

HOUSE FINANCE COMMITTEE
February 6, 2023
1:34 p.m.

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CALL TO ORDER

Co-Chair Johnson called the House Finance Committee meeting to order at 1:34 p.m.

MEMBERS PRESENT

Representative Bryce Edgmon, Co-Chair
Representative Neal Foster, Co-Chair
Representative DeLena Johnson, Co-Chair
Representative Julie Coloumbe
Representative Mike Cronk
Representative Alyse Galvin
Representative Sara Hannan
Representative Andy Josephson
Representative Dan Ortiz
Representative Will Stapp
Representative Frank Tomaszewski

MEMBERS ABSENT

None

ALSO PRESENT

Steve Williams, Chief Executive Officer, Alaska Mental Health Trust Authority

PRESENT VIA TELECONFERENCE

Anita Halterman, Chair, Board of Trustees, Alaska Mental Health Trust Authority

SUMMARY

PRESENTATION: ALASKA MENTAL HEALTH TRUST AUTHORITY

Co-Chair Johnson reviewed the meeting agenda.

^PRESENTATION: ALASKA MENTAL HEALTH TRUST AUTHORITY

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STEVE WILLIAMS, CHIEF EXECUTIVE OFFICER, ALASKA MENTAL HEALTH TRUST AUTHORITY, introduced himself.

Representative Stapp welcomed visitors from the North Slope in the audience.

ANITA HALTERMAN, CHAIR, BOARD OF TRUSTEES, ALASKA MENTAL HEALTH TRUST AUTHORITY (via teleconference), introduced a PowerPoint presentation titled "Alaska Mental Health Trust Authority: House Finance Committee," dated February 6, 2023 (copy on file). She provided prepared remarks:

The trust has a unique place in state government. We are a funder, but we also apply our resources in a catalytic fashion to help improve Alaska's system of care. We do this by supporting partners and bringing on new lines of services by supporting capacity building, workforce development, and capital projects and through policy and planning activities. As we share in the upcoming slides, we do this in a way that prudently and carefully manages trust resources.

Ms. Halterman acknowledged that the Alaska Mental Health Trust Authority (AMHTA) was aware the system was currently not meeting the needs of the trust's many beneficiaries. The trust was aware of waitlists, increasing costs, and other challenges, but trustees were proud of the work AMHTA was engaged in with state, local, tribal, nonprofits, and provider partners to support meaningful change and a robust continuum of services for vulnerable Alaskans.

Ms. Halterman introduced the rest of AMHTA board members on slide 2:

- Anita Halterman, Chair
- Rhonda Boyles, Vice Chair
- Brent Fisher, Secretary, Finance Committee Chair
- Verné Boerner, Program and Planning Committee Chair
- John Sturgeon, Resource Management Committee Chair
- Kevin Fimon, Audit and Risk Committee Chair
- Agnes Moran, Trustee

Ms. Halterman relayed that the board of trustees was an independent board that provided governance and fiduciary oversight and direction in achieving the mission for the trust. Trustees were appointed by the governor and confirmed by the legislature. The trust anticipated the legislature would be considering appointments for two of the board's seven members in the current year.

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Representative Coloumbe looked at the list of trustees on slide 2. She thought individuals came from different boards and were nominated for the governor's consideration. She was interested in how the board members were selected based on their background and experience.

Mr. Williams replied that the nomination process for trustees was outlined in AMHTA statute and involved a six-member panel including representatives from AMHTA and the Alaska Native Health Board, Alaska Mental Health Board, Advisory Board on Alcoholism and Drug Abuse, Alaska Commission on Aging, and Governor's Council on Special Education and Disabilities. The trust advertised for open trustee seats and the panel received applications from boards and commissions for review as a panel. The panel conducted interviews and sent the governor a list of recommendations for consideration. He offered to give the background of the current members. He asked Ms. Halterman to speak to her background.

Ms. Halterman answered that she had a background in program and planning for Medicaid. She had 25 years of experience working in the Alaska and Iowa Medicaid programs (with over 20 years in Alaska). She had a masters in business administration and had served the AMHTA beneficiary population primarily working with government programs in the Department of Health and Social Services (DHSS) and briefly in the Department of Corrections (DOC). She had been on the board for four years and had served as the chair since January of 2022. She was going through another upcoming confirmation and would be talking with legislators in the near future.

