

HOUSE FINANCE COMMITTEE  
January 29, 2014  
1:31 p.m.

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CALL TO ORDER

Co-Chair Austerman called the House Finance Committee meeting to order at 1:31 p.m.

MEMBERS PRESENT

Representative Alan Austerman, Co-Chair  
Representative Bill Stoltze, Co-Chair  
Representative Mark Neuman, Vice-Chair  
Representative Mia Costello  
Representative Bryce Edgmon  
Representative Les Gara  
Representative David Guttenberg  
Representative Lindsey Holmes  
Representative Cathy Munoz  
Representative Steve Thompson  
Representative Tammie Wilson

MEMBERS ABSENT

None

ALSO PRESENT

Diane Blumer, Commissioner, Department of Labor and Workforce Development; Paloma Harbour, Director, Administrative Services Division, Department of Labor and Workforce Development; Fred Esposito, Director, Alaska Vocational Technical Center (AVTEC), Department of Labor and Workforce Development; Gray Mitchell, Assistant Commissioner, Department of Labor and Workforce Development; Mike Barton, Chair, Board of Trustees, Alaska Mental Health Trust Authority; Jeff Jessee, Chief Executive Officer, Alaska Mental Health Trust Authority; Russ Webb, Trustee, Alaska Mental Health Trust Authority.

SUMMARY

HB 266      APPROP: OPERATING BUDGET/LOANS/FUNDS

HB 266 was HEARD and HELD in committee for further consideration.

HB 267 APPROP: MENTAL HEALTH BUDGET FY15

HB 267 was HEARD and HELD in committee for further consideration.

FY 15 GOVERNOR'S BUDGET OVERVIEW:

DEPARTMENT OF LABOR and WORKFORCE DEVELOPMENT

PRESENTATION: ALASKA MENTAL HEALTH TRUST AUTHORITY

#hb266

#hb267

HOUSE BILL NO. 266

"An Act making appropriations for the operating and loan program expenses of state government and for certain programs, capitalizing funds, and making reappropriations; making appropriations under art. IX, sec. 17(c), Constitution of the State of Alaska, from the constitutional budget reserve fund."

HOUSE BILL NO. 267

"An Act making appropriations for the operating and capital expenses of the state's integrated comprehensive mental health program."

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^FY 15 GOVERNOR'S BUDGET OVERVIEW: DEPARTMENT OF LABOR and WORKFORCE DEVELOPMENT

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DIANE BLUMER, COMMISSIONER, DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT, (DLWD) introduced herself.

Commissioner Blumer discussed the PowerPoint presentation, "Alaska Department of Workforce Development" (copy on file).

Commissioner Blumer presented slide 2, "Mission: Provide safe and legal working conditions and advance opportunities for employment."

Core Services:

- Protect Alaska's workers through statutory and regulatory assistance and enforcement.
- Income replacement for injured, unemployed, and permanently disabled workers.
- Workforce development to support Alaska hire and economic development.

Commissioner Blumer looked at slide 3, "Organization Chart." She explained that the slide did not represent the standard organizational chart, but was outlined as a functional organizational chart. She noted that the dark blue areas provided departmental oversight, and the light blue areas provided workforce development function. She remarked that the Business Partnerships Division reached out to business and industry to assist in design, policy, and implementation of training and workforce development programs. She explained that the Employment Security Division had two components within the core services, so she will refer to the division twice in the presentation. She remarked that the Workers' Compensation Division operated as a public labor exchange. She announced that the Alaska Workforce Investment Board would be hosting a reception that evening, and encouraged committee members to attend. She stated that the Alaska Vocational Technical Center (AVTEC) was the adult vocational training school in Seward. The Vocational Rehabilitation Division had two components. She furthered that there was staff that assisted individuals with disabilities to obtain and maintain employment. She explained that the brown areas identified the Labor Standards and Safety Division, which provided enforcement, training, and monitoring of the laws governing occupational safety and health. She stated that the green areas provided income replacement for those not able to work, or are looking for work.

