

Trust

Alaska Mental Health
Trust Authority



2022 ANNUAL REPORT





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TRUSTEE



“Your mental health problem, your addiction problem, it’s not something you’re choosing. It’s something happening to you.”

Bob (Trust Beneficiary)

LETTER FROM THE CHAIR AND CEO

It is fitting that a state as unique as Alaska is home to the Alaska Mental Health Trust Authority (Trust), a state corporation that is the only of its kind in the United States that was endowed with financial and land assets to support a comprehensive mental health program plan. Following a long history of Alaska not having adequate resources to support individuals with behavioral health conditions and developmental disabilities, a landmark legal settlement created the Trust and endowed it with cash and land assets to help ensure Trust beneficiaries have access to quality community-based services, and to support system-level improvements to our continuum of behavioral health care. Similar to a private foundation, the Trust is completely self-funded, and manages its resources with the intent of perpetually improving the lives and circumstances of Alaskans experiencing mental illness, intellectual and developmental disabilities, chronic alcohol or drug addiction, Alzheimer's disease and related dementia, and traumatic brain injuries.

As indicated through data as well as recent headlines, we recognize there remains much work to meet the needs of all Trust beneficiaries, and we continue to apply our resources to help address system-level needs and improvements. We support our partners at the State, local government, Tribal Health and community levels, and use Trust resources in a catalytic fashion to help bring new services online, increase capacity, and to inform policy and planning activities.

Anita Halterman was named board chair in early 2022. She has served on the board since 2019, and has more than three decades of experience in the health and social services field. *Steve Williams* is the new Trust CEO, a role he has taken following sixteen years of experience at the Trust, eight of which he served as the Trust's Chief Operating Officer.

Over the last year we continued to improve Trust beneficiary outcomes through our grant funding and our advocacy and policy efforts in concert with our valued partners. In FY 2022, the Trust awarded more than \$18 million to nonprofits, tribal entities, state and local governments, and providers; we know the Trust could not make a difference for our beneficiaries without the commitment and expertise of our partners.

2022 also saw continued progress on a priority Trust initiative: improving how our system responds to individuals in a behavioral health crisis. We continue to work closely with State and other partners across Alaska to launch new and improve existing

crisis response services, including mobile crisis response teams and advocating with the Department of Health to help pass key legislation (HB 172) paving the way for new crisis stabilization centers in Alaska.

It is through the careful management and allocation of Trust resources that we can continue our work on behalf of Trust beneficiaries. Though turbulent financial markets ultimately resulted in asset losses in FY 2022, these were partially offset by continued strong earnings from Trust lands and non-cash assets managed by the Trust Land Office. Further, strong fund performance and growth in recent years and our prudent fund allocation policies means continued support to beneficiary-serving partners now and into the future.

As we look to the year ahead, we are aware that there are evolving challenges faced by both our beneficiaries and the organizations serving them. We pledge to continue our work and expand our collaborations to generate innovative solutions, and leverage Trust resources to truly make a difference in the lives of our most vulnerable Alaskans.



STEVE WILLIAMS
Chief Executive Officer



ANITA HALTERMAN
Board Chair

ABOUT THE TRUST

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

The Alaska Mental Health Trust Authority (Trust) is a state corporation that maintains a unique position in Alaska's government. Completely self-funded, the Trust uses its resources to help advance projects, partnerships, and programs that promote long-term, systematic change, and improve the lives and circumstances of Trust beneficiaries. More than a grant-maker, the Trust also provides leadership in advocacy, planning, and the implementation of beneficiary services and programs.

Beneficiaries of the Trust include Alaskans who experience mental illness, intellectual and developmental disabilities, substance use disorders, Alzheimer's disease and related dementia, and traumatic brain injuries.

The Trust is overseen by an independent seven-member board of trustees who are appointed by the Governor and confirmed by the Alaska Legislature. Trustees are authorized to spend Trust income without legislative appropriation. They also are required by statute to recommend state operating and capital budget expenditures each year to the Governor and Legislature to support Alaska's Comprehensive Integrated Mental Health Program Plan and to meet identified needs of Trust beneficiaries. The Trust is self-sustaining and uses no state general fund dollars.

THE TRUST LAND OFFICE

The Trust Land Office (TLO) is a special unit within the Department of Natural Resources. The Trust has an exclusive contract with the TLO to manage the organization's approximately one million acres of land and other non-cash assets with the sole purpose of generating revenue to support programmatic work on behalf of Trust 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 from the federal government to the Territory and, ultimately, the State of Alaska. One million acres of land were a part of this transfer of responsibility, establishing the Alaska Mental Health Trust. These lands were to be managed to generate income for a comprehensive integrated mental health program. However, in a class action lawsuit ruling in 1984, the Alaska Supreme Court determined the State had breached its fiduciary responsibility to manage Trust land. In 1994, after many years of litigation, in a final landmark settlement, the Alaska Mental Health Trust Authority was established, the million acres of land reconstituted, a \$200 million cash payment from the State was made and invested with the Alaska Permanent Fund Corporation, and an independent board of trustees was established to oversee the cash and non-cash assets of the Trust. You can learn more about the Trust's rich past at alaskamentalhealthtrust.org/about/history.

TRUST 2022 HIGHLIGHTS

NEW LEADERSHIP

In 2022 the board of trustees hired Steve Williams as the Alaska Mental Health Trust Authority's new Chief Executive Officer. As CEO, Steve oversees the Trust's finances and programmatic and policy functions, as well as the Trust Land Office. Prior to leading the organization, Steve worked at the Trust for sixteen years, eight of which he served as the Chief Operating Officer. The Trust Land Office also welcomed Jusdi Warner as the new Executive Director, in her role Jusdi oversees the management and development of the Trust's one million acres of land to maximize revenues for Trust beneficiaries. Prior to becoming the E.D., Jusdi served as the Trust Land Office's Deputy Director, and has more than a decade of experience in natural resources in Alaska.

MOMENTUM ON EFFORTS TO TRANSFORM BEHAVIORAL HEALTH CRISIS RESPONSE

Alaska's system of care is not currently meeting the needs of individuals experiencing a behavioral health crisis. In 2022, working with partners including the Department of Health and Department Family and Community Services (formerly DHSS), the Trust continued efforts to transform behavioral health crisis response in Alaska. As a framework for this effort the Trust is looking to the nationally recognized Crisis Now model, which includes a robust crisis call center, mobile crisis response teams, and crisis stabilizations centers. Trustees approved a Trust investment of \$5 million in FY 2022 to continue work supporting community partners who are standing up and/or planning for new crisis services.

MOBILE CRISIS TEAM IMPLEMENTATION IN ALASKA

Signaling success of the recently developed mobile crisis response teams in Fairbanks and Anchorage, data shows that since program inception 78-80% of mobile team responses to an individual in crisis are resolved in the community, without further law enforcement or hospital emergency room involvement.

CONTINUED EDUCATION ON HOW TRUST LANDS SUPPORT TRUST BENEFICIARIES

There is no other organization in the country like the Trust, one that uses land and financial resources exclusively to support behavioral health and developmental disability related programs, services, and advocacy. As such, the Trust continues work to educate Alaskans about the purpose of Trust lands and how revenue generating activities on those lands support the Trust's work to improve the lives beneficiaries, and the systems that serve them. This outreach is often done in concert with efforts to increase public awareness of Trust beneficiary needs, and the meaningful work that the Trust is supporting across the state through grants to beneficiary-serving partners and advocacy on behalf of beneficiaries and families.