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Mr. Williams reviewed the professional backgrounds of the other AMHTA trustees. He relayed that Rhonda Boyles was a

businesswoman from Fairbanks who had a family member with a condition related to dementia. Brent Fisher was from Anchorage and had a healthcare background in private business. Verne Boerner was formerly the CEO of the Alaska Native Health Board. Ms. Boerner is Alaska Native from the Kotzebue region who brought a wealth of knowledge on the state's healthcare system from inside and outside the tribal health system. John Sturgeon was the resource management chair with extensive experience in the timber industry and other resource development. Kevin Fimon lives in Anchorage and had previously lived in Nome for several years bringing experience from the rural part of the state. Agnes Moran was the newest trustee and is from Ketchikan. Ms. Moran was the executive director of WISH and had extensive experience addressing issues related to homelessness. Additionally, Ms. Moran had a financial and business background.

Representative Ortiz asked if all of the trustees were subject to confirmation by the legislature in the current session.

Mr. Williams answered that Ms. Halterman and Ms. Boerner were up for confirmation currently.

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Representative Hannan surmised that Ms. Halterman had previously been confirmed by the legislature and was up for reconfirmation. She thought it was unique. She asked if she was up for reconfirmation because she was serving as the chair of the board or for another reason.

Mr. Williams explained that Ms. Halterman had been filling out the remainder of a previous member's term. He elaborated that trustees were appointed and confirmed for five-year terms. At the end of the five-year term, a trustee was eligible for another five-year term and had to go through the same application, appointment, and confirmation process. The process was outlined in statute and was the result of a litigation settlement of the trust in 1994.

Representative Hannan remarked that a five-year term meant that no executive in one term appointed the entire board. She asked if there were terms expiring the next year and

year after. She asked if the terms were staggered so they did not expire at the same time.

Mr. Williams confirmed that terms were staggered over the course of several years so there was not a cohort of trustees with terms expiring at one time. He believed one trustee may be completing their first five-year term in the coming year; if the member wanted to continue on, they would have to go through the process again.

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Mr. Williams turned to slide 3 and briefly highlighted that trust beneficiaries included adolescents and adults who experience:

- Mental illness
- Intellectual and/or developmental disabilities
- Alzheimer's disease and related dementia
- Traumatic brain injuries
- Substance use disorders

Mr. Williams turned to slide 4 titled "Video- about the Trust." The video provided a brief history about AMHTA. He explained that the history was complex and there was nothing like the trust anywhere else in the country. He showed a three-minute video that was also available on the trust website.

Representative Ortiz remarked that the first scene showed an image of the Russian leader Vladimir Putin. He asked for the reasoning.

Mr. Williams answered that the image that popped up was not part of the presentation [note: the video was shown on YouTube and the image referenced by Representative Ortiz was not associated with the presentation].

Representative Galvin thanked Mr. Williams for the history included in the video. She stated that dealing with mental health and addiction seemed to be one of the biggest puzzles in the state. She appreciated that AMHTA was an independent entity raising funds to address the issues. She asked how the \$20 million in grants were directly impacting the outcomes of drug and alcohol addiction. She wondered if more Alaskans were being connected to more services

resulting in more results. She remarked that the committee had been hearing a lot about unfilled positions in recent weeks. She stated that one of the greatest challenges seemed to be filling the positions of mental healthcare providers. She knew many individuals who were unable to get help for their children and elders with mental health needs. She asked if there were specific successful programs. She remarked the programs needed to be built upon by the legislature in terms of growing more of its own providers, in addition to other things that had been done such as adding in telehealth.

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Mr. Williams replied that he would address the questions later in the presentation.

Representative Coloumbe was concerned about the recent Department of Justice (DOJ) report that the state was not providing services to children and children were being over institutionalized. She noted a large percentage of the children were Native. She found it a little ironic because it was the reason AMHTA had been created because the state was not providing services for Alaskans and the state had been sending residents to institutions in the Lower 48. She understood it was an issue to find the community wrap around services; however, she stated the federal government had threatened to sue if the state did not fix the problem. She wondered how AMHTA would pivot to make large improvements in a short amount of time.

Mr. Williams answered that the serious concerns raised in the DOJ report released in December 2022 were to the point of the trust and its role in helping the state ensure there is a system of care for children and adolescents to access early intervention and prevention to eliminate the need for higher levels of care and sending children out of state. The trust would work with the Department of Health (DOH) and the Department of Family and Community Services (DFCS). He informed the committee that both of the departments were engaged with DOJ and looking at the system to determine how it could be changed for the better moving forward. There were some things the trust was currently doing that should have an impact on some of the issues raised. He highlighted work by the Crisis Now Initiative (HB 172 had passed the legislature the previous year) to stand up mobile response teams and access to care at lower levels for shorter

periods of time in crisis stabilization centers and residential centers. The trust was actively working with Bartlett Hospital in Juneau to stand up chairs for adolescents at the hospital. The items reflected some of the ways the trust was working to help improve some of the systems of care identified in the DOJ report.

