

**To:** Members, House Finance Committee  
**From:** Mary Wilson, CEO  
**Date:** 2/14/2025  
**Re:** Follow-up to February 5, 2025 Presentation

## MEMO

On behalf of the Trust, thank you for the opportunity to present before the House Finance Committee and to provide an update on Trust's finances and work on behalf of beneficiaries.

Below you will find responses to questions posed by the committee for which we pledged to provide follow-up information.

**1) Rep. Schrage: Please provide information on what income from the TLO is spendable vs principal.**

Revenues generated by Trust-owned lands managed by the Trust Land Office (TLO) fall into two categories: spendable income and non-spendable income. TLO Revenue associated with non-recurring activity or a permanent disposal, like the sale of a parcel of land or royalty generated from mineral resources, is non-spendable income and is deposited into the Trust fund (principal) managed by APFC, while revenues like lease or rent payments, land sale contract interest, and a portion of timber sales are considered spendable income and fund Trust operations and grants. The table below indicates the types of TLO income:

TLO Spendable Income	TLO Non-Spendable (Principal) Income
<ul style="list-style-type: none"><li>• Rent and lease payments from the use of Trust land</li><li>• Interest from land sale contracts</li><li>• Timber sales (15%)</li></ul>	<ul style="list-style-type: none"><li>• Land sales</li><li>• Permanent rights of way and easements</li><li>• Coal, oil/gas, materials and mineral royalties</li><li>• Timber sales (85%)</li></ul>

**2) Rep. Galvin inquired about lapsed funds. We pledged to follow up with the last 10 years of lapsed grant funds.**

Each year the Trust provides grants to organizations across Alaska to fund services and programs for Trust beneficiaries. These grants typically come in two forms: MHTAAR (Mental Health Trust Authority Authorized Receipts) grants to state agencies, and Authority Grants directly from the Trust to organizations serving beneficiaries. For a variety of factors, some of these grant funds are not expended on programs during the fiscal year, and therefore lapse back to the Trust. In these cases, the funding will be utilized by the Trust for programs and services for beneficiaries in future fiscal years. Common reasons for grant funds to lapse back to the Trust include staffing vacancies, and project timeline shifts for a grant-supported project.

The Trust's internal goal is to keep the amount of lapse below 10% annually. Here is the detail on the lapsed funding for both MHTAAR and Authority Grants between FY2016 and FY2025.

	<b>Total Grant Budget</b>	<b>MHTAAR</b>	<b>Authority Grant (AG)</b>	<b>Total Lapse</b>	<b>Percent of Grant Budget Lapse</b>
<b>FY24</b>	\$29,549.1	\$9,825.6	\$19,723.5	\$3,157.5 (\$3,108.9 MHTAAR, \$48.6 AG)	11%
<b>FY23</b>	\$26,161.0	\$8,811.3	\$17,349.7	\$3,580.7 (\$2,360.4 MHTAAR, \$1,220.3 AG)	14%
<b>FY22</b>	\$24,194.9	\$8,110.0	\$16,084.9	\$3,958.4 (\$2,251.4 MHTAAR, \$1,707.0 AG)	16%
<b>FY21</b>	\$20,627.4	\$7,587.5	\$13,039.9	\$3,715.3 (\$1,270.9 MHTAAR, \$2,444.4 AG)	18%
<b>FY20</b>	\$23,072.4	\$10,735.7	\$12,336.7	\$3,739.8 (\$1,572.6 MHTAAR, \$2,167.2 AG)	16%
<b>FY19</b>	\$20,733.9	\$10,838.4	\$9,895.5	\$4,688.4 (\$3,472.1 MHTAAR, \$1,216.3 AG)	23%
<b>FY18</b>	\$20,535.2	\$10,235.2	\$10,300.0	\$6,660.3 (\$3,845.4 MHTAAR, \$2,814.9 AG)	32%
<b>FY17</b>	\$20,449.3	\$8,732.3	\$11,717.0	\$4,401.2 (\$4,401.2 MHTAAR, \$0 AG)	22%
<b>FY16</b>	\$20,326.5	\$8,844.5	\$11,482.0	\$3,466.3 (\$2,583.2 MHTAAR, \$883.1 AG)	17%

**3) Rep. Stapp: how many times in recent years has the MHTAAR funding for a Trust-supported project been discontinued or reduced and replaced with GF/MH recommendations?**

Each year, Trust 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 some cases, after the Trust has funded an MHTAAR grant for a number of years, the project may transition in part or in whole to recommended General Fund/Mental Health, or GF/MH funding.

