

**HOUSE CS FOR CS FOR SPONSOR SUBSTITUTE FOR SENATE BILL NO. 65 (FINANCE)**

**IN THE LEGISLATURE OF THE STATE OF ALASKA**

**SEVENTEENTH LEGISLATURE - FIRST SESSION**

**BY THE HOUSE FINANCE COMMITTEE**

**Offered: 5/18/91**

**Referred: Rules**

**Sponsor(s): SENATORS DUNCAN, Zharoff, Kerttula, Sturgulewski, Collins, Fischer, Menard, Pearce, Shultz, Rodey, Jones**

**REPRESENTATIVES Boyer, Moyer**

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act establishing the Alaska Mental Health Trust Authority and defining its powers  
2 and duties; relating to the trust established by the Alaska Mental Health Enabling Act  
3 of 1956 and to an integrated comprehensive mental health program; abolishing the Interim  
4 Mental Health Trust Commission; relating to the Older Alaskans Commission and the  
5 Governor's Council for the Handicapped and Gifted, and services provided under the  
6 Uniform Alcoholism and Intoxication Treatment Act; amending the duties of the Alaska  
7 Permanent Fund Corporation and the membership and duties of the Advisory Board on  
8 Alcoholism and Drug Abuse and the Alaska Mental Health Board; amending the  
9 jurisdiction of courts; exempting trust property from municipal taxation; and providing for  
10 an effective date."

11 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

12 \* Section 1. PURPOSE. (a) It is the purpose of this Act to implement the state's obligation as the

1 trustee of the trust established by the Alaska Mental Health Enabling Act of 1956, P.L. 84-830, 70 Stat.  
2 709, by providing an integrated comprehensive mental health program and by resolving the serious and  
3 significant legal questions attending the status of that trust

4 (1) in accordance with State v. Weiss, 706 P.2d 681 (Alaska 1985);

5 (2) in a manner that

6 (A) provides fair compensation to the trust as agreed upon by the parties to the  
7 litigation, subject to approval by the court as fair and equitable to the beneficiaries of the trust;

8 (B) provides adequate assurances that the trust will be administered properly and  
9 in a way that determines and meets the necessary expenses of a comprehensive service program  
10 for the beneficiaries of the trust;

11 (C) assures appropriate expenditures from the trust;

12 (D) establishes an independent trust authority; and

13 (E) is enforceable.

14 (b) It is the further purpose of this Act that the trust serve, at a minimum, the mentally ill, the  
15 mentally defective and retarded, chronic alcoholics suffering from psychoses, and senile people who as  
16 a result of their senility suffer major mental illness.

17 \* Sec. 2. AS 09.25.050(a) is amended to read:

18 (a) The uninterrupted adverse notorious possession of real property under color and claim  
19 of title for seven years or more is conclusively presumed to give title to the property except as  
20 against the state or the United States. For the purpose of this section, land that is in the trust  
21 established by the Alaska Mental Health Enabling Act of 1956, P.L. 84-830, 70 Stat. 709,  
22 is land owned by the state.

23 \* Sec. 3. AS 29.45.030(a) is amended to read:

24 (a) The following property is exempt from general taxation:

25 (1) municipal, state, or federally owned property, or land that is in the trust  
26 established by the Alaska Mental Health Enabling Act of 1956, P.L. 84-830, 70 Stat. 709,  
27 except that a private leasehold, contract, or other interest in the property is taxable to the extent  
28 of the interest;

29 (2) household furniture and personal effects of members of a household;

30 (3) property used exclusively for nonprofit religious, charitable, cemetery,  
31 hospital, or educational purposes;

1 (4) property of a nonbusiness organization composed entirely of persons with 90  
2 days or more of active service in the armed forces of the United States whose conditions of  
3 service and separation were other than dishonorable, or the property of an auxiliary of that  
4 organization;

5 (5) money on deposit;

6 (6) the real property of certain residents of the state to the extent and subject to  
7 the conditions provided in (e) of this section;

8 (7) real property or an interest in real property that is exempt from taxation under  
9 43 U.S.C. 1620(d), as amended.

10 \* Sec. 4. AS 36.30.850(b) is amended to read:

11 (b) This chapter applies to every expenditure of state money by the state, acting through  
12 an agency, under a contract, except that this chapter does not apply to

13 (1) grants;

14 (2) contracts for professional witnesses to provide for professional services or  
15 testimony relating to existing or probable lawsuits in which the state is or may become a party;

16 (3) contracts of the University of Alaska where the work is to be performed  
17 substantially by students enrolled in the university;

18 (4) contracts for medical doctors and dentists;

19 (5) acquisitions or disposals of real property or interest in real property, except  
20 as provided in AS 36.30.080;

21 (6) disposals under AS 38.05;

22 (7) contracts for the preparation of ballots under AS 15.15.030;

23 (8) acquisitions or disposals of property and other contracts relating to airports  
24 under AS 02.15.070, 02.15.090, and 02.15.091;

25 (9) disposals of obsolete property under AS 19.05.060;

26 (10) disposals of obsolete material or equipment under AS 35.20.060;

27 (11) agreements with providers of services under AS 44.47.250; AS 47.07;  
28 AS 47.08; AS 47.10; AS 47.17; AS 47.24; AS 47.25.195, and 47.25.310;