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Representative Coloumbe asked if the trust board had addressed or discussed the idea of redirecting grants in a different way to address the specific issue identified in the report.

Mr. Williams replied that the board had not engaged in discussion directly related to the report that contained findings for DOH and DFCS.

Representative Josephson stated that had not read the report but speculated that it talked more about the state's obligations rather than those of AMHTA. He asked if his understanding was accurate.

Mr. Williams confirmed that Representative Josephson was correct.

Mr. Williams spoke about the history of the trust on slide 5. The history of the trust went back to territorial days when the federal government was managing a health and social services system for the territory. At the time, if a person did not have access to care or family or friends to care for them and their needs were too high, the individual could be charged with a crime of being an insane person at large. He elaborated that frequently individuals had been sent to institutions out of state. As the state transitioned to statehood, the federal government transferred one million acres of land through the Mental Health Trust Enabling Act for the sole purpose of helping the new state stand up a health and social services continuum of care. The legislature had been designated the trustee of the lands and the funds generated from the lands were to be the revenues for a system of care.

Mr. Williams continued to review the trust history on slide 5. In 1982, a man by the name of Vern Weiss had a son with a severe mental illness and was unable to get care. Mr. Weiss recognized the state had breached its fiduciary

responsibility associated with the one million acres of land and had filed litigation. The litigation was settled in 1994 and resulted in several key pieces. First, about half of the one million acres of land had been sold off and the state had to determine how to identify new acreage to reconstitute the original acreage. The effort included the participation of the environmental and conservation communities, resource development, local governments, and others. Second, to account for the value of the lost lands the state had to pay \$200 million into a trust deposited in with the Permanent Fund that served as the corpus of the trust through present day. Third, the oversight of the trust was established through a seven-member board of trustees. Additionally, the board had to approve a budget for the use of trust funds by September 15 for the use of trust funds (only the board of trustees could approve the use of trust funds). By statute, the board needed to include recommendations to the governor and legislature on how the state should spend general fund dollars on a continuum of care for beneficiaries.

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Mr. Williams turned to slide 6 titled "Legislative Audit (2021) Update." The audit of the trust was a follow up to an audit completed in 2018. The 2021 audit had five recommendations, some of which pertained to the trust's commercial real estate assets. In November of 2022, the trust had provided an update to the legislative auditor who had presented them the Legislative Budget and Audit Committee. He shared that no additional recommendations for action were necessary as reported by the legislative auditor.

Mr. Williams turned to a chart on slide 7 showing the trust's financial position from 1996 to 2022. He highlighted the overall growth of the trust over time. He stated that in spite of the national recession in 2008 through 2010, the trust had sustained itself, continued its grant making, and continued to grow moving forward. He explained that much of the success had to do with how the trust managed its assets and the draws taken from its assets invested at the Permanent Fund and the Department of Revenue (DOR), in addition to the work of the Trust Land Office to consistently work to increase the revenue generated for the principal and income of the trust. The chart reflected that real estate investment equity had

grown over time as well. The top right box showed the amounts reflected in the FY 22 column including \$531 million in the Mental Health Trust Fund (shown in green), restricted and unrestricted reserves of \$204 million (shown in light blue), and the real estate investment equity at \$73 million (shown in dark blue).

Representative Ortiz asked if the lighter blue section of the bars reflected the amount of money the trust appropriated for programs.

Mr. Williams replied in the negative. He clarified the light blue section of the bar reflected the trust's budget reserves. The trust targeted a reserve of 400 percent of the payout from the Permanent Fund and DOR. He explained that if the economy took a huge dip, the cushion enabled the trust to maintain its current grant making obligations.

Representative Ortiz asked about the difference in management between the green portion of the bars on the chart reflecting the corpus and the blue portion of the bars reflecting trust reserves.

Mr. Williams answered that the corpus of the trust was managed by the Alaska Permanent Fund Corporation (APFC) as part of the overall APFC investment. The trust paid its portion of the management of its fund to APFC. The reserves were a combination of the 400 percent he had previously mentioned. He detailed that 200 percent was managed within DOR and the other 200 percent was managed outside of the fund corpus by APFC. He explained that Callan had looked at how the trust's assets were invested and managed over time and the trust followed the recommendation that had been brought forward and confirmed.

