



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

Office of the Governor

OFFICE OF MANAGEMENT AND BUDGET
Pat Pitney, Director

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January 16, 2018

Ms. Mary Jane Michael, Chair
Members of the Board of Trustees
Mr. Mike Abbott, Chief Executive Officer
Alaska Mental Health Trust Authority
3745 Community Park Loop, Suite 200
Anchorage, AK 99508

Dear Ms. Michael, Members of the Board of Trustees, and Mr. Abbott,

Thank you for your continued efforts and dedication to the goals of the Mental Health Trust (Trust) and the work you do on behalf of the Trust's beneficiaries. Your efforts are of great value to beneficiaries of the Trust and the State as a whole.

The total FY2019 mental health budget of \$231.9 million represents a \$13.8 million increase from FY2018. The FY2019 budget includes \$16.9 million of the Trust's \$17.5 million operating budget recommendations and \$12.4 million of the Trust's \$14.8 million capital budget recommendations. These amounts are in addition to \$201.8 million of annual base funding. The mental health operating budget primarily reflects increases anticipated in the Medicaid program related to behavioral health. Enclosed are reports comparing Trust recommendations to those included in the FY2019 Governor's budget operating and capital mental health budgets.

The state's fiscal situation requires that all areas of government maximize efficiencies. The requested operating increase of \$267.9 for the Mental Health Trust Operations, and \$355.2 for the Mental Health Trust Lands Administration were not included in the Governor's. The Trust also requested increases from FY2018 for special needs housing and homeless assistance. The governor's proposal maintains these programs at the current funding level. OMB is willing to support Alaska Mental Health Trust in finding operational, administrative, and structural efficiencies that would allow the Mental Health Trust Operations and the Mental Health Trust Lands Administration to maintain their functions within the current budget level. We look forward to working with you and the Legislature on securing passage of the FY2019 mental health budget bill.

Sincerely,

A handwritten signature in blue ink, appearing to read "Pat Pitney".

Pat Pitney
Director

Attachments: 1. FY2019 Mental Health Budget Summary, 2. FY2019 Operating Budget Comparison, 3. FY2019 Operating Budget Action on Non-Trust Recommendations, 4. FY2019 Capital Budget Comparison