29 (12) contracts of the Department of Fish and Game for flights that involve  
30 specialized flying and piloting skills and are not point-to-point;

31 (13) purchases of income-producing assets for the state treasury or a public

1 corporation of the state;

2 (14) operation of the state boarding school established under AS 14.16, if the  
3 State Board of Education or the commissioner of education adopts regulations for use by the state  
4 boarding school in procurement and contracting;

5 (15) a contract that is a delegation, in whole or in part, of investment powers held  
6 by the commissioner of revenue under AS 14.25.180, AS 14.40.400, AS 14.42.200, 14.42.210,  
7 AS 18.56.095, AS 22.25.048, AS 26.05.228, AS 37.10.070, 37.10.071, AS 37.14, or  
8 AS 39.35.080;

9 (16) a contract that is a delegation, in whole or in part, of investment powers of

10 (A) the Board of Trustees of the Alaska Permanent Fund Corporation  
11 under AS 37.13;

12 (B) the Alaska Mental Health Trust Authority under AS 37.14.001 -  
13 37.14.099;

14 (17) the purchase of books, book binding services, newspapers, periodicals,  
15 audio-visual materials, network information services access, approval plans, professional  
16 memberships, archival materials, objects of art, and items for museum or archival acquisition  
17 having cultural, historical, or archaeological significance; in this paragraph

18 (A) "approval plans" means book selection services in which current book  
19 titles meeting an agency's customized specifications are provided to the agency subject  
20 to the right of the agency to return those books that do not meet with the agency's  
21 approval;

22 (B) "archival materials" means the noncurrent records of an agency that are  
23 preserved after appraisal because of their value;

24 (C) "audio-visual materials" means nonbook prerecorded materials,  
25 including records, tapes, slides, transparencies, films, filmstrips, cassettes, videos, compact  
26 discs, laser discs, and items that require the use of equipment to render them usable;

27 (D) "network information services" means a group of resources from which  
28 cataloging information, holdings records, inter-library loans, acquisitions information, and  
29 other reference resources can be obtained;

30 (18) contracts for the purchase of standardized examinations for licensure under  
31 AS 08;

1 (19) contracts for home health care and adult residential and foster care services  
2 provided under regulations adopted by the Department of Health and Social Services;

3 (20) contracts for supplies or services for research projects funded by money  
4 received from the federal government or private grants; or

5 (21) guest speakers or performers for an educational or cultural activity.

6 \* Sec. 5. AS 37.05.146 is amended to read:

7 Sec. 37.05.146. DEFINITION OF PROGRAM RECEIPTS. In AS 37.05.142 - 37.05.146  
8 and AS 37.07.080, "program receipts" means fees, charges, income earned on assets, and other  
9 state money received by a state agency in connection with the performance of its functions; all  
10 program receipts except the following are general fund program receipts:

11 (1) federal receipts;

12 (2) University of Alaska receipts (AS 14.40.491);

13 (3) individual, foundation, or corporation gifts, grants, or bequests that by their  
14 terms are restricted to a specific purpose;

15 (4) receipts of the following funds:

16 (A) highway working capital fund (AS 44.68.210);

17 (B) correctional industries fund (AS 33.32.020);

18 (C) loan funds;

19 (D) international airport revenue fund (AS 37.15.430);

20 (E) funds managed by the Alaska State Housing Authority (AS 18.55.020),  
21 the Alaska Housing Finance Corporation (AS 18.56.020), the Medical Indemnity  
22 Corporation of Alaska (AS 21.88.020), the Alaska Railroad Corporation (AS 42.40.010),  
23 the Municipal Bond Bank Authority (AS 44.85.020), or the Alaska Industrial  
24 Development and Export Authority (AS 44.88.020);

25 (F) fish and game fund (AS 16.05.100);

26 (G) school fund (AS 43.50.140);

27 (H) training and building fund (AS 23.20.130);

28 (I) retirement funds (AS 14.25, AS 22.25, AS 26.05.222, AS 39.35, and  
29 former AS 39.37);

30 (J) permanent fund (art. IX, sec. 15, Alaska Constitution);

31 (K) public school trust fund (AS 37.14.110);

- 1 (L) second injury fund (AS 23.30.040);
- 2 (M) fishermen's fund (AS 23.35.060);
- 3 (N) FICA administration fund (AS 39.30.050);
- 4 (O) mental health trust fund (AS 37.14.031).

5 \* Sec. 6. AS 37.05.540(b) is amended to read:

6 (b) Except for appropriations to the permanent fund or for Alaska permanent fund  
7 dividends, appropriations to the budget reserve fund, appropriations of revenue bond proceeds,  
8 appropriations required to pay the principal and interest on general obligation bonds, [AND]  
9 appropriations of money received from a nonstate source in trust for a specific purpose, including  
10 revenue of a public enterprise or public corporation of the state that issues revenue bonds,  
11 appropriations from the mental health trust income account (AS 37.14.036), and  
12 appropriations made to the mental health trust fund (AS 37.14.031), appropriations from the  
13 treasury made in a fiscal year may not exceed appropriations made in the preceding fiscal year  
14 by more than five percent plus the change in population and inflation since the beginning of the  
15 preceding fiscal year. For purposes of applying this limit an appropriation is considered to be  
16 made in the fiscal year in which it is enacted and a reappropriation remains attributed to the  
17 fiscal year in which the original appropriation is enacted. The determination of the change in  
18 population for purposes of this subsection shall be based on an annual estimate of population by  
19 the Department of Labor. The determination of the change in inflation for purposes of this  
20 subsection shall be based on the Consumer Price Index for all urban consumers for Anchorage  
21 prepared by the United States Bureau of Labor Statistics. The amount of money received by the  
22 state that is subject to the appropriation limit includes the balance in the general fund carried  
23 forward from the preceding fiscal year.