TRUST USFS LAND EXCHANGE FINAL EASEMENT AGREEMENTS

With all lands conveyed, and necessary permanent-access easements finalized in early 2022, the multi-phase land exchange between the Trust and the U.S. Forest Service (USFS) is complete. The exchange follows an extensive, stakeholder-driven public process that began over a decade ago, and acts of both Congress and the Alaska Legislature. Ultimately, this process transferred 17,980 acres of Trust land near Ketchikan, Juneau, Sitka, Petersburg, and Wrangell to the USFS to be preserved for public use. The Trust in exchange received 18,490 acres of USFS lands on Prince of Wales Island and near Upper George Inlet that can now be developed for revenue generation to support Trust beneficiaries.

IMPROVING LIVES CONFERENCE

In the fall of 2022, the Trust held its first-ever major conference focused broadly on issues impacting Trust beneficiary populations. At the direction of the board of trustees, the Trust worked with a multitude of planning partners to develop the Improving Lives Conference, a two-day event that convened more than 350 attendees. Held in Anchorage, the gathering featured more than 30 presentations related to the conference themes of: behavioral health support across beneficiary groups and the lifespan, including co-occurring disorders; innovative and promising practices for serving Trust beneficiaries; strengthening our continuum of care for Trust beneficiaries; and incorporating lived experience and beneficiary perspectives into programs and planning.



GRANT MAKING

Since inception, the Trust has worked to improve beneficiary outcomes by supporting the system that serves them at various levels.

Each year, trustees approve the majority of the Trust's annual budget for grantmaking. Trust grants are awarded throughout the year to nonprofit organizations, service providers, Tribal entities, state and local governments, and other groups that serve or support Trust beneficiaries. In FY 2022, the Trust awarded more than \$18.8 million in Trust grants.

For a complete list of Trust grants made this year, see the FY 2022 Trust Grant Investments report at alaskamentalhealthtrust.org.

GRANTS TO PARTNERS

Trust grants are often prioritized to serve as catalytic funding that can help our partners implement system level improvements. The Trust's grant funding can support partner efforts such as bringing on new lines of service, accessing innovative training opportunities, and implementing data-driven approaches to improving Alaska's system of behavioral health care.

The Trust's largest grantee is the State of Alaska, with annual grants designated to various state agencies that provide supports and services to beneficiaries. Grants to state agencies are referred to as Mental Health Trust Authority Authorized Receipt (MHTAAR) funds. State agencies must obtain legislative approval to receive and expend these funds.

Trust grant funding supports:

- individual beneficiaries
- direct service
- programs and initiatives
- communities
- policies and systems
- capital projects

Total Granted: \$18,822,366

FY 2022 BREAKDOWN OF GRANTS

Grants to Beneficiary-Serving
Partner Organizations

\$10,687,866

Grants awarded: 119

Grants to State Agencies
(MHTAAR)

\$8,134,500

Grants awarded: 53

2022 GRANTS



ABOUT TRUST GRANTS

Who can apply for a Trust grant?

Trust grants are awarded to organizations that serve/support one or more Trust beneficiary group and whose priorities are consistent with the Trust's. Eligible organizations for partnership grants are foundations, government agencies, tribal entities, nonprofits and corporations who serve Trust beneficiaries.

What types of grants are there?

Trust Grants are awarded to a variety of partner organizations. Most grants are awarded outside the state budgeting process. There are several types:

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

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

MHTAAR Grants are grants to state agencies that are advanced through the state budget development process each year.

Mini Grants are small grants awarded through partner agencies on behalf of individual beneficiaries and are offered in three areas:

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

MINI GRANTS TO INDIVIDUALS

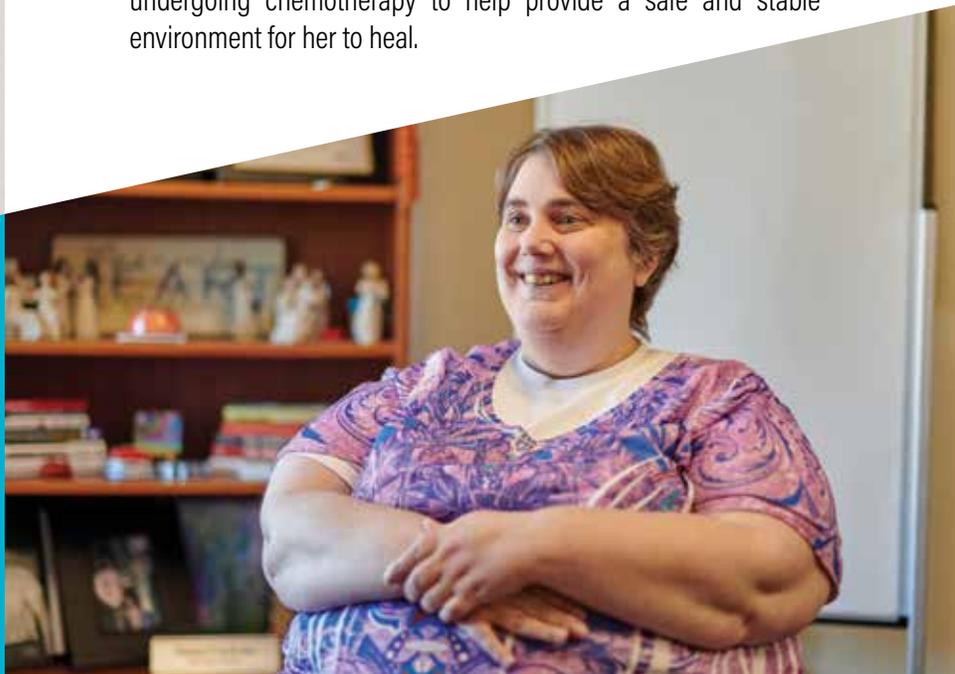
More than 940 Trust beneficiaries received an individual or "mini" grant in FY 2022. These individual grants, always administered through a Trust partner agency, are awarded on a monthly basis throughout the year. Mini grants of up to \$2,500 per award may be used for a broad range of equipment, supplies, services to improve quality of life and increase independent functioning, and help to attain and maintain healthy and productive lifestyles. Mini grants can also be used for some beneficiary dental services not covered by Medicaid.

2022 BENEFICIARY MINI GRANT HIGHLIGHTS

- A young Trust beneficiary experiencing a developmental disability had difficulty sitting upright while eating due to low muscle tone. Trust Mini Grant funds were approved to provide the individual with a supportive highchair that allowed for proper support and positioning while eating.
- A Trust beneficiary with dementia who lives in a rural community without running water needed incontinence supplies to keep her clean, dry, and to prevent skin breakdown, as well as to save on laundry needs. A Trust Mini Grant, with the help of community members, was able to help purchase and transport the supplies needed to the remote location, and support caretakers who were doing their best to keep the individual at home.
- The Trust purchased a bed and furniture for a Trust beneficiary experiencing a behavioral health condition on the Kenai Peninsula undergoing chemotherapy to help provide a safe and stable environment for her to heal.

"People treat people who have disabilities like children. We're not children. We're adults."

Michelle (Trust Beneficiary)



PUBLIC POLICY & SYSTEMS CHANGE HIGHLIGHTS

While best known to many as a grant maker, the Trust also has a duty to educate the public and policymakers on beneficiary needs, and to serve as a leader in advocacy and planning. As such, the Trust applies resources to, and is actively engaged in, public policy and systems change efforts. Trust staff works closely with beneficiaries, community providers, the Tribal health system, policymakers, and others to advocate for programs, policies, and enhancements to our continuum of care. Notable Trust efforts in FY 2022 in this area are described below.