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Representative Galvin referenced Mr. Williams mention of APFC, DOR, and Callan. She asked if Callan was the trust's consultant.

Mr. Williams agreed.

Representative Galvin asked for verification the entities were giving the trust the suggestion of what the trust should be spending on grants based on the reserves the entities recommended the trust maintain.

Mr. Williams answered that Callan looked at the trust fund's 4.25 percent payout of the market value of the previous four years. Callan had determined the percentage and the calculation method allowed for sustainability and equity over time for current and future beneficiaries. He explained that the trust had to ensure it was maintaining assets to provide equity over time.

Representative Galvin thought it appeared the trust had been very successful and had managed to get through some tough times better than other funds in the state. She asked if there was any sense that the 4.25 percent could be bumped up to 5 percent. She thought it could be fuel for conversation given Mr. Williams' earlier statement that the system was not meeting the needs. She wondered if there had been a conversation about the topic in order to be mindful of important investments ahead while maintaining the long-term goal of sustaining the fund for future generations.

Mr. Williams answered that the topic had been revisited the prior spring in a presentation by Callan to the trust's finance committee on how the trust assets were invested and the 4.25 percent. Callan had looked at the entire picture and presented it to the board. The trust was maintaining its current structure. He noted that the need would always be greater than the trust. He explained that the settlement did not abdicate the state of responsibilities to providing the funding and services necessary to meet the needs of Alaskans experiencing any of the health conditions listed at the beginning of the presentation [slide 3].

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Representative Coloumbe asked if real estate equity included commercial real estate. She thought the audit seemed to indicate the trust should not invest in commercial real estate.

Mr. Williams answered that real estate investment equity included the seven commercial real estate properties owned by the trust.

Mr. Williams turned to slide 8 titled "FY24 Available Funding." He addressed how the board calculated the available funding for an upcoming fiscal year for allocation in a variety of ways. He directed attention to

the table on the left and highlighted four different revenue streams. He began with the investment portfolio payout and relayed that the 4.25 percent for the investment portfolio payout was taken off the average of the previous four years. The four-year timeframe allowed for smoothing of the numbers to provide more predictability and stability in the available trust funds. The second revenue stream was prior year funds carried forward, which also included a four-year lookback. The category included balances from grants that were not expended or not fully expended. The \$2.9 million in funds shown on slide 8 reflected an average of the prior four years. The third source was spendable revenue generated from the Trust Land Office. The office resided with the Department of Natural Resources (DNR) and was responsible for managing the one million acres of land and working to maximize the revenue from the land. The office projected it would generate about \$4.3 million for use in FY 24. The fourth category included low interest General Fund and Other Non-Segregated Investments (GeFONSI) accounts/checking accounts, which contained an estimated \$254,100.

Mr. Williams highlighted a table on the right of slide 8 showing the available funding for the previous five years. Generally, there was some growth that happened, anywhere between \$1 million and \$2 million over the previous five years. He noted the projected increase between FY 23 and FY 24 was about \$300,000 due to market volatility.

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Representative Hannan asked if the land office had started to look at carbon sequestration value. She remarked that the trust's one million acres contained some of the largest stands of commercially viable timber remaining in the state, especially from Icy Cape to southern Prince of Wales. She elaborated that AMHTA owned larger swaths of land than the State of Alaska. She stated that when there had been discussions on carbon sequestration, examples had been Sealaska Corporation and the Huna Totem Corporation. She wondered if the land office had broached the topic as a value to pursue or whether the trust viewed the issue as needing enabling legislation. She had heard in numerous discussions about trust lands that the trust did not have to follow all of the state policies; therefore, access and notification could be done much more rapidly and

responsively to markets. She surmised the trust had the trees that may be a commercially viable product to sell.

Mr. Williams answered that the Trust Land Office looked at all options to maximize revenue off its lands. He clarified that the trust followed processes in place with the state in terms of how revenue or development off of the lands occurred. There were times when the trust had the ability to do it in a more expeditious way than others. The trust was looking at carbon sequestration and it would be weighed against all of the other available opportunities for maximizing revenue off of trust lands.