24 \* Sec. 7. AS 37.13.030 is amended to read:

25 Sec. 37.13.030. PURPOSE. It is the purpose of AS 37.13.010 - 37.13.210 [THIS  
26 CHAPTER] to provide a mechanism for the management and investment of those permanent fund  
27 assets allocated to the Alaska Permanent Fund Corporation in a manner consistent with the  
28 findings in AS 37.13.020.

29 \* Sec. 8. AS 37.13.040 is amended to read:

30 Sec. 37.13.040. ALASKA PERMANENT FUND CORPORATION. There is established  
31 the Alaska Permanent Fund Corporation. The corporation is a public corporation and government

- 1 (L) second injury fund (AS 23.30.040);
- 2 (M) fishermen's fund (AS 23.35.060);
- 3 (N) FICA administration fund (AS 39.30.050);
- 4 **(O) mental health trust fund (AS 37.14.031).**

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7 dividends, appropriations to the budget reserve fund, appropriations of revenue bond proceeds,  
8 appropriations required to pay the principal and interest on general obligation bonds, [AND]  
9 appropriations of money received from a nonstate source in trust for a specific purpose, including  
10 revenue of a public enterprise or public corporation of the state that issues revenue bonds,  
11 **appropriations from the mental health trust income account (AS 37.14.036), and**  
12 **appropriations made to the mental health trust fund (AS 37.14.031),** appropriations from the  
13 treasury made in a fiscal year may not exceed appropriations made in the preceding fiscal year  
14 by more than five percent plus the change in population and inflation since the beginning of the  
15 preceding fiscal year. For purposes of applying this limit an appropriation is considered to be  
16 made in the fiscal year in which it is enacted and a reappropriation remains attributed to the  
17 fiscal year in which the original appropriation is enacted. The determination of the change in  
18 population for purposes of this subsection shall be based on an annual estimate of population by  
19 the Department of Labor. The determination of the change in inflation for purposes of this  
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22 state that is subject to the appropriation limit includes the balance in the general fund carried  
23 forward from the preceding fiscal year.

24 \* Sec. 7. AS 37.13.030 is amended to read:

25 Sec. 37.13.030. PURPOSE. It is the purpose of **AS 37.13.010 - 37.13.210** [THIS  
26 CHAPTER] to provide a mechanism for the management and investment of those permanent fund  
27 assets allocated to the Alaska Permanent Fund Corporation in a manner consistent with the  
28 findings in AS 37.13.020.

29 \* Sec. 8. AS 37.13.040 is amended to read:

30 Sec. 37.13.040. ALASKA PERMANENT FUND CORPORATION. There is established  
31 the Alaska Permanent Fund Corporation. The corporation is a public corporation and government

1 instrumentality in the Department of Revenue managed by the board of trustees. The purpose  
2 of the board is to manage and invest the assets of the corporation in accordance with  
3 AS 37.13.010 - 37.13.210 [THIS CHAPTER].

4 \* Sec. 9. AS 37.13. is amended by adding a new section to read:

5 Sec. 37.13.300. CORPORATION TO MANAGE CERTAIN ASSETS OF THE MENTAL  
6 HEALTH TRUST. (a) Subject to agreement with the Alaska Mental Health Trust Authority  
7 (AS 47.30.011) entered into under AS 37.14.009(a)(5), the corporation shall manage the cash  
8 assets of the corpus of the trust established under the Alaska Mental Health Enabling Act of  
9 1956, P.L. 84-830, 70 Stat. 709.

10 (b) The corporation shall

11 (1) hold and invest the cash assets of the corpus of the trust that are transferred  
12 to its custody subject to AS 37.13.120;

13 (2) at least quarterly, prepare, publish, and distribute to the Board of Trustees of  
14 the Alaska Mental Health Trust Authority a financial report showing investment revenue and  
15 expenditures, including the allocation of the cash assets of the trust among investments;

16 (3) annually prepare, publish, and distribute to the Board of Trustees of the Alaska  
17 Mental Health Trust Authority financial statements prepared in accordance with generally  
18 accepted accounting principles consistently applied, and an audit report prepared by a certified  
19 public accountant; and

20 (4) periodically advise the Board of Trustees of the Alaska Mental Health Trust  
21 Authority when revisions to long-range investment policy, including asset allocation changes, are  
22 contemplated, and provide an opportunity for consultation and comment on the changes before  
23 they are implemented.

24 (c) Net income from the cash assets of the corpus of the trust managed under this section  
25 may not be included in the computation of net income available for distribution under  
26 AS 37.13.140.