In the period between FY24 and FY26, there has been a proposed transition from MHTAAR to GF/MH for seven projects, with most on the list due to a decrease in MHTAAR and a corresponding increase in recommended GF/MH. The table below has the detail:

<b>Project Title</b>	<b>Grantee Agency</b>	<b>Years funded MHTAAR</b>	<b>Total MHTAAR funding (lifetime)</b>	<b>Year MHTAAR funding ended</b>	<b>Notes</b>
Alaska Training Cooperative	University of Alaska Anchorage	19 (FY08 – FY26)	\$14,863,200	Active MHTAAR	<ul style="list-style-type: none"> <li>• MHTAAR grant was decreased from \$984.0 to \$885.6 in FY22. There was a \$100.0 GF/MH recommendation for FY22 and FY23.</li> <li>• MHTAAR was reduced to \$835.0 for FY24 and there was a \$200.0 GF/MH recommendation.</li> <li>• MHTAAR was reduced to \$785.0 for FY25 and there was a \$200.0 GF/MH recommendation.</li> <li>• For FY26, MHTAAR was reduced to \$685.0 and there is a \$300.0 GF/MH recommendation.</li> </ul>
Crisis Intervention Team/Behavioral Health training and Programs for First Responders	Department of Public Safety	6 (FY21- FY26)	\$370,000	Active MHTAAR	<ul style="list-style-type: none"> <li>• MHTAAR grant decreased from \$80.0 to \$50.0 in FY25 and there was a \$50.0 GF/MH recommendation in FY25.</li> <li>• For FY26 it is recommended again at \$50.0 MHTAAR and \$50.0 GF/MH.</li> </ul>
Direct Support Professional Training/Professional Development	DOH, Division of Senior and Disabilities Services	2 (FY25 – FY26)	\$500,000	Active MHTAAR	<ul style="list-style-type: none"> <li>• Funded at \$300.0 MHTAAR in FY25.</li> <li>• For FY26, MHTAAR grant is \$200.0, and there is a \$200.0 GF/MH recommendation.</li> </ul>
Home Modifications and Upgrades	DOH, Division of Senior and Disabilities Services	21 (FY01 – FY23)	\$5,900,000	FY23	<ul style="list-style-type: none"> <li>• MHTAAR grant funding reduced to \$100.0 in FY23.</li> <li>• GF/MH recommendation of \$1,050.0 in FY23, and \$1,150 in FY24, FY25 and FY26.</li> </ul>
Aging and Disability Resource Centers	DOH, Division of Senior and Disabilities Services	17 (FY09 – FY25)	\$3,525,000	FY25	<ul style="list-style-type: none"> <li>• MHTAAR grant was \$300.0 per year through FY25.</li> <li>• GF/MH recommendation of \$250.0 per year for FY22 – FY26.</li> </ul>
Coordinated Community Transportation	DOT&PF	28 (FY98 – FY25)	\$8,850,000	FY25	<ul style="list-style-type: none"> <li>• This project, which leverages federal funds, has had a historical GF/MH recommendation of approximately \$1,000.0.</li> </ul>

					<ul style="list-style-type: none"> <li>Between FY08 and FY25, the annual MHTAAR grant fluctuated between \$250.0 and \$300.0.</li> <li>For FY26, the Trust made a \$1,000.0 GF/MH request for DOT/PF and has \$250.0 MHTAAR in the budget for a beneficiary transportation grant within the Division of Senior and Disabilities Services.</li> </ul>
Develop Targeted Outcome Data	DOH, Division of Senior and Disabilities Services	8 (FY18 – FY25)	\$640,000	FY25	<ul style="list-style-type: none"> <li>Funded at \$80.0 MHTAAR from FY18 – FY25.</li> <li>For FY26, there is no MHTAAR increment and a \$45.0 GF/MH recommendation.</li> </ul>

Notable is that the amount of Trust recommended GF/MH varies from year to year. In FY 24, trustees recommended \$9,933.0 in GF/MH, in FY25 it was \$10,937.4, and in FY26 \$8,939.0

**4) Rep. Bynum: Please provide more information on the Housing Assistance Program (HAP) and Special Needs Housing Grants (SNHG).**

**Homeless Assistance Program (HAP)**

The Homeless Assistance Program (HAP) was established in 1993 and assists Alaskans who are homeless or, at-risk, to access emergency services including emergency shelter, rapid rehousing, and eviction prevention. HAP funds support projects that address a specific need in the community. In addition to a reliable funding source for operating expenses, these programs work within the continuum of care to assist families to obtain or retain safe and stable housing. The Homeless Assistance Program serves all populations, including youth under 18, youth 18-24, families, veterans and single adults. The flexibility of HAP awards allowed grantees to move quickly to respond to community needs, whether a global pandemic or a smaller disaster causing the rapid destabilization of vulnerable households. Demand for this program is steadily increasing. In FY24, A total of 10,832 unduplicated individuals received services in HAP-funded programs, of which 7,256 were Trust beneficiaries.