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Mr. Williams discussed FY 24 spending on slide 9. The slide included a pie chart showing how the \$37.9 million was approved by the trustees for expenditure. The top right quarter of the pie showed agency budgets. The Trust Authority Office resided under DOR and the Trust Land Office fell under DNR. The overall operating cost of both organizations was about 25 percent of the overall projected FY 24 spend. The Trust Authority Office was largely focused on policy work, grants administration, advocacy, catalytic system change (e.g., the Crisis Now Initiative), and focusing on meeting beneficiary needs. The Trust Land Office was responsible for managing the trust's one million acres of land to ensure it maintained value and to maximize revenue off of the lands when opportunities arose.

Mr. Williams continued to review FY 24 spending on slide 9. The bottom quarter of the pie chart (shown in yellow) reflected MHTAAR grants, reflecting trust funds approved by the board of trustees. The board had approved approximately \$9.8 million to state departments in FY 24. He explained that the legislature provided receipt authority for the expenditures in the budget. The remaining half of the pie chart was comprised of authority grants (shown in green). The trust had the authority to provide grants through the state budget process to its state partners, in addition to providing grants directly to communities, tribal organizations, local governments, and nonprofits outside of the budget process. For example, the trust could provide grants directly to Juneau alliance and wellness, Alaska behavioral health, and tribal health organizations such as the Yukon Kuskokwim Health Corporation or Norton Sound Health Corporation. The \$19.7 million in authority grants

for FY 24 would go directly to the entities to provide services and improved systems of care for beneficiaries. He noted that \$1.9 million of the total was designated for direct grants impacting the lives of individual beneficiaries. Individuals could apply for a mini grant up to \$2,500 for a variety of things (e.g., upgrading a bathroom to be ADA compliant, purchasing clothes for a job, and paying a housing deposit).

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Representative Coloumbe asked if the expenditures shown for the Trust Authority and Trust Land Office reflected only salaries or included leases, utilities, and other.

Mr. Williams replied that the Trust Authority had 17 full-time employees and the Trust Land Office had 19 full time employees. The budget increments [shown on slide 9] represented the salary for employees, interagency charges to DOR and DNR, trustee honorarium, travel, and other services and contracts.

Representative Coloumbe observed that the agency budgets were close to the MHTAAR spend reflected on the slide. She asked if there was a limit on the amount the trust could spend on administration.

Mr. Williams answered that there was not a cap. He highlighted that the trust's agency budgets had remained relatively flat over the past few years.

Representative Galvin looked at the yellow portion of the pie chart on slide 9 reflecting MHTAAR funds. She observed it was a significant amount of funding for state agencies. She was interested in growing the workforce and ensuring there were more care providers. She asked if the funds filled the gaps where there had been cuts in state funds. Alternatively, she wondered whether the funds were in addition to state funding. She asked if there was a sense that the number of care providers were growing in Alaska because of the funding. She surmised if the funding was filling in holes where there had been cuts that perhaps it merely maintained the status quo.

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Mr. Williams answered that the trust did not backfill reductions made to other services previously funded by the state. He relayed there were a number of things the trust was doing to try to grow the workforce for things like the SHARP program providing loan repayment to AMHTA community, tribal health, and state government partners. He elaborated that API, DOC, and OCS used the loan repayment program as a way to attract and retain a workforce serving trust beneficiaries.

Mr. Williams turned to a pie chart reflecting a breakdown of the \$9.8 million in MHTAAR grants for FY 24 on slide 10. The grants were going to 11 state agencies, 9 departments, the Court System, and Alaska Housing Finance Corporation (AHFC). He noted the largest portion of the funding went to DOH and DFCS.

Mr. Williams advanced to a table on slide 11 titled "FY 24 GF/MH Recommendations (and Associated MHTAAR Grants)." He explained that by statute, the board of trustees made recommendations for how the trust spent its money and for state general fund mental health expenditures. The three columns in blue reflected recommendations approved by trustees in August of 2022 and submitted to the legislature and governor for state general fund spending. The yellow columns to the right reflected funding that had been included in the governor's proposed FY 24 budget.

Mr. Williams highlighted there were some places where the [trustee] recommendations were not included in the budget and other places where recommendations had been included. He detailed that about 40 percent of the general fund mental health recommendations were included in the governor's proposed budget. He remarked it was not necessarily uncommon. He elaborated that in the history of the trust when AMHTA made recommendations for general fund spending, governors had included all of the funding, some of the funding, or somewhere in between. The trust was appreciative of the funds that had been included in the proposed budget and it was working with the administration and legislature to try to get the recommendations included in the budget.