Commissioner Blumer highlighted slide 4, "Services by Location." She remarked that the slide showed where DLWD provided services across the state.

Commissioner Blumer discussed slide 5, "State and Private Partnerships."

## State Partners

### Veteran Services

- Department of Military and Veterans Affairs

### Economic and Demographic Data Production

- Department of Health and Social Services
- Department of Commerce, Community and Economic Development
- Department of Education and Early Development

### Prisoner Reentry

- Department of Corrections

### Training and Education Program Outcomes

- Department of Education and Early Development
- University of Alaska
- Commission on Postsecondary Education

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Commissioner Blumer specifically highlighted the issue of training women. She stated that the numbers showed that the recidivism rate for individuals who completed the Bridge to Success course were 50 percent or less. She stated that the program was working and was very beneficial.

Commissioner Blumer highlighted slide 6, "State and Private Partnerships."

## Private Partners

### Training and Education

- Tribal Vocational Rehabilitation Programs
- Community Rehabilitation Programs
- Construction Education Foundation
- Alaska Works Partnership
- School Districts
- Association of General Contractors
- Home Building Associations
- Regional Training Centers
- Other Private Training Providers
- Employers

Private Sector Membership on Boards and  
Commissions

Centers for Independent Living

Commissioner Blumer looked at slide 7, "Development Challenges."

Maintaining services to Alaskans while managing:

A trained Alaskan labor force for new projects

Flat or declining federal revenue

Increasing operating expenses

PALOMA HARBOUR, DIRECTOR, ADMINISTRATIVE SERVICES DIVISION, DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT, discussed slide 8, "Protect Workers." She remarked that one of the department's core services was to promote safe and legal working conditions for Alaskans. She explained that DLWD achieved this goal through a combination of enforcement and consultative efforts to both employers and employees. She announced that one measure that the department uses to track performance in this area is the Workplace Loss-time Injury and Illness Rate per 100 employees. In FY 13 the rate declined to 1.61 from 1.73 the previous year. She pointed out that the rate was the second-lowest level achieved in the last 12 years. She stated that the lowest level was 1.60.

Ms. Harbour highlighted slide 9, "Income Replacement." She explained that DLWD also provided income replacement to injured, unemployed, and disabled Alaskans. She explained that timely benefit payments to these individuals was extremely important for providing some semblance of stability, therefore DLWD focused on timeliness measures when evaluating the performance of the program. In FY 13, DLWD processed 91.7 percent of unemployment insurance payments within 21 days, which exceeded the federal benchmark of 87 percent. She pointed out that the performance percentage increase also occurred during an 11 percent increase in the total number of claimants, from just over 56,000 to 62,500 claimants.

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Ms. Harbour looked at slide 10, "Workforce Development." She announced that the total number of resident workers in Alaska, in 2011, was 331,081, which was an increase of 2,470 from 2010. She stated that 2012 resident worker information would be available after the upcoming Friday.

Ms. Harbour displayed slide 11, "Workforce Development." She explained that the graph represented the performance measure for the Vocational Rehabilitation Program that provided employment services for disabled Alaskans. She stated that the services included the development of individualized plans for employment. In FY 13, 598 of the individuals that were exiting an individualized plan for employment were employed upon exit. She stated that it represented 64 percent of the individuals that exited an individualized plan.

Ms. Harbour discussed slide 12, "Share of Total Agency Operations."

The department's general fund budget grew by \$26.5 million between FY 06 and the FY 15 governor's request - an average annual growth rate of 7.1 percent

Growth since FY 09 has been \$4.5 million (1.2 percent growth rate).

The department continues to represent a small portion of the overall statewide budget (six straight years of decline).

Ms. Harbour looked at slide 13, "Total Funding Comparison by Fund Group."

