

HOUSE FINANCE COMMITTEE
February 8, 2007
1:37 p.m.

CALL TO ORDER

Co-Chair Meyer called the House Finance Committee meeting to order at [1:37:41 PM](#).

MEMBERS PRESENT

Representative Mike Chenault, Co-Chair
Representative Kevin Meyer, Co-Chair
Representative Bill Stoltze, Vice-Chair
Representative Harry Crawford
Representative Richard Foster
Representative Les Gara
Representative Mike Hawker
Representative Reggie Joule
Representative Mike Kelly
Representative Mary Nelson
Representative Bill Thomas, Jr.

MEMBERS ABSENT

None

ALSO PRESENT

Jeff Jesse, Executive Director, Alaska Mental Health Trust Authority; Dr. William Doolittle, Chair, Alaska Mental Health Trust Authority; Laraine Derr, Board Member, Alaska Mental Health Trust Authority

PRESENT VIA TELECONFERENCE

None

GENERAL SUBJECT(S):

OVERVIEW: Presentation by the Alaska Mental Health Board of Directors

The following overview was taken in log note format. Handouts will be on file with the House Finance Committee through the 25th Legislative Session, contact 465-6814. After the 25th Legislative Session they will be available through the Legislative Library at 465-3808.

TIME	SPEAKER	DISCUSSION
1:37:46 PM	JEFF JESSE,	Introduced the members of the Board.

	EXECUTIVE DIRECTOR, ALASKA MENTAL HEALTH TRUST AUTHORITY	
1:39:27 PM	DR. WILLIAM DOOLITTLE, CHAIR, ALASKA MENTAL HEALTH TRUST	Introduced members of the advisory group.
1:40:47 PM	Mr. Jesse	Referred to a handout entitled "Alaska Mental Health Trust Authority" (copy on file.) He addressed the key terms of the Mental Health Trust Lands Settlement, as shown on page 2 of the handout. He explained that the trust resources act as a catalyst for change to improve the mental health system. There was a separate appropriation bill as a result of the settlement. He stated that the Trust is a comprehensive plan for mental health programs. The settlement released Mental Health Trust Lands for development. He encouraged the legislature to look at the terms of the settlement with a fresh perspective this session.
1:45:51 PM	Mr. Jesse	Refreshed the committee as to the Trust's beneficiaries as listed on page 3. He reviewed the makeup of the advisors to the trust on page 4.
1:46:11 PM	Mr. Jesse	Explained who the advisors to the Trust are: Alaska Mental Health Board; Advisory Board on Alcoholism and Drug Abuse; Governor's Council on Disabilities and Special Education; Alaska Commission on Aging; Commissioners of the Departments of Health and Social Services, Natural Resources, and Revenue; Alaska Traumatic Brain Injury Board, Suicide Prevention Council. He explained the guiding direction for Trust program investment and shared successes from the Therapeutic Court System seen on page 5.
1:49:24 PM	LARAINÉ DERR, BOARD MEMBER, ALASKA MENTAL HEALTH TRUST AUTHORITY	Referred to page 8 and explained the Trust distributable income and expenditure recommendations for Trust Funds.
1:51:38 PM	Ms. Derr	Returned to page 6 to explain the land