MENTAL HEALTH FACILITIES LEGISLATION (HB172)

Proposed by Governor Dunleavy in 2021 and passed with broad support in 2022, House Bill 172 allows for more behavioral health services designed to stabilize individuals in a mental health crisis. The Trust worked closely with the Department of Health and Social Services (DHSS) in championing this important legislation. Currently, Alaskans in crisis are primarily served by law enforcement, emergency rooms, and other restrictive environments. HB172 allows for new crisis stabilization services including 23-hour crisis stabilization and short-term residential crisis stabilization for those whose crisis cannot be stabilized in the community or with a mobile crisis team, by creating an accessible (“no wrong door”), and less restrictive level of care that will better serve Trust beneficiaries in need. Through the legislative process, HB172 was improved with specific provisions protecting patient rights, and the bill garnered support from law enforcement, patient advocates, hospitals, local governments, and more.

TITLE 4 REFORM

After a decade of collaboration with public health, public safety, and alcohol industry partners, Senate Bill 9, which modernizes Alaska’s laws governing alcohol, passed the legislature in 2022. Alaska State Sen. Peter Micciche, the bill’s sponsor, worked for several years with a coalition of partners to advance this legislation. The Trust has been engaged in Title 4 reform since the beginning of this effort, recognizing that improving the statutes will benefit public health. Limiting youth access to alcohol and controlling online alcohol sales, provisions in the new law, are examples of positive public health impacts.

988 SUICIDE AND CRISIS LIFELINE

In early 2021 the State of Alaska Department of Health and Social Services, Division of Behavioral Health began a statewide coalition focused on standing up the new, national three-digit dialing code, 988, for the National Suicide Prevention Lifeline. The Trust was a key partner in this effort, working with the department across several coalition workgroups focused on topics such as law enforcement, behavioral health services, technology, and communications. 988 launched in July 2022; Alaskans who dial 988 from the 907 area code will be connected with the Alaska Careline, a member of the Lifeline and our in-state call center where trained counselors answer calls, chats, and texts. This effort supports the Trust’s work with the State and partners to improve behavioral health crisis response care by adding crisis call center services to the existing Alaska Careline suicide prevention line, in doing so better connecting individuals with the local supports they need.



Since the launch of 988, the Alaska Careline has experienced an approximate 18% increase in call volume. The Trust has supported the Careline with grant funding to help with infrastructure improvements to better accommodate the increase.

“(Mental health) stigma impacts housing, employment and community connections.”

Bobby (community partner and Trust beneficiary)



MEDICAID

Medicaid coverage for behavioral health and home and community-based services represents one of the most essential tools our state has in meeting the needs of Trust beneficiaries. The Trust recognizes the positive impacts the program has both those served and the providers who are serving them. The Trust has been a longtime advocate, leader, funder, and partner to DHSS, now the Department of Health, on efforts to improve Medicaid in Alaska, including through efforts to expand Medicaid and the development and implementation of the Medicaid 1115 Behavioral Health Waiver. This year, the Trust is working with beneficiary-serving organizations to help state partners benefit from the lessons learned during the implementation of 1115 Behavioral Health Waiver services, as well as challenges and opportunities for continued program improvement going forward.

WORKFORCE DEVELOPMENT

There are workforce shortages throughout Alaska’s health and behavioral health care sector. The Trust is actively engaged, providing both technical assistance and grant funding, in health care workforce initiatives including supporting recruitment and career development pathways for Direct Service Professionals (DSPs), the development of a certification program for Peer Support Specialists, the Alaska SHARP recruitment and retention program that has garnered more than 600 provider contracts to-date, and introducing high-school age youth to careers in the healthcare field. The Trust recognizes not only the important link between our beneficiary focused workforce and access to care and community-based services, but the necessity of a strong workforce in meeting Trust policy objectives.

PEER SUPPORT CERTIFICATION

Since inception, the Alaska Peer Support Certification Program has certified 130 Peer Support Specialists. Peers, individuals with lived experience, are a growing and essential component of Alaska’s behavioral health workforce.

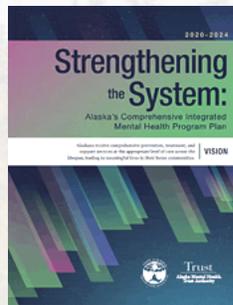


TRUST FOCUS AREAS

To promote systems change on behalf of Trust beneficiaries, the Trust has long-standing focused areas of work. These areas are used to organize Trust programming and planning work, and the board of trustees approves spending for grant funding to projects and initiatives within each focus and priority area as a part of their annual budgeting process. Focus areas intersect with most or all Trust beneficiary groups.

Trust focus areas also align with the goals outlined in Strengthening the System: Alaska's Comprehensive Integrated Mental Health Program Plan 2020-2024. This "Comp Plan" was developed in 2019 in partnership with the Department of Health and Social Services and serves as a blueprint for our state's planners and service providers to inform efforts to improve outcomes for Trust beneficiaries.

You can read more about our focus areas and priorities, as well as the Comp Plan, at alaskamentalhealthtrust.org.



"There are ways that we can - as a society and as individuals every day - make sure that we're leaving the door open and paving the way for beneficiaries to choose to take control of their life."

Colton (community partner)



FOCUS AREA

BENEFICIARY EMPLOYMENT & 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 allows Trust beneficiaries to contribute positively to their community, pay taxes, and experience improved health and wellbeing. Similarly, meaningful community engagement opportunities reduce isolation.

FY22 GRANT HIGHLIGHT

University of Alaska Anchorage:

Curriculum for Authentic Rural Transitions to Adulthood

Trust funding allowed the UAA Center for Human Development to partner with an experienced consultant to complete the "Alaska Traditional Transition Skills" curriculum set. This unique project developed regionally and culturally specific curriculum for young rural beneficiaries, particularly those receiving special education services, transitioning from school to the workforce with a focus on subsistence. A total of seven units were developed to teach beneficiary students aged 12-22 skills including: set-net fishing and cold-water safety skills; traditional sewing and beading; wood carving; hunting; winter/wilderness survival; first aid; snow machining; orienteering; civic leadership; financial planning for rural Alaskans; canning and preserving, and others. The five regions of Alaska and traditional values of the people who live in them are represented within each unit.

FOCUS AREA

MENTAL HEALTH & ADDICTION INTERVENTION

The Trust works to ensure beneficiaries have access to the full continuum of care - from prevention and early intervention to treatment and recovery. 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. It is essential that Alaska has a statewide capacity of treatment so when an individual is ready to get help, they can receive it immediately. This focus area also supports the Trust's work to transform behavioral health crisis response.

FY22 GRANT HIGHLIGHT

Alaska Behavioral Health (AKBH):

Fairbanks Adult Mental Health Residential Treatment

Trust funds supported AKBH, a community behavioral health provider in Fairbanks, with operational start-up costs for adult residential mental health treatment center for Trust beneficiaries who experience severe mental illness. The new facility includes 10 treatment beds that serve adults (18+) experiencing a serious mental illness or co-occurring disorder, and an interdisciplinary treatment team including advanced nurse practitioners, mental health clinicians, peer support specialists, and clinical associates. Prior to AKBH implementation, this service did not exist in the Fairbanks region, so this project is also helping keep residents of Fairbanks and the interior closer to home instead of receiving residential mental health treatment in Anchorage or elsewhere. Since its launch, this program has provided residential treatment to 18 Trust beneficiaries.