27 \* Sec. 10. AS 37.14 is amended by adding new sections to read:

28 Sec. 37.14.001. MENTAL HEALTH TRUST. In carrying out its trust obligations under  
29 the Mental Health Enabling Act of 1956, the state acts through the governor, the legislature, and  
30 the Alaska Mental Health Trust Authority (AS 47.30.011).

31 Sec. 37.14.003. RESPONSIBILITIES OF THE GOVERNOR. (a) In reviewing

1 appropriations from the mental health trust income account proposed by the authority, the  
2 governor shall consider the needs of the beneficiaries of the trust without regard to other potential  
3 objects of state expenditure. The governor shall, by December 15 of each year, submit to the  
4 legislature a separate appropriation bill limited to appropriations from the mental health trust  
5 income account.

6 (b) If the appropriations in the bill submitted by the governor under (a) of this section  
7 differ from those proposed by the authority, the bill must contain findings explaining the reasons  
8 for the differences and providing the basis for determining that the proposed appropriations meet  
9 the needs of the beneficiaries of the trust. If the governor proposes to increase the amount of  
10 money to be transferred from the mental health trust income account to the unrestricted general  
11 fund over the authority's recommendation made under AS 47.30.046(a)(3), the bill must contain  
12 findings supporting the determination that the additional money is not reasonably necessary to  
13 meet the projected operating and capital expenses of the integrated comprehensive mental health  
14 program to be financed from the trust.

15 (c) In reviewing the appropriations of money from the mental health trust income account  
16 for possible veto, the governor shall consider only the needs of the beneficiaries of the trust  
17 without regard to other potential objects of state expenditures. If the governor vetoes all or a part  
18 of an appropriation of money from the mental health trust income account, the governor's veto  
19 message must include the reasons the governor believes the remaining appropriations meet the  
20 needs of the beneficiaries of the trust.

21 Sec. 37.14.005. RESPONSIBILITIES OF THE LEGISLATURE. (a) The legislature  
22 shall annually pass and transmit to the governor a bill making appropriations of money from the  
23 mental health trust income account no later than the 75th day of the regular session.

24 (b) Before taking action on appropriations from the mental health trust income account  
25 proposed by the governor, the legislature shall consider the needs of the beneficiaries of the trust  
26 without regard to other potential objects of state expenditure. The legislature shall make  
27 appropriations from the mental health trust income account in a separate appropriation bill limited  
28 to appropriations from the mental health trust income account.

29 (c) If the appropriations in the bill passed by the legislature differ from those proposed  
30 by the authority, the bill must contain findings explaining the reasons for the differences and  
31 providing the basis for determining that the appropriations meet the needs of the beneficiaries of

1 the trust. If the legislature increases the amount of money to be transferred from the trust to the  
2 general fund over the authority's recommendation made under AS 47.30.046(a)(3), the bill must  
3 contain findings supporting the determination that the additional money is not reasonably  
4 necessary to meet the projected operating and capital expenses of the integrated comprehensive  
5 mental health program to be financed from the trust.

6 Sec. 37.14.007. AUTHORITY AS TRUSTEE. (a) The Alaska Mental Health Trust  
7 Authority, established by AS 47.30.011, is the trustee of the trust established under the Alaska  
8 Mental Health Enabling Act of 1956, P.L. 84-830, 70 Stat. 709.

9 (b) In exercising the powers, duties, and responsibilities as trustee, the authority is under  
10 a duty to the public and the trust beneficiaries to

- 11 (1) administer the trust solely in the interest of the beneficiaries;
- 12 (2) keep and render clear and accurate accounts with respect to the administration  
13 of the trust;
- 14 (3) make public and available complete and accurate information as to the nature  
15 and amount of the trust property;
- 16 (4) exercise a high degree of care in administering the trust;
- 17 (5) take reasonable steps to take and keep control of the trust property;
- 18 (6) use care and skill to preserve the trust property;
- 19 (7) take reasonable steps to realize on claims that are held in trust;
- 20 (8) defend against actions that may result in a loss to the trust estate, unless under  
21 all the circumstances, considering the other duties owed to the trust, it is reasonable not to make  
22 the defense;
- 23 (9) separately account for trust property;
- 24 (10) ensure that trust property is designated as property of the trust;
- 25 (11) use care and skill to make the trust property productive; however, nothing  
26 in this paragraph shall prevent the state from using trust property directly or indirectly, by  
27 contractual stipulation or otherwise, as a component of the state's mental health trust program;  
28 and
- 29 (12) deal impartially with the different trust beneficiaries as provided in  
30 AS 47.30.056.

31 Sec. 37.14.009. TRUST MANAGEMENT. (a) The Alaska Mental Health Trust

1 Authority

2 (1) shall manage the assets of the trust in a fiduciary manner to fulfill the  
3 purposes of the trust;

4 (2) may, consistent with (1) of this subsection and AS 47.30.036(1), sell, lease,  
5 exchange, or otherwise dispose of land in the trust;

6 (3) may, consistent with (1) of this subsection, use land that is an asset of the  
7 trust directly for the integrated comprehensive mental health program;

8 (4) may contract with the Department of Natural Resources to manage the land  
9 assets of the trust; and

10 (5) shall contract with the Alaska Permanent Fund Corporation for management  
11 of the trust's cash assets, unless the authority finds that the best interests of trust beneficiaries  
12 would be served by contracting with another entity.