Between FY06 & FY15:

- Federal Funds remained relatively flat, increasing by \$1.4 million (1.5 percent)
- Other funds decreased by \$1.4 million (-6.2 percent)
- DGF increased by \$7.9 million (30.9 percent)
- UGF increased by \$18.6 million (117.8 percent)

Thus state funds have increased as a percentage of the total

Ms. Harbour highlighted slide 14, "Line Item Distribution."

The majority of funding in FY15 is in the following line items:

Personal Services: 46 percent  
Grants: 32 percent

About 54 percent (\$31.5 million) of the grants funding is in the Business Partnerships appropriation (with the majority housed in two allocations):

\$23.4 million in Business Services  
\$3.2 million in the Construction Academy

Ms. Harbour highlighted slide 15, "Budgeted Positions."

Between FY06 and FY15 the total number of budgeted positions decreased by 115.

Reduction in positions is due to flat or declining base operating federal funds and the expiration of onetime federal grant funds.

Ms. Harbour discussed slide 16, "FY 2015 Budget Request: \$185,080.9" She stated that the chart showed the department's FY 15 budget, which totaled \$185 million. It included \$95 million in federal funds, \$44.4 million in UGF, \$34.1 million in DGF, and \$21.8 million in other funds. She announced the department's budget by core services: 7 percent for Protect Workers, 29 percent for Income Replacement, and 64 percent for Workforce Development.

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Ms. Harbour looked at slide 17, "Governor's Budget Overview."

FY2015 Operating Budget

Department-wide Long Term Vacant Position deletions  
-\$975.5 total reduction for deleting 20 positions  
including 10 vacant for more than two years

Department-wide uncollectible receipt authority  
reduction

-\$4,900.0 Fed/Other reduction to reflect decreased receipt collection due to federal sequestration

Employment Security Division (ESD)

\$125.0 DGF increase in Training and Building fund receipts for support of Job Centers

Business Partnerships (DBP)

-\$159.6 UGF decrease by deleting one vacant Gasline position

TVEP funding distribution change

\$47.6 DGF increase to distribution amounts based on available fund balance

Ms. Harbour discussed slide 18, "Governor's Budget Overview."

FY2015 Capital Budget

Heavy Equipment/Diesel/Pipe Welding Relocation Phase 2 of 3

-\$8,000.0 this phase, \$15,000.0 all three phases, replaces a training facility with safety issues

Deferred Maintenance

-\$1,000.0 UGF for reducing the backlog of maintenance needs on the Alaska Vocational Technical Center's (AVTEC) aging infrastructure

Public Access Network

-\$170.0 UGF for development of a public access network across statewide Job Centers

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Ms. Harbour highlighted slide 19, "Ten Year Plan-General Funds Only."

The department's general fund budget grew by \$26.6 million between FY06 and the FY15 Governor's Request - an average annual growth rate of 7.1 percent.

Growth since FY10 has been \$4.0 million (1.2 percent growth rate).

The department's ten year plan equates to an average annual growth rate of 1.0 percent.

Ms. Harbour discussed slide 20, "Ten Year Plan- All Funds." She explained that the red line represented the ten-year plan, which showed a growth rate of 0.4 percent. If one were to look at all funds over nine years, there would be a growth rate of 1.9 percent. If one would look at all funds over five years, there would be a negative 1 percent growth rate. She likened that percentage to the fluctuations in federal funds. The reason for the department's ten-year plan showed a relatively flat rate was because DLWD did not anticipate federal funds to grow.

Co-Chair Stoltze remarked that the private sector was not a part of the department's process. He felt that the private sector should be considered when determining workforce development in every area. Commissioner Blumer replied that DLWD had embarked on outreach to various industries. She remarked that private industry did not always have the luxuries to provide detailed outlines and financial needs, but pointed out that she had recently made steps to coordinate efforts with the private sector, because some companies had felt neglected.

Co-Chair Stoltze wondered if the private sectors concern over possible neglect was justified. Commissioner Blumer replied that she could not comment.