Mr. Williams elaborated on slide 11. He pointed to the second row reflecting a comprehensive program planning position, which was jointly funded by the trust and the department. The position served as the point person for the

department's comprehensive integrated mental health program plan developed with the trust by statute. The position had been incredibly valuable over the past several years. He highlighted the trustee recommendation for two increments for Crisis Now continuum of care grants of \$1 million and \$500,000. He explained that DOH, DFCS, and AMHTA had been engaged in the transformational initiative since 2018 and significant headway had been made in the way the system had traditionally responded to an individual in behavioral health crisis. He pointed to the special needs housing grant program that had not been included by the governor. He explained that after talking with AHFC and others that it had been an oversight; the trust was hoping the increment would be included in the governor's amended budget.

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Representative Josephson believed HB 172 had been about helping people and saving money. He asked if his understanding was accurate.

Mr. Williams replied that the bill could result in saving money, but the primary goal was ensuring the available resources were allocated and used the most appropriate and effective way, specifically related to law enforcement. He elaborated that law enforcement was the default response to people in crisis, which meant officers did not have the time to investigate crimes and work on reports. The component could translate into savings, but the bill was primarily about using the resources in the most effective and efficient way.

Representative Josephson shared that he was thinking about emergency room costs as well. He asked for verification the Crisis Now model would require a large infusion of capital funding. He believed structures were needed where people would care for people in the 23-hour to 7-day window under the Crisis Now model.

Mr. Williams answered affirmatively. There would be a need for capital funding and startup funding to allow for an organization bringing on a new service to have a transition period. He explained the organizations would need time to phase in a service, capture as much revenue as possible, and move forward with a program or services that balances.

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Representative Hannan referred to the special needs housing grant and the two Crisis Now continuum of care grants [shown on slide 11] that were approved by the trustees but not included in the governor's proposed budget. She asked if the trust anticipated seeing the items in the governor's amended budget. She referenced the Crisis Now center at Bartlett Hospital in Juneau that was expected to be operational in 2024.

Mr. Williams answered the items were recommendations for the governor to consider and the trust was hopeful the increments or a portion may be included in the governor's amended budget. He relayed that AMHTA developed its recommendations over the course of the spring and summer in partnership with departments. The trust recognized the departments could not commit during the process. He noted it was the way the systems had operated over the past 25 years.

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Representative Hannan asked if the budget increments recommended by the trustees would fully fund the Crisis Now models coming online. She asked if additional money would be needed.

Mr. Williams answered that the increments would not fund the total need.

Representative Coloumbe believed the special needs housing grant was included in the governor's supplemental budget; however, she had not see the Crisis Now grants included. She looked at slide 11 and saw that the trustee recommendation of \$1.5 million. She asked if the trust was prepared to pay the amount if the governor did not include the funding in the budget.

Mr. Williams clarified he had been referencing the governor's forthcoming FY 24 amended budget and not the FY 23 supplemental budget. He hoped to see the funding in the amended budget. The trust would continue to work through the legislative processes to include the items in the budget.

Representative Galvin thought Mr. Williams had stated the comprehensive program planning position (shown on line 2 of slide 11) was in statute. She asked for clarity.

Mr. Williams clarified that the plan was statutory; the position was not.

Representative Galvin surmised the plan was in statute and there may be a need to have a person help coordinate the plan.

Mr. Williams agreed.

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Mr. Williams turned to slide 12 titled "Trust Grant Impacts." He noted that committee members should have received a copy of the AMHTA Annual Report and AMHTA FY 22 Investment Report in the past couple of weeks. The documents included the 170 grants awarded in FY 22 and the (state and non-state) organizations that received them. He detailed that around 22 organizations had received grants from AMHTA.

Mr. Williams turned to slide 13 and discussed the trust's budget development process. Trust staff worked with community partners, statutory advisory boards, and others to develop budget recommendations that fell into AMHTA's four focus areas outlined on the slide:

Established Focus Areas

- Disability Justice
- Mental Health & Addiction Intervention
- Beneficiary Employment & Engagement
- Housing and Home & Community Based Services

Additional Priorities

- Workforce Development
- Early Childhood Intervention & Prevention

Mr. Williams elaborated that the trustees had established the focus and priority areas over time to channel AMHTA staff and financial resources in a focused way to address key issues impacting beneficiaries. The alternative

piecemeal approach was not holistic and did not result in beneficial change over the long-term.