13 (b) In exercising its power under (a)(2) or (3) of this section, the authority shall give  
14 public notice in the manner provided under AS 38.05.945(b) and (c), but is not otherwise bound  
15 by the provisions of AS 38.04 or AS 38.05.

16 \* Sec. 11. AS 37.14 is amended by adding new sections to read:

17 Sec. 37.14.031. TRUST FUND ESTABLISHED. The mental health trust fund is  
18 established as a separate fund within the state treasury. The fund consists of the cash assets of  
19 the principal of the trust.

20 Sec. 37.14.036. TRUST INCOME ACCOUNT ESTABLISHED. (a) The mental health  
21 trust income account is established as a separate account within the general fund of the state.  
22 The mental health trust income account consists of

23 (1) fees, charges, income earned on assets, and other money received by the trust  
24 that is not attributable to the principal of the trust;

25 (2) money deposited in the account in accordance with appropriations or  
26 allocations made by law;

27 (3) the amounts allocated to it under (c) of this section.

28 (b) The authority may establish subaccounts within the mental health trust income  
29 account.

30 (c) In each of the following state fiscal years, the commissioner of revenue shall allocate  
31 from the general fund of the state to the mental health trust income account in the general fund

1 an amount equal to the percent of the unrestricted revenue of the state specified for that fiscal  
2 year:

3 FISCAL YEAR ENDING	PERCENT OF UNRESTRICTED STATE REVENUE
4 June 30, 1992	six percent
5 June 30, 1993	six percent
6 June 30, 1994	five percent
7 June 30, 1995	five percent
8 June 30, 1996	four percent
9 June 30, 1997	four percent
10 June 30, 1998	three percent
11 June 30, 1999	three percent
12 June 30, 2000	two percent
13 June 30, 2001	two percent
14 June 30, 2002	one percent
15 June 30, 2003	one percent

16 Sec. 37.14.099. DEFINITIONS. In AS 37.14.001 - 37.14.099,

17 (1) "authority" means the Alaska Mental Health Trust Authority established under  
18 AS 47.30.011;

19 (2) "board" means the board of trustees of the authority;

20 (3) "enabling Act" means the Alaska Mental Health Enabling Act of 1956, P.L.  
21 84-830, 70 Stat. 709.

22 \* Sec. 12. AS 38.07.030(c) is amended to read:

23 (c) The cost of clearing land leased from the state, including but not limited to school  
24 [AND MENTAL HEALTH] land, shall be borne by the state. The lessee shall repay the cost  
25 over a 10-year period at five percent interest.

26 \* Sec. 13. AS 39.25.120(c)(9) is amended to read:

27 (9) the principal executive officer of the following boards, councils, or  
28 commissions:

29 (A) Alaska Public Broadcasting Commission;

30 (B) Professional Teaching Practices Commission;

31 (C) Parole Board;

- 1 (D) Board of Nursing;
- 2 (E) Real Estate Commission;
- 3 (F) Alaska Royalty Oil and Gas Development Advisory Board;
- 4 (G) Alaska Historical Commission;
- 5 (H) Alaska State Council on the Arts;
- 6 (I) Alaska Police Standards Council;
- 7 (J) Older Alaskans Commission;
- 8 (K) Alaska Mental Health Board;
- 9 (L) State Medical Board;
- 10 **(M) Governor's Council for the Handicapped and Gifted;**
- 11 **(N) Advisory Board on Alcoholism and Drug Abuse;**

12 \* Sec. 14. AS 41.15 is amended by adding a new section to read:

13 Sec. 41.15.025. FIRE PROTECTION ON MENTAL HEALTH TRUST LAND. Land  
14 that is in the mental health trust is, for the purpose of wild fire suppression, land owned by the  
15 state.

16 \* Sec. 15. AS 44.21.230(a) is amended to read:

- 17 (a) The commission shall
  - 18 (1) formulate a comprehensive statewide plan that identifies the concerns and
  - 19 needs of older Alaskans and, with reference to the plan adopted, prepare and submit to the
  - 20 governor and legislature an annual analysis and evaluation of the services that are provided to
  - 21 older Alaskans;
  - 22 (2) make recommendations directly to the governor and legislature with respect
  - 23 to legislation, regulations, and appropriations for programs or services that benefit older Alaskans;
  - 24 (3) encourage and aid the development of municipal commissions serving older
  - 25 Alaskans and community-oriented programs and services for the benefit of older Alaskans;
  - 26 (4) employ an executive director who serves at the pleasure of the commission;
  - 27 (5) help older Alaskans lead dignified, independent, and useful lives;
  - 28 (6) request and receive reports and audits from state agencies and local institutions
  - 29 concerned with the conditions and needs of older Alaskans;
  - 30 (7) administer, with the approval of the commissioner of administration, federal
  - 31 programs as provided under 42 U.S.C. 3001 - 3045i (Older Americans Act), as amended;

1 (8) administer, with the approval of the commissioner of administration, state  
2 programs as provided under AS 47.65; [AND]

3 (9) give assistance, on request, to the senior housing office in the Department of  
4 Community and Regional Affairs in administration of the senior housing loan program under  
5 AS 44.47.587 - 44.47.609 and in the performance of the office's other duties under  
6 AS 44.47.585; and

7 (10) provide to the Alaska Mental Health Trust Authority, for its review and  
8 consideration, recommendations concerning the integrated comprehensive mental health  
9 program for persons who are described in AS 47.30.056(b)(4) and the use of the money in  
10 the mental health trust income account in a manner consistent with regulations adopted  
11 under AS 47.30.031.