FOCUS AREA

HOUSING AND HOME & COMMUNITY-BASED SERVICES

Trust beneficiaries who have ready access to necessary services in their home community often experience improved outcomes. Home & community-based services help beneficiaries lead self-directed lives by providing the highest level of independence, autonomy, and dignity, and at a far lower cost than institutional care. These community level supports can assist with daily living needs like eating and bathing, and can also allow beneficiaries to live independently by helping with needs like medication management and paying bills. 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 to the continuum of care.

FY22 GRANT HIGHLIGHT

Alaska Housing Finance Corporation: *Homeless Assistance Program*

The Homeless Assistance Program (HAP) is funded by Alaska Housing Finance Corporation (AHFC), General Funds, and Alaska Mental Health Trust funds. AHFC administers grants that are awarded competitively to agencies that provide emergency shelter, transitional housing, services to prevent homelessness, or rapidly re-house those who have been displaced. The Homeless Assistance Program serves all populations experiencing homelessness or at risk of homelessness including youth under 18, youth 18-24, families, veterans, and single adults – and Trust beneficiaries are overrepresented in all groups served. In FY 2022, close to 26,000 individuals were served through HAP by 32 agencies in 28 communities across Alaska.

FOCUS AREA

DISABILITY JUSTICE

Trust beneficiaries are at increased risk for involvement with the criminal justice system, both as victims and defendants, due to their disabilities and the reality that access to necessary community treatment and support systems is limited. The Trust works to reducing the involvement of Trust beneficiaries in the criminal justice system, as well as their recidivism rates. In addition to working to prevent beneficiaries from involvement with the justice system, the Trust invests in reentry efforts in communities across Alaska, knowing that access to community supports and services can reduce recidivism and improve health and life outcomes.

FY22 GRANT HIGHLIGHT

Department of Public Safety, Alaska State Troopers, Alaska Police Standards Council, and Anchorage Police Department: *Crisis Intervention Teams (CIT) Training*

Through Crisis Intervention Teams (CIT) training, law enforcement and first responders learn best practices for responding to individuals experiencing mental health issues, including how to best use our state's community behavioral health system and navigate Title 47 laws. These foundational skills provide first responders with essential knowledge relating to mental health disorders and cognitive impairments. Trust funding supports CIT training for Alaska Police Standards Council certified municipal and state law enforcement, correctional officers, probation officers, and village police officers. The trainings adhere to the nationally recognized "Memphis Model," and provide Alaska's first responders with the tools to best respond to calls involving persons with behavioral health challenges.



"We've seen clients who have recently experienced homelessness and incarceration and those are other highly stigmatized situations that people often find themselves in when they're actively abusing substances. I have a lot of compassion and I wish I could do more, but that's definitely something that addicts have to deal with."

Stewart (community partner)

PRIORITIES

PRIORITY

WORKFORCE PRIORITY

Alaska does not have the robust network of trained behavioral health and direct service professionals necessary to meet the needs of Trust beneficiaries. Because of this workforce shortage, and its direct impact on the accessibility of quality health care services for beneficiaries, the Trust has prioritized workforce development. Supported efforts include training and technical support for direct service professionals, partnerships with the University of Alaska and Alaska Department of Labor and Workforce Development, student loan repayments and incentives, and support for the development of certification and apprenticeship programs in the behavioral health field.

FY22 GRANT HIGHLIGHT

Alaska Primary Care Association: *DSP Path Academies*

A partnership between the Trust funded Alaska Training Cooperative and the Department of Health Senior and Disabilities Division created this education/training and certification program pilot for the direct service provider (DSP) workforce. This pilot project, free to participants, includes incentive payments to both DSPs and their supporting employers. The goal of this program is to retain trained DSP staff through an intentional training and certification process that raises the professionalism of the workforce. The National Alliance for DSPs was selected as the accredited entity for this pilot, which is being offered to 175 DSP staff from across the state.

“There’s definitely varying levels of stigma when it comes to substance abuse. I completely understand why people who are not in addiction or who haven’t had addiction close to them don’t quite understand that it’s not our choice, that we become powerless, that who we are in active addiction is not who we really are.”

Kristin (Trust Beneficiary)





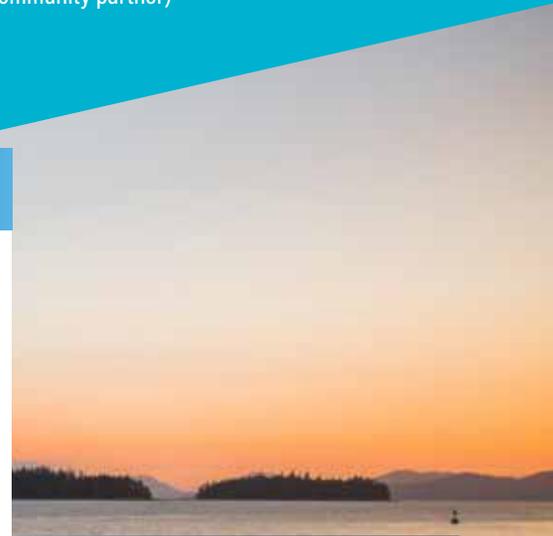
“Instead of associating all the negative things that surround mental health, let’s celebrate the recoveries. Let’s celebrate the potential and the strength that people have to walk out of these issues.”

Jon (community partner)

PRIORITY

EARLY CHILDHOOD INTERVENTION & PREVENTION PRIORITY

Adverse early childhood experiences can have an impact on an individual’s lifelong mental and physical health, but constructive interventions in early childhood can positively alter the life course trajectory of a potential Trust beneficiary. An increasing body of research illustrates the critical opportunities and threats to lifelong mental and physical health during an individual’s earliest years. The Trust is supporting initiatives that apply evidence-based practices, including family supports, to help prevent the youngest Alaskans, when possible, from becoming Trust beneficiaries.



FY22 GRANT HIGHLIGHT

Association for the Education of Young Children Southeast Alaska (AEYC-SE):

Parents as Teachers Home Visiting Program

AEYC-SE operates a successful “Parents as Teachers” home visiting program serving the Juneau community. Trust funds are supporting continued and consistent services to families. This evidence-based home visiting program, which serves about 100 families a year, is free and voluntary for any pregnant family or family with a child up to age three. Families who participate get monthly visits and tailored activities, and report feeling more confident in parenting skills and experience less parenting stress when they understand what behaviors to expect from their children. Children in the program are well supported with their development and social emotional learning and have improved education and health outcomes as they advance to school age.