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Co-Chair Stoltze remarked that Commissioner Blumer had improved the relationship with the private sector. He felt that DLWD could do even more to develop a relationship with the private sector, in order to enhance training and job placement.

Vice-Chair Neuman queried the cost per student at AVTEC. Commissioner Blumer did not know.

Vice-Chair Neuman queried the cost of the welding program. Commissioner Blumer deferred to Mr. Esposito.

FRED ESPOSITO, DIRECTOR, ALASKA VOCATIONAL TECHNICAL CENTER (AVTEC), DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT, agreed to provide that information. He stated that there were various factors that went into determining the cost of tuition per student.

Vice-Chair Neuman recalled that the cost of tuition was approximately \$23,000 for a six week program. Mr. Esposito replied that the number was not accurate. He explained that the combination welding program was made up of two parts. He stated that the first part was an 18 week program of structural welding, and the second part was a 14 week program of pipe welding. He stressed that the tuition depended on the program.

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Vice-Chair Neuman queried the ratio of state funding to pupil funding. He wondered if it was 25 to one. Mr. Esposito agreed to provide that information.

Vice-Chair Neuman wondered how the departments worked together. He specifically queried the efforts to get people to work, so there is not an increase in applications for public assistance. Commissioner Blumer replied that there were various programs that focused on different areas and people in the state.

Vice-Chair Neuman stressed that more people needed to get jobs in the state. He specifically wondered if there was a systematic approach to examining areas of high unemployment, or areas of high need of public assistance to develop job training programs. Commissioner Blumer replied the department examined those statistics and partnered with many communities and private entities to put Alaskans to work.

Co-Chair Stoltze wondered if Mr. Esposito came to Juneau to assist the commissioner in the presentation. Commissioner Blumer replied that Mr. Esposito was in Juneau for the Alaska Workforce Investment Board meeting.

Representative Holmes looked at slide 10, and noted the number of resident workers over time. She wondered how

Alaska Hire was faring as a percentage of the total workforce. Commissioner Blumer deferred to Ms. Harbour.

Ms. Harbour responded that the non-resident worker count totaled 83,488 in 2011, for an overall percentage of 20.1 percent of the workforce. She furthered that it had been around 19 and 20 percent for the last several years.

Representative Holmes surmised that the workforce had been steady, and staying roughly the same over the years. Ms. Harbor agreed.

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Representative Gara remarked that he had understood that there was a massive expanse of workers in the Cook Inlet that came from outside of Alaska. He wondered how people were getting trained to perform the jobs in the Cook Inlet. He queried the efforts to fill those jobs with Alaskan workers. Commissioner Blumer responded that the department had been meeting with people in the Kenai. She stated that there was an expectation of training for employment; and remarked that the jobs become available and training could not be completed as quickly as the jobs become available. She stated that there were meetings to produce more workers more quickly.

Representative Gara wondered if the efforts would make a significant impact. He also wondered if there was a strong effort to train the rural workers in Alaska. Commissioner Blumer responded that there was a strong effort to train Alaskans. She furthered that the grantees were encouraged to train and employ Alaskans. She stated that the Job Service Center in Kenai was very involved and engaged with industry. She remarked that there had been strong focus on the Kenai to determine what was needed and how to get the Alaskans to work. She felt that many people in Kenai were not utilizing the job center, so the job center had recently engaged in outreach programs, independent visits, and participating in many of the functions to learn the actual needs of the Job Center in Kenai. She stressed that the department was currently engaging in as much outreach as possible.

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Co-Chair Austerman wondered if there should be more training centers. Commissioner Blumer replied that there should be more targeted training programs.