12 \* Sec. 16. AS 44.29.022 is amended by adding a new subsection to read:

13 (d) A regulation that establishes a fee for services under AS 44.29.020(a)(7) that are part  
14 of the integrated comprehensive mental health program under AS 47.30 may be adopted under  
15 this section after consultation with the Alaska Mental Health Trust Authority.

16 \* Sec. 17. AS 44.29.024 is amended by adding a new subsection to read:

17 (c) A regulation that establishes a schedule of reasonable fees for services provided by  
18 a contractor or grantee that are part of the integrated comprehensive mental health program  
19 established under AS 47.30 may be adopted under this section after consultation with the Alaska  
20 Mental Health Trust Authority.

21 \* Sec. 18. AS 44.29.100 is amended to read:

22 Sec. 44.29.100. ADVISORY BOARD ON ALCOHOLISM AND DRUG ABUSE. There  
23 is established in the Department of Health and Social Services an advisory board on alcoholism  
24 and drug abuse. [THE BOARD SHALL FUNCTION AS A STANDING COMMITTEE OF THE  
25 STATEWIDE HEALTH COORDINATING COUNCIL ESTABLISHED UNDER AS 18.07.011.]

26 \* Sec. 19. AS 44.29.110 is amended to read:

27 Sec. 44.29.110. COMPOSITION. The board consists of 15 [12] members, 14 of whom  
28 are public members appointed by the governor, and the 15th who is the director of the  
29 division of alcoholism and drug abuse ex officio.

30 \* Sec. 20. AS 44.29.115 is amended to read:

31 Sec. 44.29.115. QUALIFICATIONS OF BOARD MEMBERS. The governor shall

1 appoint the 14 public [12] members so that the board consists of the following public members:

2 (1) one member [TWO MEMBERS] who is [ARE] licensed to practice  
3 medicine in the state [, ONE OF WHOM IS CERTIFIED IN PSYCHIATRY BY THE  
4 AMERICAN BOARD OF PSYCHIATRY AND NEUROLOGY];

5 (2) one member who is admitted to practice law in the state [ALASKA];

6 (3) four members who are chronic alcoholics with psychoses who are  
7 recovering;

8 (4) three members who are substance abuse treatment professionals who  
9 represent public and private providers of substance abuse prevention and treatment  
10 services; and

11 (5) five [EIGHT] members who have shown an interest in the problems of  
12 alcoholism or drug abuse and who have knowledge of the social problems associated with  
13 alcoholism or drug abuse [; AND

14 (4) ONE MEMBER WHO IS A REPRESENTATIVE OF THE LIQUOR  
15 INDUSTRY].

16 \* Sec. 21. AS 44.29.120 is amended to read:

17 Sec. 44.29.120. TERM OF OFFICE. (a) The governor shall appoint the public  
18 members of the board for staggered terms of four years.

19 (b) The governor shall fill a vacancy of a public member on the board by appointment  
20 for the unexpired part of the vacated term.

21 (c) Public [BOARD] members of the board serve at the pleasure of the governor. The  
22 governor shall replace a public [ANY] member who by poor attendance or lack of contribution  
23 to the board's work demonstrates ineffectiveness as a board member. In this subsection, "poor  
24 attendance" means the failure to attend three or more consecutive meetings.

25 \* Sec. 22. AS 44.29.130 is amended to read:

26 Sec. 44.29.130. COMPENSATION, PER DIEM, AND EXPENSES. The public  
27 members [MEMBERS] of the board are not entitled to a salary, but are entitled to per diem,  
28 reimbursement for travel, and other expenses authorized by law for other boards.

29 \* Sec. 23. AS 44.29 is amended by adding a new section to read:

30 Sec. 44.29.135. OFFICERS AND STAFF. (a) The board, by a majority of its  
31 membership, shall annually elect a presiding officer and other officers it considers necessary from

1 among its membership.

2 (b) The board shall have a paid staff provided by the department, including an executive  
3 director who shall be selected by the board. The executive director is in the partially exempt  
4 service and may hire additional employees in the classified service of the state. The department  
5 shall provide for the assignment of personnel to the board to ensure the board has the capacity  
6 to fulfill its responsibilities. The executive director of the board shall be directly responsible to  
7 the board in the performance of the director's duty.

8 \* Sec. 24. AS 44.29.140 is amended to read:

9 Sec. 44.29.140. DUTIES. The board shall

10 (1) act in an advisory capacity to the legislature, the governor, and state  
11 agencies [COMMISSIONER OF HEALTH AND SOCIAL SERVICES] in the following matters.