THE TRUST LAND OFFICE

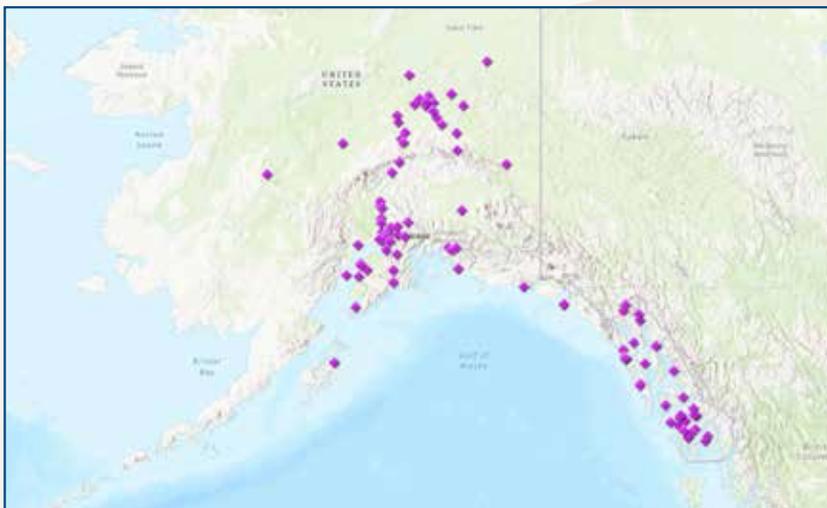
The role of the Alaska Mental Health Trust Land Office (TLO), a special unit within the Alaska Department of Natural Resources, is singular: to manage the Trust's one million acres of land and other non-cash assets over time to maximize the generation of revenues to support the Trust's work on behalf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

The TLO has a responsibility, by law, to maximize revenue generation from Trust land assets and does so by selling and developing its land and resources. All decisions pertaining to the use of Trust lands must be made in the best financial interest of the Trust and its beneficiaries. Revenue-generating uses of Trust land include mineral exploration and production; coal, oil, and gas exploration and development; land use authorizations and sales; commercial real estate; timber sales; gravel and rock sales; mitigation marketing; and other general land uses.

Diligent analysis and constant coordination across the asset classes are routinely conducted by the TLO to determine the highest and best use of Trust lands. The TLO also maintains stewardship of Trust lands, preserving the value of Trust resources and protecting the long-term productivity of Trust surface lands until they are converted into a cash asset.

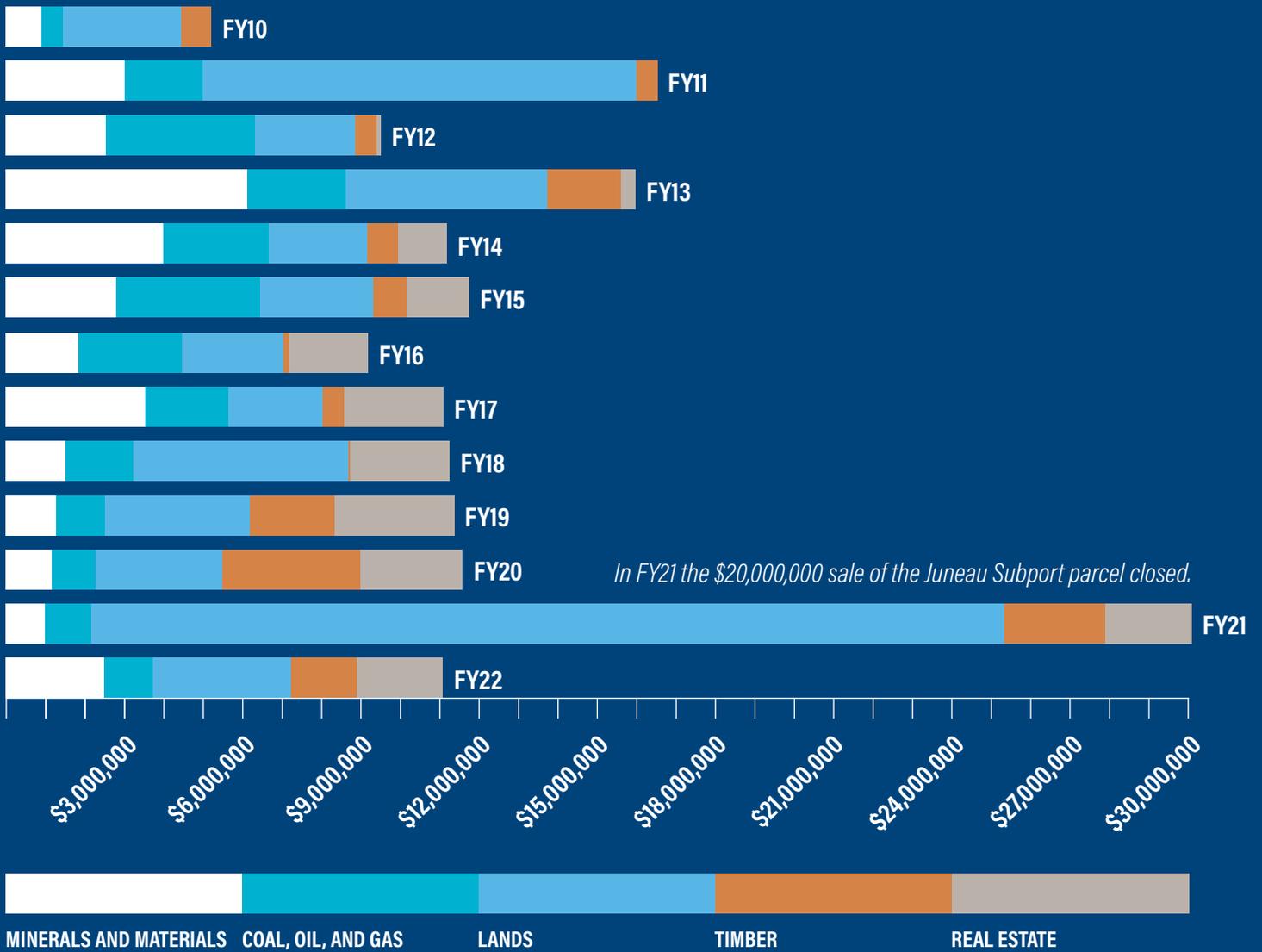
THE TLO MANAGES LAND WITHIN SEVERAL ASSET CLASSES

- Land and Land Sales
- Minerals and Materials
- Energy
- Forestry
- Real Estate



Trust land parcels are located in Southcentral, Southeast, and Interior Alaska. The TLO maintains an online, interactive mapping tool that displays the location of, and information pertaining to, Trust lands in the state: alaskamentalthhealthtrust.org/landsmap.

TRUST LAND OFFICE REVENUES



LAND ASSETS

The largest portion of revenues generated by the Trust Land Office (TLO) surface estate comes from land sales, but revenue is also earned through leases, interest on land sale contracts, licenses, and easements. TLO also earns revenues issuing land use permits including exclusive big game hunting guide permits on specific tracts of land, and through competitive leasing of select large tracts of Trust land that are conducive to commercial or recreational land uses.

LAND SALES

Each fall the TLO holds a competitive land sale auction of land parcels. The FY 2022 land auction resulted in \$1.7 million in land sales, earning an average of 23% above the minimum bid for the parcels sold.

Parcels that do not sell in a competitive land sale are often moved to an online Over-the-Counter (OTC) sale and sold for 30% over appraised value to account for the non-competitive offering. In FY 2022 OTC sales generated close to a million dollars in revenues for the Trust.

In addition to these set land sales, the TLO considers negotiated sales of Trust lands, for which interested parties may apply. Each application is evaluated and adjudicated to ensure maximum revenues from Trust land. Negotiated land sales generated \$2.45 million in FY 2022, with parcels selling for an average of 158% above the appraised fair market value.

Though less than 3% of Trust's one million acres of lands have been sold since 1994, the TLO has generated over \$152 million in land sale revenues since its inception.

