

CHARTER OF THE BOARD OF TRUSTEES

Introduction

1. The State of Alaska, under AS 47.30.011, has established the Alaska Mental Health Trust Authority to ensure an integrated comprehensive mental health program and administer the trust established under the Alaska Mental Health Enabling Act of 1956. The duties and authority of the board are further described in AS 47.30.036, and AS 37.14.007.
2. The board of trustees consists of seven members appointed by the governor and confirmed by the Legislature. Trustees are appointed based on their ability in financial management and investment, land management, or in services for the beneficiaries of the trust. The governor will consider a list of persons prepared by a panel as outlined in AS 47.30.016.
3. This document is intended to interpret and implement the statutory provisions that created the board of trustees.

Role

4. The role of the board of trustees is to advance the mission of the Alaska Mental Health Trust Authority and Trust Land Office (AMHTA) by working to:
 - (a) Provide for sound governance and fiduciary oversight and direction in achieving the mission of AMHTA;
 - (b) Ensure an integrated, comprehensive mental health program for the State of Alaska in partnership with Department of Health and Social Services;
 - (c) Preserve and protect the trust corpus while maximizing income now and in the future;
 - (d) Manage principal and assets of AMHTA;
 - (e) Invest income and use assets to fulfill AMHTA's purpose;
 - (f) Administer Trust assets and mental health trust income account; and
 - (g) Engage in philanthropic development.

Authority

5. The board of trustees has authority to:
 - (a) Select, hire, and provide direction and oversight of the chief executive officer;

- (b) Retain independent counsel on behalf of AMHTA;
- (c) Solicit and receive gifts, bequests, and contributions;
- (d) Approve annual budgets and monitor budget performance;
- (e) Establish management principles for AMHTA;
- (f) Adopt and amend bylaws governing its meetings, selection of officers, proceedings, and other aspects of board procedure;
- (g) Insure or indemnify and protect the board, a member of the board, or an agent or employee of the authority against financial loss and expense; and
- (h) Provide for approval of grants as outlined in 20 AAC 40.010 – 40.990.

Duties and Responsibilities

GOVERNANCE

6. The board will establish charters setting out the duties and responsibilities of:
 - (a) board of trustees;
 - (b) chair, vice chair, and secretary;
 - (c) executive committee;
 - (d) finance committee;
 - (e) audit and risk committee;
 - (f) resource management committee;
 - (g) program and planning committee; and
 - (h) Chief Executive Officer.
7. The board will establish governance policies as necessary, including bylaws and other board policies and processes, to ensure effective operation of the affairs of AMHTA.
8. The board will develop and approve the job description of the chief executive officer.
9. The board will clearly define board and CEO roles and accountabilities and ensures clarity of authority, responsibility, and process for carrying out functions required to meet the needs of beneficiaries.

10. The board will approve contractual agreements with Department of Natural Resources, Alaska Permanent Fund Corporation, and advisory boards as defined in statute and the settlement agreement.
11. The board will establish a board development program to build skills of trustees.
12. The board will evaluate its performance and effectiveness annually and identify opportunities for continuous improvement.

BENEFICIARY IMPACT

13. The sole purpose of AMHTA is to manage its assets (financial, political, human, etc.) to make a positive difference in the lives of beneficiaries through ensuring the integrated, comprehensive mental health program for the state of Alaska. To that end, the board will:

- (a) Maintain awareness of the needs of beneficiaries;
- (b) Invest in programs that are effectively targeted to address those needs, current, future, and preventative;
- (c) Measure the impact of investments to benefit beneficiaries; and
- (d) Serve as community champions for AMHTA and its beneficiaries.

14. The board will define a clear and compelling mission to focus the organization and align stakeholders and will validate it annually. The following mission statement was adopted in May 2009 and was revalidated in August 2017:

The Alaska Mental Health Trust Authority (the Trust) administers the Mental Health Trust to improve the lives of beneficiaries. Trustees have a fiduciary responsibility to protect and enhance trust assets in perpetuity for the beneficiaries. The Trust provides leadership in advocacy, planning, implementing and funding of the Comprehensive Integrated Mental Health Program, and acts as a catalyst for change.