12 (A) [(1)] special problems affecting mental health that alcoholism or drug  
13 abuse may present;

14 (B) [(2)] educational research and public informational activities  
15 [CONDUCTED BY THE DEPARTMENT OF HEALTH AND SOCIAL SERVICES  
16 AND OTHERS] in respect to the problems presented by alcoholism or drug abuse;

17 (C) [(3)] social problems that affect rehabilitation of alcoholics and drug  
18 abusers;

19 (D) [(4)] legal processes that affect the treatment and rehabilitation of  
20 alcoholics and drug abusers;

21 (E) [(5)] development of programs of prevention, treatment, and  
22 rehabilitation for alcoholics and drug abusers; and

23 (F) [(6)] REVIEW OF APPLICATIONS AND SUBSEQUENT  
24 RECOMMENDATIONS TO THE COMMISSIONER OF HEALTH AND SOCIAL  
25 SERVICES ON USE OF FUNDS FOR GRANTS FOR LOCAL ALCOHOLISM OR  
26 DRUG ABUSE PROJECTS AND PROGRAMS;

27 (7)] evaluation of effectiveness of alcoholism and drug abuse programs in the  
28 state;

29 (2) provide to the Alaska Mental Health Trust Authority for its review and  
30 consideration recommendations concerning the integrated comprehensive mental health  
31 program for the people who are described in AS 47.30.056(b)(3), and concerning the use of

1 money in the mental health trust income account in a manner consistent with regulations  
2 adopted under AS 47.30.031.

3 \* Sec. 25. AS 44.29.140 is amended by adding new subsections to read:

4 (b) The board is the state planning and coordinating body for purposes of federal and  
5 state laws relating to alcohol, drug, and other substance abuse prevention and treatment services.

6 (c) The board shall prepare and maintain a comprehensive plan of services for the  
7 prevention and treatment of alcohol, drug, and other substance abuse.

8 \* Sec. 26. AS 47.30 is amended by adding new sections to read:

9 Sec. 47.30.011. ALASKA MENTAL HEALTH TRUST AUTHORITY. (a) The Alaska  
10 Mental Health Trust Authority is established as a public corporation of the state within the  
11 Department of Revenue.

12 (b) The purpose of the authority is to ensure an integrated comprehensive mental health  
13 program.

14 (c) The authority

15 (1) shall administer the trust established under the Alaska Mental Health Enabling  
16 Act of 1956;

17 (2) may sue and be sued;

18 (3) may retain the services of independent counsel when, in the judgment of the  
19 authority's board of trustees, independent counsel is needed;

20 (4) shall insure or indemnify and protect the board, a member of the board, or an  
21 agent or employee of the authority against financial loss and expense, including reasonable legal  
22 fees and costs, arising out of a claim, demand, suit, or judgment by reason of alleged negligence,  
23 alleged violation of civil rights, or alleged wrongful act resulting in death or bodily injury to a  
24 person or accidental damage to or destruction of property if the board member, agent, or  
25 employee, at the time of the occurrence, was acting under the direction of the authority within  
26 the course or scope of the duties of the board member, agent, or employee.

27 (d) The provisions of AS 44.62.330 - 44.62.630 do not apply to the Alaska Mental Health  
28 Trust Authority.

29 Sec. 47.30.016. MEMBERSHIP OF THE BOARD. (a) The authority shall be governed  
30 by its board of trustees.

31 (b) The board consists of seven members appointed by the governor. The members

1 appointed under this subsection shall be appointed

2 (1) based upon their ability in financial management and investment, in land  
3 management, or in services for the beneficiaries of the trust;

4 (2) after the governor has considered a list of persons prepared by a panel of six  
5 persons who are beneficiaries, or who are the guardians, family members, or representatives of  
6 beneficiaries; the panel shall consist of

7 (A) one person selected by the Alaska Mental Health Board  
8 (AS 47.30.661);

9 (B) one person selected by the Governor's Council for the Handicapped  
10 and Gifted (AS 47.80.030);

11 (C) one person selected by the Advisory Board on Alcoholism and Drug  
12 Abuse (AS 44.29.110);

13 (D) one person selected by the Older Alaskans Commission  
14 (AS 44.21.200);

15 (E) one person selected by the Alaska Native Health Board; and

16 (F) one person selected by the authority.

17 (c) A member of the board appointed by the governor under (b) of this section may not

18 (1) be an officer or employee of the state; or

19 (2) within the preceding two years or during the member's term of office have  
20 an interest in, served on the governing board of, or been employed by an organization that has  
21 received, during that same period, money from the mental health trust income account under a  
22 contract for services.

23 (d) A quorum of the board is four members.

24 (e) A member of the board is entitled to

25 (1) an honorarium of \$200 for each day or any part of a day spent at a meeting  
26 of the board, at a meeting of a subcommittee of the board, or as a representative of the board;  
27 and

28 (2) per diem and travel expenses authorized for boards and commissions under  
29 AS 39.20.180.

30 Sec. 47.30.021. TERM OF OFFICE, VACANCIES, AND REMOVAL. (a) The  
31 members of the board serve staggered five-year terms. A member shall continue to serve until

1 the member's successor is appointed and confirmed.

2 (b) A vacancy occurring in the membership of the board shall be filled within 60 days  
3 by appointment of the governor for the unexpired portion of the vacated term.