TRUST GENERAL PERMITS

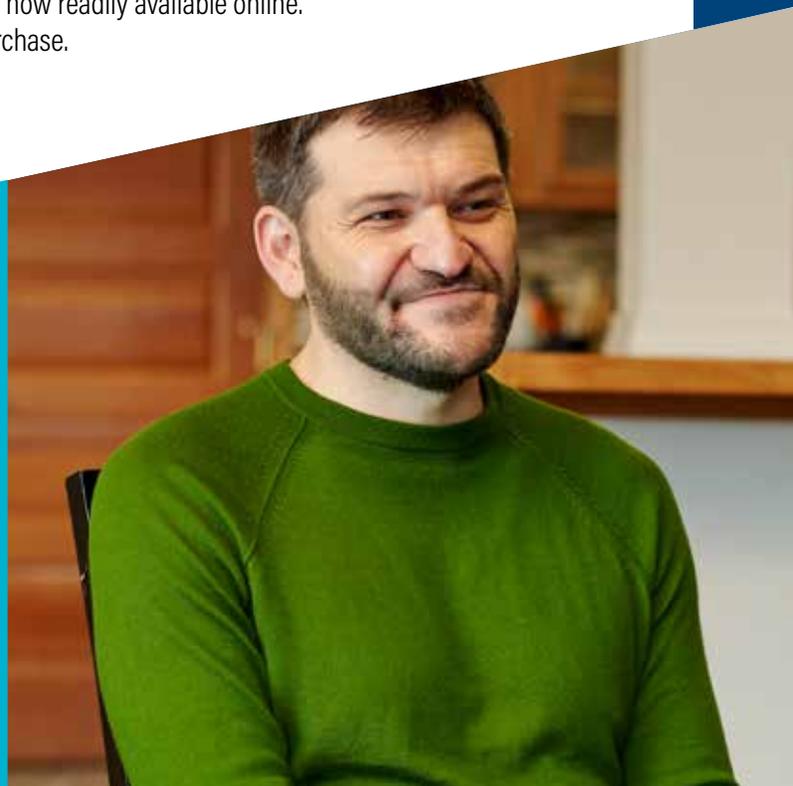
The TLO issues general permits for non-commercial, recreational activities on Trust land that include motorized vehicles (max. curb weight can't exceed 1,500 lbs.), and for activities like firewood harvest, subsistence trapping, and aircraft landing. General permits for the use of Trust lands are now readily available online.

You can have your permit in-hand immediately following your purchase.

To get yours, visit: alaskamentalthrust.org/landpermits.

"On the mental health side of treatment, we often see that people will sometimes get involved in substance usage as a way to self-medicate or try and just deal with different issues they're having in their life because they haven't received the support that they've needed."

Tommy (community partner)



MINERALS AND ENERGY

A large portion of Trust land was specifically selected for its subsurface and material resources, and associated revenue-generating potential. The Trust Land Office (TLO) manages these natural resources, which include coal; oil and gas; minerals; material; and industrial heavy minerals, to maximize revenue generation. The TLO also promotes Trust land for oil, gas, and mineral leasing, and encourages active development of lands leased under this program.

ICY CAPE GOLD AND INDUSTRIAL HEAVY MINERALS EXPLORATION PROJECT

The Trust's Icy Cape land block near Yakutat in Southeast Alaska contains significant amounts of gold and industrial heavy minerals. Based on the encouraging outcome of an independent review of the project by a leading international consulting firm, the board of trustees approved funding for additional exploration work on Trust land at Icy Cape in 2021.

In summer 2022, the TLO set up a 24-person camp and constructed a sample processing facility equipped with state-of-the-art hydrogravimetric core sample processing equipment. The flagship prospect "Grinder" drill hole plan was designed based on interpretation of newly acquired innovative 3-dimensional geophysical survey data to maximize the effectiveness of the drilling program. The first phase of resource definition drilling was completed in 2022 and is anticipated to continue in 2023. Ongoing work at the site is informing indicated resources and a pre-feasibility study for the Grinder Prospect.

USIBELLI COAL UNITIZATION

In FY 2020, the Usibelli Coal Mine incorporated its landholding into the Healy Coal Unit, which included Trust lands. Since unitization, the Trust receives revenue from coal production on the percentage of Trust lands within the Unit, despite not having coal produced directly from Trust lands. Since unitization, these Trust lands have generated more than \$630,000 in revenue with over \$250,000 generated in FY 2022 alone.

FORT KNOX GIL MINE EXPANSION

Fort Knox Mine near Fairbanks opened the Gil Mine, a satellite open-pit gold project, in 2021. Because the Trust owns a portion of the mineral interest in the Fort Knox Mine, the Trust earns royalties on the mine's gold production each year. The Fort Knox Gil Mine expansion stabilized or slightly increased royalty production for FY 2022 and is anticipated to continue doing so for three additional years. Since the mine's royalty payments began, Fort Knox has generated more than \$25.8 million for the Trust.

RENEWABLE ENERGY ON THE HORIZON

Trust Land Office staff are evaluating the potential for renewable wind energy projects on Trust lands. Authorizations to collect necessary data for further evaluation and economic viability determinations have been issued for Trust lands located near Healy and the West Forelands on the west side of Cook Inlet. If significant wind resources are identified, the projects would be the first commercial scale renewable energy projects on Trust lands.

FORESTRY

The Trust's timber resources are located throughout Alaska, with the most valuable timber in the Southeast. Recent conveyance of U.S. Forest Service (USFS) lands to the Trust through a major land exchange opened new Trust lands to development in the Southeast region.

The Trust Land Office (TLO) continues to seek opportunities to create sales when the market, available timber, and interests are aligned. In addition to timber harvests, the TLO also issues negotiated timber sales for totem poles, fuel reduction, biofuels, commercial firewood, and other specialty wood harvest projects. The TLO is collaboratively working with landowners throughout the state to manage forest resources in a responsible manner, while meeting Trust revenue-generation objectives.

NAUKATI TIMBER SALE

Negotiated in 2019 and located on lands conveyed through the Trust/USFS land exchange, the Naukati sale on Prince of Wales is a 10-year timber sale that is expected to generate approximately \$15 million in revenue to the Trust. Viking Lumber Company owns and operates the only remaining large and medium sawmills in Alaska. The company and its contractors, which total about 100 employees, credit their continued operations that support the SE Alaska economy to the Trust land exchange and Trust contracts. The Naukati sale has supplied the Trust with about \$5.9 million on close to 60 million board feet (MMBF) of timber harvested to-date.

YOUNG GROWTH TIMBER SALE, NAUKATI

Also on Prince of Wales, the Naukati young growth timber sale was advertised and then sold in March of 2022 to Viking Lumber. The sale, on 500 acres of Trust exchange lands, will harvest up to 20 MMBF of young growth (second growth) timber. This second crop of trees will come from areas that were harvested 60-70 years ago. This sale is a harvest market agreement for a period of 10 years. In addition to generating at least \$2.3 million in revenue for the Trust and its beneficiaries, this young growth sale also contributes to maintaining operations at the Viking Lumber Company sawmill in Klawock.

SHELTER COVE TIMBER SALE

The Shelter Cove Timber Sale was awarded to Alcan Timber of Ketchikan in March of 2021. This sale, also on lands conveyed through the Trust/USFS land exchange, is a 10-year timber sale that will harvest approximately 40 MMBF of timber and is expected to generate between \$5 to \$10 million in revenues for the Trust, depending on market conditions. This sale also incorporates the Alaska Department of Transportation and Public Facilities Shelter Cove road project. This project, managed by the Trust, replaces five bridges, multiple culverts, and numerous other improvements on 35 miles of road that is tied into the Ketchikan road system, improving community access.



The TLO's real estate management program consists of three areas: Program-Related Real Estate, Real Estate Development, and Commercial Real Estate. Serving the Trust's mission, the Trust Land Office (TLO) generates income from its real estate program through ground and building rents, as well as occasional sales of parcels.