Representative Munoz remarked that the governor's education proposal included a dual credit requirement for institutions that receive Technical Vocational Education Program (TVEP) money. She understood that UA already provided dual opportunities for high school and post-secondary education. She wondered how the regional training centers would meet the requirement, and wondered if AVTEC had formulated a plan to make programs available to high school students. Commissioner Blumer responded that the department would work closely with the regional training centers. She explained that some training centers had developed digital course work. She believed that, with participation of the school districts, training centers, and other departments AVTEC could provide some training for high school students. She hoped to have a program similar to the Running Start Program that Washington recently enacted.

Mr. Esposito furthered that there were efforts by AVTEC to provide high school level training via distance delivery. He remarked that it was dual credited in most cases where the school district allowed.

Representative Munoz wondered if there were major school districts that do not participate in the program. She wondered if there was a way to get the school districts involved in the program. Mr. Esposito responded that AVTEC was working 12 mostly rural school districts, and felt that the digital learning network could enhance the partnership with high schools.

Representative Munoz wondered what the \$8 million for project would be directed. Mr. Esposito responded that the project was a three phase project: phase 1 was currently underway to replace the diesel shop; and phase 2 would replace the heavy equipment shop.

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Representative Guttenberg looked at slide 8. He remarked that this was a nice trend downward, and he asked for more information about the protection of workers.

GRAY MITCHELL, ASSISTANT COMMISSIONER, DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT, responded that it was a combination effort with the private sector. He remarked that the Alaska workers' compensation costs were the highest in the nation. He stated that the department had produced a program through consultation and training, which had a very positive impact.

Representative Guttenberg wondered where the most effective places that the reduction in lost time accidents. He asked what the outline would look like, if it were broken down by industry. Mr. Mitchell responded that there was a focus on three primary industries: construction; transportation and warehousing; and seafood processing. He stated that those three categories had historically had higher than average illness and injury rates in the work sites. He shared that there had been tremendous improvements in construction, and transportation and warehousing. He announced that the previous year saw a flat result in seafood processing, but if that number was compared to the last decade it had come a long way. The department was focusing additional efforts on seafood processing through a partnership with one of the largest seafood processors in Alaska to develop a training course that was designed specifically at the hazards related to seafood processing.

Representative Wilson stated that she had written down the members' questions, so those issues would be addressed in subcommittee.

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Representative Costello remarked that there were work ethic issues that some young workers faced. She wondered if the department had people that were specifically assigned to assisting high school students in how to perform in the workplace. Commissioner Blumer responded that there were career counselors that did not work in the schools, but rather visited the schools.

Representative Costello wondered if she could connect the department to a principal in her district in order to coordinate a meeting with a career counselor. She stated that the school currently had a volunteer to assist in career counseling.

Vice-Chair Neuman shared that, according to Legislative Finance, the unregulated general fund tuition ratio at AVTEC was approximately 70 percent UGF and 30 percent tuition. He furthered that UA was approximately \$1 tuition for every \$1.28 in UGF. He remarked that there had been discussions with UA regarding considerations of moving AVTEC to UA's oversight. He wondered if the department had ever engaged in conversations with UA about moving AVTEC to UA. Commissioner Blumer replied that she had not engaged in conversations with UA regarding that issue. She remarked that AVTEC was currently reviewing their tuition rates to compare them with other training centers to determine if there was a program by program tuition increase. She felt that some of the rural students found AVTEC more community, because it was not an intimidating environment.

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^PRESENTATION: ALASKA MENTAL HEALTH TRUST AUTHORITY

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MIKE BARTON, CHAIR, BOARD OF TRUSTEES, ALASKA MENTAL HEALTH TRUST AUTHORITY, introduced the PowerPoint presentation, "Alaska Mental Health Trust Authority Presentation to House Finance Committee; January 29, 2014" (copy on file).

Mr. Barton looked at slide 2, "Trustees."