15. The board will define a clear set of guiding principles and will validate them annually. The following guiding principles were adopted in May 2009 and revalidated in August 2017:

To improve the lives of Trust beneficiaries, the Trust is committed to:

- Education of the public and policymakers on beneficiary needs
- Collaboration with consumers and partner advocates
- Maximizing beneficiary input into programs
- Continually improving results for beneficiaries
- Prioritizing services for beneficiaries at risk of institutionalization or needing long-term, intensive care

- Useful and timely data for evaluating program results
- Inclusion of early intervention and prevention components in programs
- Provision of reasonably necessary beneficiary services based on ability to pay

ASSET MANAGEMENT

16. The board will follow the prudent investor rule.
17. The board shall contract with the Alaska Permanent Fund Corporation for management of the mental health trust fund [AS 37.14.009]. The board will meet with APFC leadership on an annual basis to review results, forecasts, and issues that could affect future returns.
18. The board will approve asset management policies, including the board's overall asset management philosophy, to ensure effective management, investment, and growth of AMHTA assets. Policies will be reviewed annually.
19. In consultation with the chief financial officer, the board will ensure establishment of a framework or process for managing investment risks related to assets.
20. The board will approve the long term or strategic asset allocation for AMHTA.
21. The board shall provide for the management of non-cash assets. Currently this occurs through contract with the Department of Natural Resources, Trust Land Office (TLO) for the management of approximately 1,000,000 acres of endowment land and management of its investment real estate portfolio [AS 37.14.009].
22. The board of trustees will ensure that the TLO establishes strategic plans for land stewardship, program related investment, and maximizing revenue from its land, and establishing criteria and goals for investments in income producing real estate.

FINANCE, AUDIT AND RISK MANAGEMENT

23. The board will ensure that appropriate financial and operational controls and procedures are in place to safeguard assets, ensure adequate financial resources, and provide effective financial oversight and risk management.
24. The board will ensure that audits of these controls and procedures are conducted from time to time by an independent external auditor in order to ensure that the assets are properly accounted for, and that the investments are in accordance with applicable laws and regulations.

25. The board will ensure that annual financial statements of AMHTA are prepared and that these statements are audited by an independent external auditor. It will approve the annual financial statements and audit report.

OPERATIONS AND HUMAN RESOURCES

26. The board will ensure a strong working relationship between board and staff.
27. The board will employ a chief executive officer [AS 47.30.026], set annual performance targets in writing for the CEO at the beginning of each year, and review and evaluate in writing the CEO's performance in carrying out policies, procedures, and directions of the board annually before the November trustee meeting. The board will ensure that the CEO has clear accountabilities and authority and will balance support for achievement with ensuring accountability for performance.
28. The board will establish a CEO review policy and a management succession plan.
29. The board may terminate the CEO.
30. The board will ensure that AMHTA establishes a strategic plan for the Trust in which the board will establish clear and explicit goals to achieve the mission. The board will ensure rigorous metrics to measure performance and review annually.
31. The board will ensure that AMHTA has policies and procedures that will promote the attraction, hiring, management, development, and retention of qualified and diverse staff.

BRAND, COMMUNICATIONS AND OUTREACH

32. Working in conjunction with the CEO, the board will ensure a communications policy and processes to guide how the board and individual trustees should communicate with stakeholders including but not limited to:
- (a) AMHTA staff;
 - (b) beneficiaries and beneficiary organizations;
 - (c) statutory advisory boards and departments;
 - (d) service providers;
 - (e) prospective partners;
 - (f) municipal governments, native corporations, tribes;
 - (g) media;
 - (h) other external parties; and

(i) the general public.

33. The board will ensure that AMHTA has a comprehensive communications plan.

34. The board will ensure that AMHTA has a clearly established policy for handling media requests and responding to published media or requests for interview or comment.

35. The board will assure that the activities of both the Trust Authority Office and the Trust Land Office are coordinated and focused on protecting the brand of AMHTA.

MONITORING AND REPORTING

36. The board, working with the management team, will establish a monitoring and reporting policy which sets out its requirements regarding reports the board will receive on a regular basis in order to meet its responsibility for the oversight of the AMHTA.

37. The board will review on a regular basis the policy, procedures and compliance of the board, its committees, the chair, vice chair, and secretary of the board, with the duties and responsibilities set out in their respective charters.

38. The board will annually submit to the governor and the Legislative Budget and Audit Committee by September 15 a budget for the next fiscal year, as referenced in AS 47.30.046.

39. The board will review progress against the strategic plan annually and update it periodically, but no less than every three years.

BOARD MEETING PRACTICES

40. The board will hold at least four regular board meetings each fiscal year. Committees will meet as necessary to accomplish their responsibilities.

41. Special meetings of the board may be held at such time and place as the chair may order; or upon the written request of any four trustees to the chair.

42. The board will be supported by staff as required. The board may invite other professionals to attend meetings and provide pertinent information as deemed necessary.

43. Reasonable public notice of board and committee meetings shall be provided in accordance with AS 44.62.310. Meetings of the board and its committees are subject to the Open Meetings Act, AS 44.62.310 and 44.62.312.

44. A quorum at all board meetings shall consist of four board members, AS 47.30.016(d). A quorum at committee meetings is a majority of committee members.

45. No member of the board may designate a proxy.

Review and Amendment of the Charter

46. The board of trustees will review this charter at least once every three years and recommend any amendments to the board for approval as necessary to ensure that the charter remains relevant and appropriate.

47. The board of trustees adopted this charter on October 27, 2017.