		and resources FY06 principal and income revenue by resource.
1:52:35 PM	Representative Stoltze	Spoke to controversial issues regarding land development and wondered about improving public relations surrounding that matter.
1:54:12 PM	Mr. Jesse	Agreed that there are often clashes surrounding development projects. He related a timber situation in Petersburg and how an agreement was worked out. There needs to be a public relations campaign regarding the land development and the connection to the beneficiary that it will benefit. Representative Stoltze thought there would continue to be a clash of values. Mr. Jesse opined that the Trust is a good mechanism for the dialogue needed.
1:56:32 PM	Ms. Derr	Addressed Representative Stoltze's concern. The emphasis from the board is on the benefit to the beneficiaries.
1:57:25 PM	Ms. Derr	Referred to page 7 - Spendable Income From Trust Land. It is a review of the income generated from the lands. In FY06 the projected income was \$2.6 million and the actual income was \$3.546 million, as corrected. The projected income for FY07 is again \$2.6 million but the expectation is to exceed \$3 million.
1:58:19 PM	Mr. Jesse	Reminded the committee to keep the operational environment in mind. With the addition of Medicaid, the mental health program is nearly \$300 million. The challenge is to use \$23 million to enhance a \$300 million program. The trustees decided to focus on five areas. He reviewed the five focus areas shown on page 9.
1:59:11 PM	Mr. Jesse	Turned attention to Bring the Kids Home (BTKH) depicted on page 10. Mr. Jesse maintained that this issue is the most complex area of the Trust. A work group was convened between the Trust, DHSS, and the Tribes to deal with BTKH. It is essential to engage the tribal entities in order to partner and keep costs down.
2:02:20 PM	Mr. Jesse	Shared the Seven Indicators of Progress on BTKH - page 11. These strategies are frequently re-evaluated.
2:03:16 PM	Mr. Jesse	Pointed out that building the infrastructure to serve kids in-state

		takes time. Page 12 shows the progress of Medicaid RPTC Recipients: Custody vs. Non-Custody.
2:04:44 PM	Mr. Jesse	Explained the graph on page 13 depicting Existing and Projected Out-of-State (OOS) Non-Custody Youth vs. In-State Bed Capacity. The bottom line shows that RPTC bed capacity will begin to increase in FY07. The next step is to plan for home-based and community-based out patient support systems. An education subcommittee was formed to address this issue. He blamed "family issues" for the reason behind needing these beds, so services are being planned to deal with those issues.
2:08:31 PM	Representative Kelly	Expressed concern about poor parenting and early preventative measures. Mr. Jesse related the substance abuse treatment program solutions and spoke about a housing trust to alleviate homeless situations. He suggested other training programs that may help.
2:11:46 PM	Mr. Jesse	Highlighted Trust Beneficiary Projects shown on page 14. The goal is to build up grass roots projects and beneficiary-focused organizations through grants, technical assistance, and supports.
2:12:56 PM	Representative Kelly	Spoke of a program in Fairbanks that was very effective. He wondered about the small numbers handled by the Therapeutic Courts. Mr. Jesse said that the numbers are increasing, but reminded the committee that they are "frequent fliers" and have committed the majority of the offenses.
2:15:07 PM	Dr. Doolittle	Shared statistics related to Therapeutic Courts.
2:15:52 PM	Mr. Jesse	Shared an overview of the programs and services of the Trust Beneficiary Projects - page 15. These are early intervention programs.
2:16:53 PM	Mr. Jesse	Addressed Justice for Persons with Disabilities - page 16. The Department of Corrections is the largest mental health provider. He shared the goals of the programs for incarcerated Trust beneficiaries. He explained how incarcerated beneficiaries are pre-qualified for services upon release.
2:20:17 PM	Mr. Jesse	Spoke to the accomplishments of the Trust as listed on page 17. He

		discussed the process of developing a Mental Health Court in Palmer.
2:22:49 PM	Mr. Jesse	Shared the Critical Next Steps - FY08 for the Justice Initiative, shown on page 18.
2:24:07 PM	Mr. Jesse	Talked about Affordable, Accessible, Safe Housing - page 19. The goal is to increase the availability of a continuum of affordable housing options. The strategy is to improve housing and support services models to assist beneficiaries in maintaining stable housing.
2:26:01 PM	Mr. Jesse	Addressed programs and services for affordable, accessible, safe housing - page 20. Predevelopment services were pooled and partnerships developed.
2:27:25 PM	Mr. Jesse	Noted the policy and data agenda for housing on page 21.
2:27:55 PM	Representative Gara	Asked how much of the Mental Health Court is funded by the Trust. Mr. Jesse replied that the Anchorage Mental Health Court is funded by state general funds. The Palmer Mental Health Court is funded by the Trust.
2:28:43 PM	Representative Thomas	Asked if housing is analyzed on a regional basis. Mr. Jesse replied that it is. He explained an example with regard to regionalization. He described how SEARHC and Juneau Youth Services partnered to fund beds in the correct amount and location.
2:31:31 PM	Co-Chair Chenault	Asked how many beds have been built. Mr. Jesse referred to page 13 and said "200 in the pipeline". There were 520 in FY06 and there will be about 800 by FY09. Co-Chair Chenault restated the question as to how many beds exist today and how many kids have been "brought home". Mr. Jesse said close to 30 lower level beds. He could not put a number on how many kids have been brought back. Co-Chair Chenault maintained that the number of kids sent "outside" has not been reduced. Mr. Jesse agreed.
2:33:13 PM	Mr. Jesse	Reported that the governor established a Council on the Homeless to address homelessness in Alaska. He referred to a report called "Keeping Alaskans Out of the Cold" - page 22. Nearly all dollars spent for housing are federal dollars, which end up going to