Mike Barton, chair  
Laraine Derr, vice chair  
Paula Easley, secretary  
William Doolittle, MD  
Mary Jane Michael  
Larry Norene  
Russ Webb

Mr. Barton highlighted slide 3, "Trust Beneficiaries." He outlined the Alaskan trust beneficiaries: 34,479 with mental illness; 12,784 with developmental disabilities; 21,000 with chronic alcoholism or substance abuse disorder; 5,000 with Alzheimer's disease and related dementia; and 11,900 with a traumatic brain injury.

Mr. Baron displayed slide 4, "Guiding Principles."

Improve the lives of beneficiaries

- Education of the public and policymakers on beneficiary needs
- Collaboration with advocates
- Maximize beneficiary input into programs  
prioritize services for beneficiaries at risk of institutionalization
- Useful and timely data for evaluation
- Include intervention and prevention components
- Provision of reasonably necessary beneficiary services based on ability to pay

Mr. Barton discussed prioritizing principles. He noted that useful and timely data for the beneficiary services was crucial.

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Mr. Barton discussed slide 5, "Advisors and Partners."

Advisory Board on Alcoholism & Drug Abuse

Alaska Mental Health Board

Governor's Council on Disabilities & Special Education

Alaska Commission on Aging

Commissioners of:

- Health and Social Services
- Revenue
- Natural Resources
- Corrections

Alaska Brain Injury Network

Statewide Suicide Prevention Council

Alaska Court System

Mr. Barton looked at slide 6, "Trust Cash Assets - FY 13." He listed the various components of cash assets managed by the Permanent fund.

Mr. Barton discussed slide 7, "Trust Resource Portfolio." He noted that the pie chart on the right displayed the need to develop the minerals on the 45 percent.

Mr. Barton outlined slide 8, "FY 15 Available Income." He stated that the prior year payout was not utilized. The average income generated by the trust land office added to a payout of over \$26 million.

Mr. Barton highlighted slide 9: "Established Trust Focus Areas."

Promoting change in systems to better serve Trust beneficiaries in a cost effective manner

- Bring the Kids Home
- Disability Justice
- Housing
- Beneficiary Projects
- Workforce Development

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JEFF JESSEE, CHIEF EXECUTIVE OFFICER, ALASKA MENTAL HEALTH TRUST AUTHORITY, introduced himself.

Mr. Jessee discussed slide 10, "Bring the Kids Home...Investing Wisely." He noted that the contributions from different departments allowed the trust to use the funds previously used out of state to be used in Alaska instead. The role of the trust was as to generate the necessary capital. He noted that the program working in other locations were then utilized in Alaska. He stated that FY 15 was the last year of Bring the Kids Home Program. He recalled that the Alaska Youth Industry was the pilot program that identified certain issues. He stated that upcoming data regarding expenditures could allow for early intervention.

Co-Chair Stoltze stated that Lyda Green was the leader of the effort.

Mr. Jessee agreed and provided further history of the movement.

Mr. Jessee explained slide 11, "Disability Justice: Investing Wisely?" He stated that the slide was presented to the legislature in January, 2009. He remarked that the dotted line in blue represented what would occur if the legislature did not make any changes to behavioral health issues. The red dotted line represented what would be done, if there was an investment in a series of strategies to "turn the curve" to reduce recidivism. He announced that the legislature was currently following the blue line.

Mr. Jessee highlighted slide 12, "Clinical Characteristics Trust Beneficiaries in the Department of Corrections" (DOC). He announced that 42 percent of inmates in the DOC were trust beneficiaries; 38 percent of all inmates could qualify as beneficiaries, solely because of their alcohol diagnosis; and 26 percent of all inmates could qualify as a beneficiary based on their mental health diagnosis. He felt that the slide provided a picture of the scope of dual diagnosis, because there were many inmates who had both mental health and substance abuse problems.

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Mr. Jessee discussed slide 13, "Trust Beneficiaries Recidivism and Length of Stay." He stated that trust beneficiaries stayed longer in DOC and recidivate at a higher rate than those that were not trust beneficiaries. He stressed that he wanted to work with the legislature to turn the curve around.