Preventing homelessness, much like preventing injury or illness, not only provides better outcomes for individuals but is the most effective, efficient, and economical approach to addressing homelessness. The funds can be used to prevent eviction, provide utility assistance, fix a car that is needed for employment, and meet other critical needs to ensure a person can continue their existing tenancy.

Rapid re-housing rapidly connects families and individuals experiencing homelessness to permanent housing through a tailored package of assistance that may include the use of time-limited financial assistance and targeted supportive services. Rapid rehousing programs help unhoused families and individuals solve the practical and immediate challenges to obtaining permanent housing while reducing the amount of time they experience homelessness, avoiding a near-term return to homelessness, and linking to community resources that enable them to achieve housing stability in the long term.

The Homeless Assistance Program is connected to the Comprehensive Integrated Mental Health Plan through Goal 3, Objective 3.1, Alaskans have stable, safe housing with appropriate community-based social supports to

maintain tenancy. HAP is administered by AHFC and is funded by AHFC receipts, GFMH, and Alaska Mental Health Trust funds. This is a long-standing investment for the Trust. While the Trust does not typically provide ongoing funding for programs, the partnership with AHFC facilitates the Trust's ability to contribute to the work of many organizations efficiently and effectively across the state to prevent beneficiary homelessness. In FY24, AHFC awarded funding to 29 grantees in 15 communities.

For more information: [Alaska Housing Finance Corporation :: Homeless Assistance Program \(HAP\)](#)

### **Special Needs Housing Grant (SNHG)**

SNHG provides funds through competitive grants to nonprofit service providers and housing developers for construction and operation of supportive housing for the Alaskan special needs populations, primarily beneficiaries of the Alaska Mental Health Trust. This can include transitional housing – often used for recovery and reentry from incarceration - as well as permanent supportive housing. This funding is leveraged to obtain federal and private funds to build and operate housing projects. When available, AHFC includes SNHG funding in the capital funding sources. These rounds provide bonus funding for PSH projects and prioritizes AMHTA beneficiary preferences.

Housing chronically homeless Trust beneficiaries helps them on the path to long-term stability, community engagement, and high quality of life. In FY24, SNHG funding supported 266 units in 6 communities across 14 projects, serving 495 beneficiaries. The Special Needs Housing grants pay for on-site staff, utilities, and building maintenance. SNHG serves youth 18-24, families, veterans, victims of domestic violence, and single adults.

The Special Needs Housing Grant is connected to the Comprehensive Integrated Mental Health Plan through Goal 3, Objective 3.1, Alaskans have stable safe housing with appropriate community based social supports to maintain tenancy. SNHG is administered by AHFC and is funded by AHFC receipts, GFMH, and Alaska Mental Health Trust funds. This is a long-standing investment for the Trust. While the Trust does not typically provide ongoing funding for programs, it is the partnership with AHFC that facilitates the Trust's ability to contribute efficiently and effectively to the work of many organizations to alleviate beneficiary homelessness. This project routinely receives more applications than there is funding available.

For more information: [Alaska Housing Finance Corporation :: Beneficiary and Special Needs Housing \(SNHG\)](#)

### **5) Rep. Foster: Please provide last year's (FY25) Trust GF/MH capital request for Home Modifications and Upgrades, and how much was funded in the GOV's final FY25 budget?**

The Trust's FY25 GF/MF recommendation for the Home Modifications Program administered by the Dept. of Health Division of Senior and Disability Services was \$1,150.0. The final adopted FY25 budget included \$575.0 in GF/MH.

Some additional information on the program: The Home Modifications and Upgrades project provides capital funding to the Department of Health for grants for home modifications for Trust beneficiaries. Home modifications (also called environmental modifications or e-mods) provide environmental improvements to the physical structure of a house or apartment so that the home can be more accessible for beneficiaries with physical disabilities. These environmental modifications help keep people in their own homes, reducing the need for a higher level of care, such as assisted living or skilled nursing facilities. Typical kinds of assistance provided are accessibility modifications or additions (e.g., widening doorways, remodeling bathrooms and/or kitchens, installing entrance ramps, and related equipment). All funds are awarded through a statewide competitive grant process.

**6) Rep. Foster: Please provide a written description of what Maniilaq is doing in Kotzebue to improve behavioral health crisis response, as well as our investment amount in the community.**

The Maniilaq Association has completed Phase 1 of its behavioral health crisis stabilization service planning and implementation, with the support of a \$200,000 grant award from the Trust. This phase of their planning included technical assistance from contractors with expertise in developing 23-hour and short-term residential crisis observation and stabilization services. The Trust continues to work with Maniilaq as they plan for future phases of the project, including recently meeting with them and industry experts to help plan an Emergency Psychiatric Assessment, Treatment, and Healing Center (EmPATH) at the local hospital. EmPATH units are similar to Crisis stabilization units but designed for smaller communities.

Please reach out to our offices if you have additional questions.