		individuals or families at 70 percent of average median income or above. He discussed how the funding is graded. The homeless do not fall into the 70 percent area, so money is not being directed effectively. He explained the difficulties associated with addressing homelessness. He reported that in Anchorage in some Title I classrooms, more than half of the kids that start the year will be gone by the end of the year.
2:37:23 PM	Representative Thomas	Noted that the school dropout rate seems to be the same number as the number of kids moving frequently. Mr. Jesse pointed out that the fastest growing segment of the homeless population is families with children. He reported that over 30 states have created housing trusts to help address this issue. He described the logic for establishing housing trusts and their goals.
2:40:02 PM	Mr. Jesse	Spoke of the value of the Gates Initiative and the process for establishing an Alaskan Housing Trust.
2:41:45 PM	Mr. Jesse	Explained why a housing trust is needed in Alaska - page 23. The current administration is pursuing a housing trust. He spoke about funding possibilities for a housing trust.
2:43:00 PM	Representative Gara	Asked about the two groups of homeless, those with, and those without, mental health issues, and how the trust addresses those groups. He wondered how the housing trust works in Seattle. Mr. Jesse replied that the proposed housing trust will be designed to serve all of the homeless and their various needs. He agreed that some many need continuous service, others may not. The Gates Foundation booked five years of support services to the first year's money. That insures support services in the case of declining funding. Many families were able to be self-sufficient in that time.
2:46:29 PM	Mr. Jesse	Turned to page 25 - Workforce Development. He explained the coordinated efforts across the system including recruitment, retention, training, and Healthcare Workforce Development.

2:48:28 PM	Mr. Jesse	Concluded with page 26 - Maintenance of Medicaid. Medicaid funding is critical to beneficiaries of the Trust. The Trust is very interested in working with the Legislature and understands that their beneficiaries will suffer if a sustainable Medicaid program is not achieved.
2:49:41 PM	Dr. Doolittle	Noted that there are common threads in each area.
2:50:01 PM	Representative Hawker	Asked if audits were continuing. Mr. Jesse confirmed. He observed that the Office of Management and Budget does not support increased appropriations and that there could be structural deficits in the near future. He questioned how interests could be balanced.
2:52:18 PM	Mr. Jesse	Stressed the need for a long-term fiscal plan that does not rely on oil. As the Medicaid study pointed out, if early intervention programs are not invested in, there will be increased costs down the line, such as in corrections. The Trust is attempting to meet the demands placed by the public and the fiscal realities of the state.
2:53:48 PM	Representative Hawker	Asked if the missions brought forward by the Trust take into consideration the fiscal situation. Mr. Jesse stressed that the Trust's recommendations are conservative.
2:54:49 PM	Ms. Derr	Agreed that requests are conservative and are intensely scrutinized.
2:55:20 PM	Representative Kelly	Noted that he would like to discuss the Tribal emphasis made during the Medicaid presentation [2/7/07] and a race-based system. Mr. Jesse responded that he would be happy to discuss those issues.
2:56:20 PM	<u>ADJOURNMENT</u>	The meeting was adjourned at 2:56 PM.