Mr. Jessee highlighted slide 14, "Housing."

Bridge Home program targeting people exiting Alaska Psychiatric Institute or Dept. of Corrections through intensive community outreach project demonstrated success in lowering these costs

Mr. Jessee stressed that the trust could not fund what it took to take the larger programs to their full potential.

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Mr. Jessee looked at slide 15, "Supporting Existing Infrastructure."

Behavioral health infrastructure is fragile

- Meyers and Stauffer study

- Behavioral health systems assessment

Grant reductions threatening stability

- Grants used to support Medicaid billing due to lack of adequate reimbursement rates

- Grants intended for people without Social Security/ Medicaid but are not able to cover these services

- Organizations are not able to make it based on current reimbursement methods and rates

Mr. Jessee discussed slide 16, "Safety net failure costs."

Cost of loss of key safety net service agencies in communities is high

Fairbanks behavioral health agency closure:

- 10 Fairbanks residents relocated to Anchorage due to lack of available services

- Lost 5 units of housing for people with mental illness (approximately 35 rooms/apartments)

- 42 jobs lost; prior employees lost accrued leave and health coverage

- 700 people receiving services prior to closure of old organization. Current number served approx. 300

- More than \$350,000 to re-start services (new training and legal checks for retained staff, supplies, mentor staff of new organization, transfer of records, software licenses, etc.)

Mr. Jessee highlighted slide 17, "New Emphasis on: Long-term Services and Supports."

## Challenges

Population increases straining our long term supportive services and safety net

Maintaining quality social services locally and over time (workforce, financing challenges)

## Preliminary strategies

Participate with DHSS' strategic planning efforts

Development of a statewide plan for services to individuals with Alzheimer's disease and related dementia

Support of lower cost services statewide (home-based care)

Mr. Jessee looked at slide 18, "New Emphasis on: Beneficiary Employment."

### Improving opportunities for:

Integrated employment and competitive wages

Self-sufficiency

Education & awareness

Mr. Jessee presented a video that highlighted the importance of employing trust beneficiaries.

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Mr. Jessee shared that many employers had come to him to express how well the trust beneficiaries were performing in the work place.

Mr. Jessee looked at slide 19, "Current Projects."

Beneficiary Projects Initiative has made great strides supporting peer support organizations and workforce opportunities for beneficiaries across Alaska

## Microenterprise Grants

FY13- 24 grant recipients awarded totaling \$86,229 with an additional \$112,429 in leveraged funds

Mr. Jessee highlighted slide 20, "New focus on impacts of alcohol and substance abuse."

### Private/public partnership

Alignment with:

Recover Alaska

Mat-Su Health Foundation

-substance abuse and trauma emphasis

Alaska Wellness Coalition

- positive community norms campaign

Alaska Resiliency Partnership

Empowering Hope

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Mr. Jessee discussed slide 21, "Annual cost of alcohol in Alaska: \$1.2 billion economic impact." He remarked that the McDowell Group had recently conducted a study on the annual cost of alcohol to Alaska. They determined that the cost was \$1.2 billion in economic impact. He stressed that \$670 million of that was considered lost productivity in the work place. He felt that encouraging people to stop overindulging in alcohol would have a very positive effect on Alaska's economy.

Mr. Jessee looked at slide 22, "New focus on impacts of alcohol and substance abuse."

Solutions must be comprehensive

Prevention

Harm reduction

Expansion of access to treatment

- Increased access
- Same day access & other efficiencies
- Patient Centered Medical Home

Enhanced tribal partnerships

Environmental strategies  
-Title 4

Mr. Jessee highlighted slide 23, "Investing Wisely."

Complex Behavioral Collaborative

Prevent inappropriate and costly institutional placements (API, correctional facilities, and out-of-state placements)

Build capacity and expertise within the state to serve individuals with complex behavioral needs who have multiple disabling conditions

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Mr. Jessee discussed slide 24, "Outcomes of CBC."