A YEAR OF SUBSTANTIAL RECOVERY

After weathering the impacts associated with the COVID-19 pandemic and its effects on the economy during the last fiscal year, FY 2022 proved to be a year of recovery for the Trust's commercial real estate program. Most notably, the Trust's investment portfolio of commercial real estate properties gained several new creditworthy tenants from both the public and private sectors. Including a close to 50,000 square foot expansion from an existing tenant, a total of 121,412 square feet of vacant space – representing more than 25% of the portfolio's leasable area – was leased during FY 2022. These new tenancies are now providing significantly enhanced cash flows for the Trust and its work on behalf of beneficiaries, which will only improve as interior buildouts are finalized.

STRONG PERFORMANCE WITH HANDS-ON OVERSIGHT

In FY 2022 the Trust's commercial real estate investment portfolio continued its track record of achieving returns that outperform those of its peer group as measured by nationally recognized NCREIF Property Index performance benchmarks. The index and its benchmark returns are produced by the National Council of Real Estate Investment Fiduciaries (NCREIF) for the purpose of enhancing the ability of institutional investors to evaluate the risk and returns derived from commercial real estate portfolios.

In order to maximize earnings, TLO staff diligently oversee the management of the assets in a manner that prioritizes tenant satisfaction and high-quality day-to-day management. Property operations and expenses are tightly managed with prudent capital investments to ensure optimal revenues from the Trust's investment properties.

TRUST REAL ESTATE MANAGEMENT PROGRAM AREAS

Program-Related Real Estate works with beneficiary-serving organizations on existing properties and/or in evaluating, acquiring, or developing additional facilities.

Real Estate Development involves planning, developing, and monetizing the Trust's high-value surface estates.

Commercial Real Estate optimizes the Trust's existing income-producing real estate investments.

FINANCIAL SUMMARY

It is the duty of the Alaska Mental Health Trust Authority to enhance and protect the Mental Health Trust Fund. To do this, the board of trustees oversees the management and safeguarding of Trust cash and non-cash assets, considering both current and future Trust beneficiaries.

Trust funds support systems change efforts and are prioritized for short-term catalytic opportunities to pilot programs and initiatives that improve Alaska's system of care. Trust funds are meant to support, but not replace, state spending to ensure the health and welfare of Alaskans.

ANNUAL EXPENDITURE AMOUNT

To ensure stable funding and program continuity, the annual trust expenditure amount is created by combining a four-year average of the following:

- Annual trust withdrawal from invested assets (4.25% of year-end value)
- Spendable income generated from Trust Land Office activities
- Interest income earned on operating account balances
- Prior years' unexpended funds

Due to the strong performance of the Trust's asset managers in FY 2021 and their ability to minimize financial losses in FY 2022, the Trust expects to continue to increase funds available for expenditure over the next four years.

TRUST ASSETS

The Trust's invested cash assets are managed by the Alaska Permanent Fund Corporation (APFC) and the State of Alaska Department of Revenue (DOR) Treasury Division. Both invest the Trust's assets in a high-quality mix of stocks, bonds, and other investments to generate income.

Persistent market volatility resulted in a reduction in value of Trust's net asset from the FY 2021 record high of \$899 million to \$858 million in FY 2022. Through prudent financial management practices and the use of a 4-year average to calculate its annual withdrawal and develop its budget, the Trust is able to maintain a stable and reliable funding stream for our partners, despite market conditions. Further, during FY 2022 the board of trustees protected the future purchasing power of the Trust fund through a transfer of \$26.3 million from Trust reserves to principal.

The Trust Land Office (TLO) is responsible for managing non-cash assets, which include approximately one million acres of land, the associated natural resources, and commercial real estate assets and other facilities owned by the Trust.

PRIMARY TRUST FINANCIAL ASSETS

(Amounts represent total values at the end of FY 2022)

Mental Health Trust Fund	Real Estate Investment Equity	Restricted Reserves	Unrestricted Reserves
\$531,418,000	\$73,394,000	\$71,206,000	\$133,754,000

*In addition to financial assets, the Trust also owns one million acres of land assets.



FY 2022 FINANCIAL ACTIVITY

REVENUES

The Trust earns revenue from two primary sources: investments and land. Revenues from these assets support annual Trust spending on behalf of beneficiaries.

INVESTMENT EARNING

A majority of the Trust's annual revenues come from its financial investments, making annual revenues sensitive to the performance of the financial markets. Trust Investments include the Mental Health Trust Fund (corpus) and Trust Budget Reserves. Each year, 4.25% of the four-year average of the value of our invested assets is withdrawn to fund Trust granting and operations.

Due to the turbulent markets in FY 2022, the Trust financial assets posted a -2.2% return. However, over a five-year period, these assets have generated an 8.7% return.

The policies of the Trust and those of its asset managers enable the Trust to manage the rise and fall of financial markets, providing a strong level of assurance that annual spending on behalf of Trust beneficiaries remains steady.

REVENUES FROM THE TRUST LAND OFFICE

Despite market uncertainties, the Trust Land Office generated \$11 million in revenue from rents, royalties, and land assets in FY 2022, of which \$6.7 million was principal income. Revenue associated with non-recurring activity, like the sale of a parcel of land or mineral resources, are deposited into the Trust fund and grow annual investment earnings. Revenues like lease or rent payments, a portion of timber sales, and real estate investments are considered spendable income and fund Trust operations and grants. Further, earnings from the Trust Land Office contribute to growing the corpus of the Trust fund — which benefits future Trust beneficiaries.