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Mr. Williams discussed slide 14 titled "Policy/Advocacy":

- Community based Services
 - Housing and homelessness
- Workforce Development
- Medicaid
- Transforming behavioral health crisis response

Mr. Williams elaborated on slide 14. He elaborated that early intervention and having available services meant that hopefully individuals did not go into crisis or need to access higher levels of care that were more costly, traumatic, and could pull individuals out of their communities and away from family. Additionally, the trust worked to use peers in recovery as a part of the workforce (part of the Crisis Now model) to get individuals in a challenging time to engage in treatment services and a path towards recovery. Medicaid was an important piece of AMHTA advocacy because the majority of beneficiaries received health insurance through Medicaid. The transforming of the behavioral health crisis response system was the Crisis Now model.

Co-Chair Johnson referenced the behavioral health crisis response and asked if the trust had any information on the number of response calls that had occurred.

Mr. Williams replied the trust could provide some data related to the Fairbanks mobile crisis team that had been operational for a little over a year. Additionally, he would provide information from the Anchorage Fire Department related to its paramedicine response that included an EMS and social worker.

Mr. Williams looked at a timeline illustration of a commitment beginning in 2018 between the department and AMHTA to transform the system (on slide 15). He highlighted that systems change did not occur over night. The work was being done by AMHTA, DOH, DFCS, DOC, the Department of Public Safety (DPS), tribal health organizations, community partners, and trust beneficiaries. He stated for the system to change everyone had to understand where it was going and

be a part of the change to the extent possible. The goal was to create a system with parity when someone accessed emergency response for a physical health condition.

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Mr. Williams highlighted the work of the Trust Land Office on slide 16. He detailed that Jusdi Warner was the executive director of the office with a staff of 18. The table to the right showed FY 23 anticipated Trust Land Office revenues from resources including coal, oil and gas, minerals, timber, lands, real estate, and materials for transportation projects around the state (e.g., sand, gravel, and rock). He relayed the trust did an annual fall land sale that generated \$2.7 million in FY 23, which exceeded the revenue the previous year. The trust was exploring the ability to capture revenue through fees related to public utility easements that existed currently or easements in the future that would run through trust land parcels. The revenues from the U.S. Forest Service land exchange had generated roughly \$7 million for the trust with a projected \$20 million to \$30 million over the life of the land exchange. The Icy Cape development was AMHTA land located to the north of Yakutat where minerals may generate revenue.

Co-Chair Edgmon thanked the trust for an excellent presentation. He stated that annually the trust came before the legislature and proved it was doing many things to help programs in need in real time and was at the leading edge in terms of innovation such as the Crisis Now centers. He referenced HB 172 that had been passed the previous year. He believed the potential associated with the bill was more than the mind's eye could see, particularly if the mobile crisis centers could be built out in the bush and other places. He imagined the Trust Authority did not do a five-year planning session to project forward. He elaborated there were elements of the bill that went along at their own pace. He invited Mr. Williams to provide additional detail on where the program could go. He stated that if it came together, its impact would be far reaching.

Mr. Williams answered the initiative to transform the system to do better was spurred by a lawsuit against the state by the Disability Law Center and Public Defender Agency because individuals in behavioral health crisis had been sitting in hospital emergency rooms or DOC without

committing a crime and waiting for access to care. When the settlement occurred, the crisis had been used as an opportunity to transform the response to Alaskans in crisis healthcare conditions. The work had begun by conducting a national review of what was being done in other states. The research had landed on work being done in Phoenix, Arizona with the Crisis Now model. The trust had then contracted with RI International to do an assessment on Alaska's system of care with an initial focus on Fairbanks, Anchorage, and Mat-Su. The assessment looked at current capacity, gaps, possibility, and what was needed to meet the needs of the individuals without overbuilding. He elaborated that a work plan was developed to look forward on how to create a call center, mobile crisis response teams, short-term crisis stabilization, short-term residential up to seven days, and higher level beds operated at hospitals such as Bartlett and API.

Mr. Williams continued that the work had resulted in mobile crisis teams operating in Fairbanks and Anchorage. The effort in Mat-Su was in the process of currently rolling out the mobile crisis team. He elaborated that AMHTA was partnering with other communities to help them gain a foundational understanding to know what they could be doing in their communities. He listed Copper Center, Ketchikan, Kotzebue, and Juneau as examples. The systems in the communities were looking at how the state could do better. The goal was not to take the model working in Phoenix and plop it into Ketchikan or Juneau because the community of Phoenix was strikingly different from the two Southeast Alaska communities. It was necessary to take the principles and foundations of the model along with the capacities and needs of the communities and align them. He stated the process would take several years, but results were being seen.

Co-Chair Edgmon believed it would be a transformation if it all came together.

Mr. Williams agreed.

