the roll-call vote, the MOTION was APPROVED. (Trustee Halterman, yes; Trustee Fimon, yes; Chair Moran, no.)

MOTION: The Finance Committee recommends that the Full Board of Trustees amends the FY26 budget to remove the following unallocated budget lines: Comprehensive Program Planning & Consultative Services; Treatment Access and Recovery Supports; Crisis Continuum of Care; HCBS System Sustainability; SHARP Access; Evidence-Based and Promising Employment and Engagement Practices; Screening & Intervention for Infants, Children and Youth or their Families; Infant, Early Childhood & Youth Mental Health Capacity Building; Improve Social Determinants of Health for Children, Youth and Their Families; Foster Care, Child Welfare and Kinship Programs. These ten budget lines, totaling \$7,165,000, will be removed from the budget, and the funds will be added to a new budget line named Trust Focus Area Strategy Implementation. The total budget amount for Fiscal Year '26 remains unchanged. The motion was made by TRUSTEE FIMON; seconded by TRUSTEE HALTERMAN.

COO BALDWIN-JOHNSON clarified that the FY26 budget as approved by trustees on August 29, 2024, contained 13 bucket lines, and ten of those are being proposed to essentially collapse and move into that new strategy line. She stated that the remaining three of unallocated funds in the FY26 budget currently have pending grant requests that will be considered by the Board in August, and that space will be held for right now.

CHAIR MORRIS asked for any further questions. There being none, he called the question.

There being no objection, the MOTION was APPROVED.

TRUST AUTHORITY OFFICE AGENCY BUDGET FY27

MOTION: The Finance Committee recommends that the Full Board of Trustees authorize the transfer of \$30,253,297 from the Alaska Permanent Fund Corporation Budget Reserve Account to the Mental Health Settlement Income Account to finance the Fiscal Year 2026 budget. The CFO may fulfill this motion with one lump sum or multiple transfers, and the full transfer must be made prior to June 30, 2026. The CFO will report to the Finance Committee when transfer or transfers are made. The motion was made by TRUSTEE FIMON; seconded by TRUSTEE HALTERMAN.

CFO FARLEY stated that this is an annual request, and trustees have seen this calculation because it was included in the FY26 available revenue estimate that was provided this time last year. This is a straightforward calculation taking a four-year average of Trust investments and then the approved payout percentage, which for FY26 was 4.25 percent.

CHAIR MORRIS called the question.

There being no objection, the MOTION was APPROVED.

TRUST LAND OFFICE AGENCY BUDGET FY27

MOTION: The Finance Committee recommends that the Full Board of Trustees approve the Fiscal Year '27 Trust Authority Office MHT Agency budget of \$5,771,800.

COO BALDWIN-JOHNSON explained that the FY27 budget reflects a new increase of \$298,500, which is about 5 percent over the FY26 Authority Grant budget.

CHAIR MORRIS called the question.

There being no objection, the MOTION was APPROVED.

MOTION: The Finance Committee recommends that the Alaska Mental Health Trust Authority Board of Trustees approve the Trust Land Office agency budget for Fiscal Year '27 in the amount of \$6,278,300. The motion was made by TRUSTEE FIMON; seconded by TRUSTEE HALTERMAN.

MS. MORRISON stated that this operating budget amount reflects an increase of 10 percent, with a total of \$556,700. She continued that the FY26 management plan is a bit higher than the budget originally approved, which is related to the COLA increase for staff. It also includes increases to the PERS benefit rate and health insurance.

CHAIR MORRIS asked for any further discussion or questions. There being none, he called the question.

There being no objection, the MOTION was APPROVED.

MOTION: A motion to adjourn the meeting was made by TRUSTEE HALTERMAN; seconded by TRUSTEE FIMON.

There being no objection, the MOTION was APPROVED.

CHAIR MORRIS adjourned the meeting.

(Alaska Mental Health Trust Authority Finance Committee meeting adjourned at 11:56 a.m.)