FY 13: 14 participants discharged

FY 13: 76 percent participants avoided institutional care

FY 14: 86 percent of FY funded

Mr. Jessee looked at slide 25, "FY 15 GF/ MH Recommendations." He remarked that every recommendation was intended to gain control of long-term spending. He stated that the requests included the Complex Behavior Collaborative; mental health clinical positions in DOC; and traumatic and acquired brain injury case management. He understood the frustration related the development of programs and transferring the program funding to the GF. He remarked that the slide represented the total request to move from Mental Health funding to GF.

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Co-Chair Stoltze welcomed the trustees. He asked specifically about the legalization of marijuana, and how

it might impact the mental health board. Mr. Barton responded that there would probably be no impact on the mental health board.

Co-Chair Stoltze wondered if there was a way that the board planned to address the possibility of marijuana legalization. Mr. Barton replied that the trustees had not discussed the issue of marijuana, but felt that it could fall under the category of substance abuse.

Representative Costello remarked that there were many hearings, and appreciated the efforts of the Bring the Kids Home Campaign.

Representative Gara remarked that there were individual substance abuse treatment provider results, but requested an overall need for substance abuse treatment. He queried the capacity to treat those individuals who were already in treatment. Mr. Jessee responded that the Behavioral Health Systems Assessments would eventually provide that information.

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RUSS WEBB, TRUSTEE, ALASKA MENTAL HEALTH TRUST AUTHORITY, stated that there were no definitive answers. He shared that many people were seeking treatment as a result of the criminal justice system. He announced that there was, virtually, a waiting list for everyone that was seeking treatment. He shared that there could be a point when someone is allowed to seek treatment rather than jail time, and those individuals had a very high incentive to seek treatment. He remarked that there was often a six-month wait to enter treatment, so those individuals may have two or three more offenses.

Representative Gara wondered if the Behavioral Health System Assessments would provide a blueprint on how to eliminate the wait-lists for those that desire treatment. Mr. Webb responded that the goal was to provide much more definitive answers. He remarked that the Mental Health Trust was working hard to obtain the best information for all Alaskans that seek behavioral health treatment.

Representative Gara looked at slide 25, and asked for more information about the Early Intervention for Young Children

program. He also wondered if 38 percent of all incarcerated people had an alcohol abuse problem. Mr. Jessee stated that 38 percent of incarcerated people would qualify as trust beneficiaries, because of their alcohol addiction.

Representative Gara wondered how that was different than an alcohol problem. Mr. Jessee responded the percentage of people who were incarcerated because of an alcohol-involved crime was much higher. He explained that a criminal who commits a crime while under the influence of alcohol may not have an alcohol addiction; so therefore, they would not be a trust beneficiary.

Mr. Jessee explained that the Early Intervention for Young Children program was intended to help day cares and preschools hold on to the children that had high Adverse Childhood Experience scores; have behavioral problems; and/or were at risk of expulsion.

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Co-Chair Stoltze wondered how the impact of changing some drug laws to misdemeanors would affect the board. Mr. Barton replied that the trustees had not discussed that impact specifically, but remarked that it would be a part of the focus area. He stated that it would be discussed in the area of substance abuse.

Mr. Webb furthered that the interest is the same whether the crime is a misdemeanor or felony. He stated that the difference may be what kind of person was convicted of the crime. He stressed that, in his experience, whether a person was convicted of a misdemeanor or a felony had no impact on their choice to seek treatment.

Co-Chair Stoltze wondered if there was a greater incentive to seek treatment if the drug crime were considered a felony. Mr. Webb responded that he had been a probation officer, and in his experience, a person responded the same regardless of the level of the sentence.

Representative Edgmon felt that there would be many questions regarding the marijuana and other drug issues.

HB 266 was HEARD and HELD in committee for further consideration.

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ADJOURNMENT

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The meeting was adjourned at 3:28 p.m.