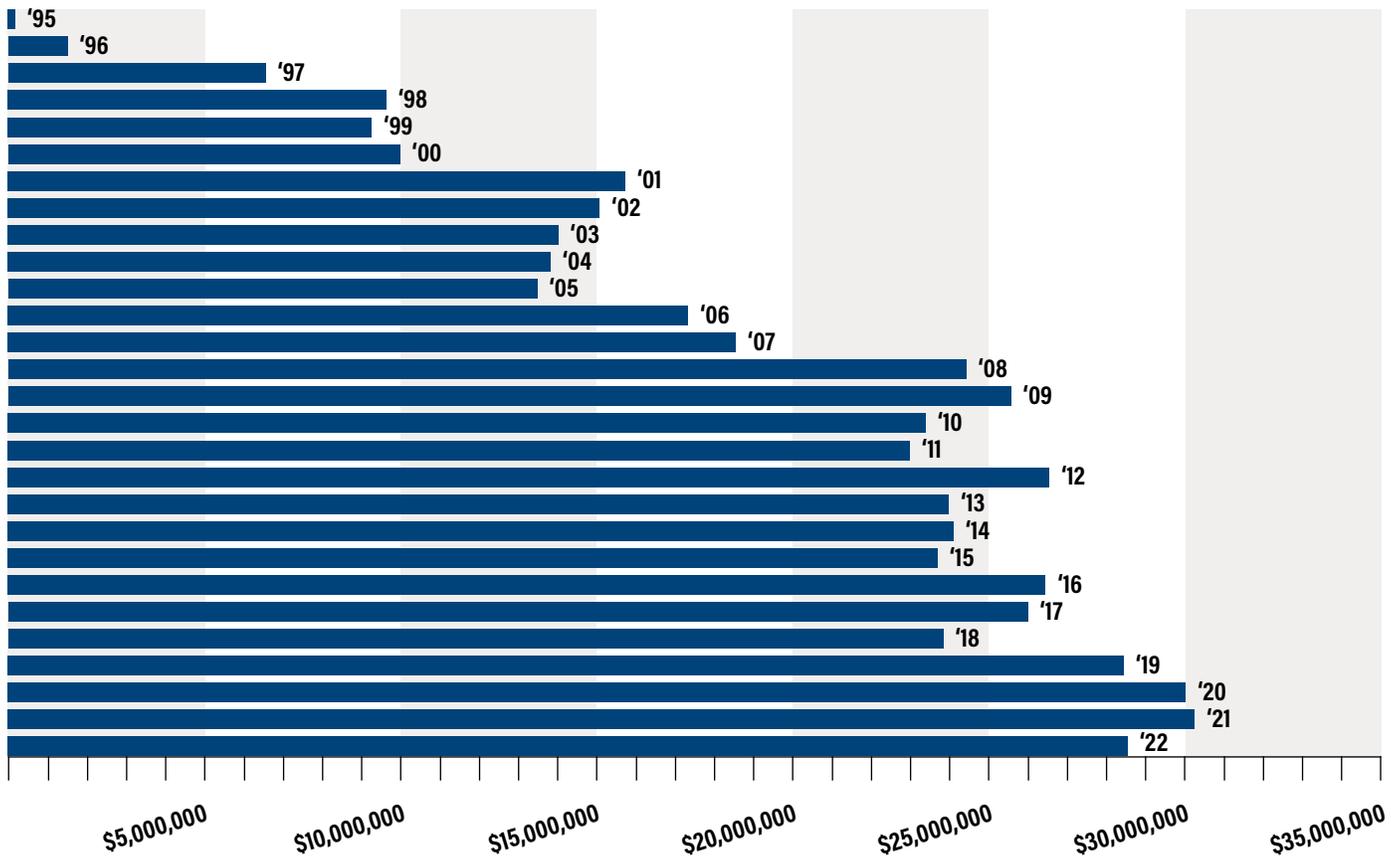
TRUST BUDGETING AND SPENDING

When developing the annual budget, trustees and staff engage in a robust stakeholder-driven process to help determine funding priorities. Trustees understand that Trust funds play an important part in programs and services for beneficiaries across Alaska. As such, in FY 2022, trustees allocated \$25.5 million in combined Authority Grant (funds to beneficiary serving partners) and Mental Health Trust Authority Authorized Receipt (funds to state agencies) spending.

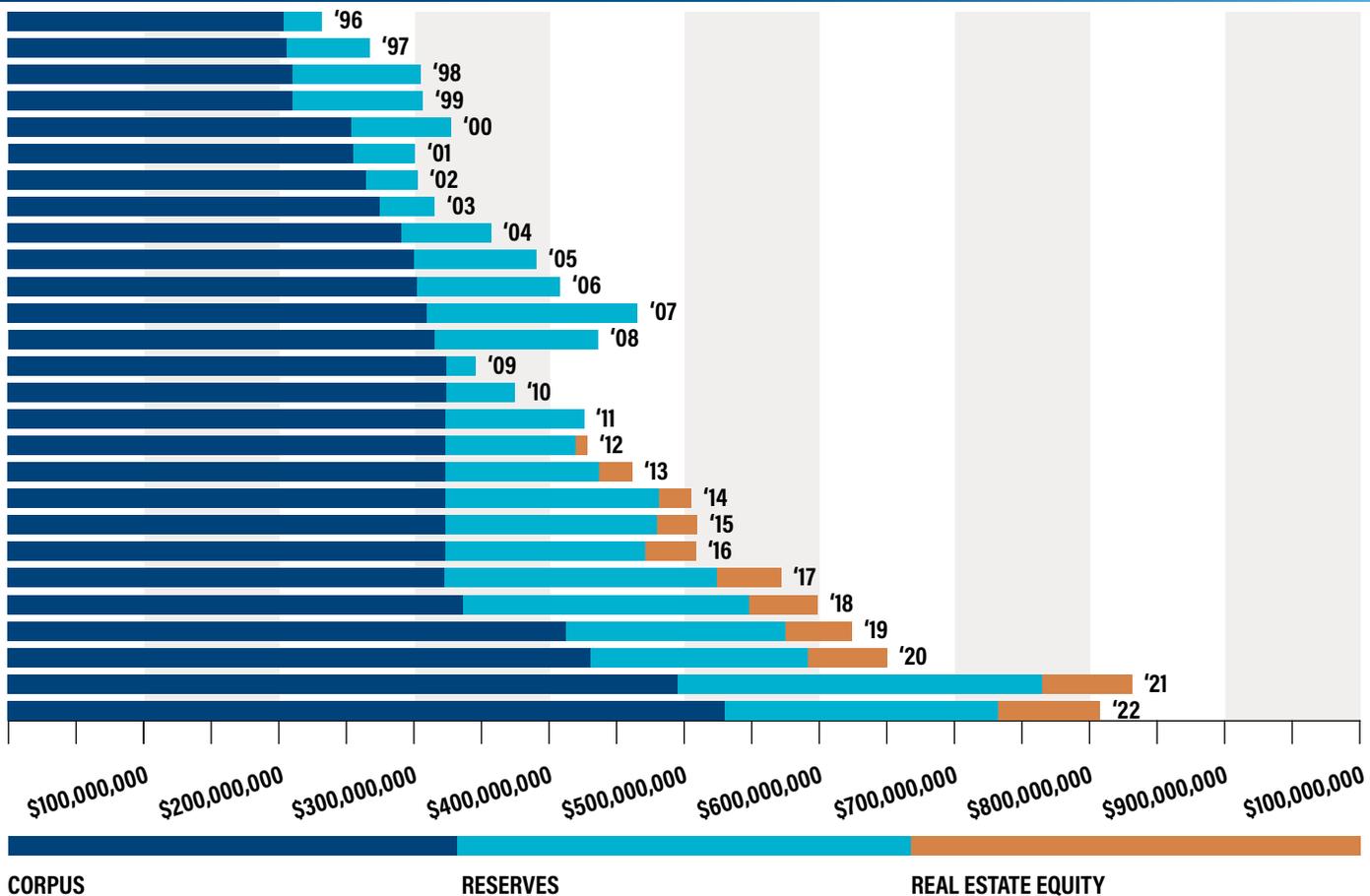
Separate from grant making, the Trust spends money to actively manage and protect the value of Trust lands, for advocacy and systems improvement activities on behalf of Trust beneficiaries, and to administer Trust grants. Trustees continue to emphasize deploying financial resources to enhance services to beneficiaries while limiting expenses. For the 12-month period ending June 30, 2022, the Trust Authority and Trust Land Office's agency expenses were \$8.3 million, 6% below budget.



ANNUAL TRUST SPENDING (GRANTS AND AGENCY SPENDING)



TRUST INVESTED ASSETS





APPROXIMATE NUMBER OF TRUST BENEFICIARIES

Serious Mental Illness (Ages 18+)	32,000
Serious Emotional Disturbance (Ages 9 to 17)	5,600
Any Mental Illness (Ages 18+)	122,600
Alzheimer's Disease (Ages 65+)	10,700
Traumatic Brain Injury (All Ages)	14,700
Developmental Disabilities (All Ages)	13,200
Dependent on and Abuse of Alcohol (Ages 12 to 17)	1,600
Dependent on and Abuse of Alcohol (Ages 18+)	62,400
Dependent on and Abuse of Illicit Drugs (Ages 18+)	44,800



To learn more about Trust beneficiaries, visit our website at:

alaskamentalhealthtrust.org

Trust

Alaska Mental Health
Trust Authority

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