[2:48:40 PM](#)

Representative Stapp applauded AMHTA on its fiduciary responsibility. He remarked on the trust's solid investment portfolio that appeared to be well managed and had good risk tolerance. He highlighted that the assets under

management had more than doubled since 2009. He observed that outcomes were going the other direction. He referenced scorecard information from the nonprofit Healthy Alaskans reporting increases since 2009 in suicides, adolescents experiencing feelings of hopelessness, and alcohol induced mortality rates. He asked what legislators could do to help the trust further its mission.

Mr. Williams stated the statistics were tragic and alarming. He thought it was necessary to look at the system as a whole and understand the myriad variables that were a part of one individual's decision to attempt suicide for example. He stated it was not only the health and social services sector, it included economies, workforce, jobs, sense of community, loss of sense of community. All of the things could be a part of an individual reaching a place that was so overwhelming that they were actually considering taking their life. He stated that the trust, communities, the legislature, and Alaskans had a role to play. In order to turn the curve it was necessary to understand when an individual was reaching out in need of support in addition to funding services at the current cost of providing the service. He highlighted the importance of the ability to recruit and retain trained staff and in making sure services were culturally appropriate. The ability to change the statistics would require a sustained, concerted, and comprehensive approach. He stressed that there was not one individual thing on its own that would solve the problem.

[2:53:31 PM](#)

Representative Josephson considered Representative Stapp's question and Mr. William's response. He believed there was almost a near perfect analogy involving funding for K-12 education. He explained there were people who believed the value of the funding for K-12 education needed to be proven with data and concrete accomplishments. He asked how AMHTA responded to the idea. He asked if the trust made adjustments to pivot and go a different direction when a specific method did not work.

Mr. Williams answered that when AMHTA awarded grants there was a grant agreement outlining the intended use of the funds and expected outcomes. He explained that because the trust was an innovative, catalytic fund, there would be some things that did not play out in the desired way. He

noted the trust could learn from the outcome and pivot to a different method. The trust viewed grant outcomes and performance as a way to help guide it in directions that prove to have positive impacts for trust beneficiaries. He highlighted therapeutic courts as an example. He elaborated that the trust, in partnership with the Court System, DOC, and others, had invested heavily on in the early 2000s in therapeutic courts. The investment had been made with the idea of demonstrating the value, or not, of the program. He relayed the value had not been demonstrated in one particular project and the trust had discontinued its funding.

[2:56:20 PM](#)

Representative Josephson noted that Senator Matt Claman had filed a bill related to involuntary commitment. He noted his office had been working intensely on the issue as well. He asked if the trust had any internal meetings about problems that exceeded the HB 172 "sphere" in that a mentally ill person posed a real and palpable threat to others and they were not chargeable because they were incompetent to stand trial.

Mr. Williams answered there had been no discussion related to Senator Claman's bill SB 53. He relayed that in 2015 AMHTA, DHSS, the Department of Law, the Public Defender Agency, and other state and nonstate entities had looked at the Title 12 statutes pertaining to legal competency to identify how they could be rewritten and updated because they were significantly outdated. The work had involved looking at the interplay between Title 12 the criminal statutes and Title 47 the civil commitment statutes. He believed it was the interplay Senator Claman and perhaps Representative Josephson were looking at. Specifically, what happened when someone's charges were dismissed but they had been evaluated to be a serious threat to themselves or others.

[2:58:45 PM](#)

Representative Galvin referred to Co-Chair Edgmon's earlier point about a gamechanger. She looked at systemic ideas shown on slide 15. She referred to Mr. Williams' example about Arizona. She asked if Mr. Williams could add more context and color for individuals looking for tangible

changes in direction and possible outcomes in relation to the data mentioned by Representative Stapp.

Co-Chair Johnson reminded members that Mr. Williams would be available to elaborate on topics discussed in the meeting in individual appointments as well.

Mr. Williams communicated the importance of ensuring someone had immediate access to needed care. He pointed to the crisis call center icon on slide 15 represented by a headset. The call center was a place for individuals in crisis to call where the staff were trained to address the situation by helping the individual work through the situation or by connecting them to the appropriate place to address the acute need.

Representative Galvin asked if there were any concrete examples of outcome differences after Arizona adopted a similar approach.

Mr. Williams would follow up with the information.

Co-Chair Johnson thanked Mr. Williams for the presentation. She reviewed the schedule for the following day.

ADJOURNMENT

[3:02:14 PM](#)

The meeting was adjourned at 3:02 p.m.