4 (c) The governor may remove a member of the board only for cause, including  
5 incompetence, neglect of duty, misconduct in office, poor attendance, or lack of contribution to  
6 the board's work. A member being removed for cause shall be given a copy of the charges and  
7 afforded an opportunity to publicly present a defense in person or by counsel upon not less than  
8 10 days' written notice. If a member is removed for cause, the governor shall file with the  
9 lieutenant governor a complete statement of all charges made against the member and the  
10 governor's findings based on the charges, together with a complete record of the proceedings.  
11 The removal of a member for cause constitutes a final administrative order. A member seeking  
12 to appeal the governor's removal of a member for cause under this subsection shall file a notice  
13 of appeal with the superior court under AS 44.62.560.

14 (d) Except for a trustee who has served two consecutive five-year terms, a member of  
15 the board may be reappointed. A member of the board who has served two consecutive five-year  
16 terms is not eligible for reappointment to the board until one year has intervened.

17 Sec. 47.30.026. OFFICERS AND STAFF. (a) The board shall annually elect a presiding  
18 officer and other officers it considers necessary from among its membership.

19 (b) The board shall employ a chief executive officer who shall be selected by the board.  
20 The chief executive officer shall be compensated at no less than range 26 of the pay plan for  
21 state employees under AS 39.27.011(a). The chief executive officer may

22 (1) hire additional employees;

23 (2) appoint hearing officers to perform the responsibilities set out in  
24 AS 47.30.031(b)(5); and

25 (3) contract for the services of consultants and others.

26 (c) The chief executive officer is directly responsible to the board.

27 Sec. 47.30.031. REGULATIONS. (a) The board shall adopt regulations under the  
28 Administrative Procedure Act (AS 44.62) consistent with state law and the fiduciary  
29 responsibilities imposed by law on members of boards of directors of corporations having trust  
30 responsibilities.

31 (b) The regulations shall address, but are not limited to,

- 1 (1) the requirements of AS 47.30.056(h) and (j);
- 2 (2) provisions governing the administration and management of the mental health
- 3 trust;
- 4 (3) procedures by which an aggrieved person or group who believe they have not
- 5 received services that should be provided from the trust may apply to the authority for redress;
- 6 (4) provisions that allow and encourage entities providing trust funded services
- 7 to integrate those services with other community human services funded by other sources;
- 8 (5) administrative adjudication procedures, including but not limited to
- 9 (A) the acceptance of applications under (4) of this subsection;
- 10 (B) investigations;
- 11 (C) hearings; and
- 12 (D) the issuance of administrative orders, as necessary;
- 13 (6) provisions that establish a process for long-range planning for expenditures
- 14 from the mental health trust income account; and
- 15 (7) criteria for determining the nature and extent of necessary services and related
- 16 expenses to be funded by the trust.

17 Sec. 47.30.036. DUTIES OF THE BOARD. The board shall

- 18 (1) preserve and protect the trust corpus;
- 19 (2) coordinate with other state agencies involved with programs affecting persons
- 20 in need of mental health services;
- 21 (3) review and consider the recommendations submitted under
- 22 AS 44.21.230(a)(10), AS 44.29.140(2), AS 47.30.666(6), and AS 47.80.090(13);
- 23 (4) adopt bylaws governing its meetings, selection of officers, proceedings, and
- 24 other aspects of board procedure;
- 25 (5) make an annual written report of its activities to the legislature, governor, and
- 26 the public; and
- 27 (6) fulfill its obligations under AS 47.30.046.

28 Sec. 47.30.041. BOARD ADVISORS. The commissioners of health and social services,

29 natural resources, and revenue, or their respective designees, are advisors to the board.

30 Sec. 47.30.046. BUDGET RECOMMENDATIONS; REPORTS. (a) The board shall

31 annually, not later than September 15, submit to the governor and the Legislative Budget and

1 Audit Committee a budget for the next fiscal year and a proposed plan of implementation based  
2 on the integrated comprehensive mental health program plan prepared under AS 47.30.660(a)(1).  
3 The budget must include the authority's determination of the amount

4 (i) recommended for expenditure from the mental health trust income account  
5 during the next fiscal year to

6 (A) meet the administrative expenses of the authority;

7 (B) offset the effect of inflation on the value of the trust corpus; and

8 (C) meet the necessary operating and capital expenses of the integrated  
9 comprehensive mental health program;

10 (2) recommended for expenditure from the general fund, if any, during the next  
11 fiscal year to meet the necessary operating and capital expenses of the integrated comprehensive  
12 mental health program; and

13 (3) in the mental health trust income account, if any, that is not reasonably  
14 necessary to meet the projected operating and capital expenses of the integrated comprehensive  
15 mental health program that may be transferred into the general fund.

16 (b) When the authority submits its proposed budget under (a) of this section, the authority  
17 shall also provide a report to the Legislative Budget and Audit Committee, the governor, the  
18 Office of Management and Budget, the commissioner of health and social services, and all  
19 entities providing services with money in the mental health trust income account, and shall make  
20 it available to the public. The report must describe at least the following:

21 (1) the assets, earnings, and expenditures of the trust as of the end of the  
22 preceding fiscal year;

23 (2) comparisons of the trust's assets, earnings, and expenditures with the prior five  
24 fiscal years;

25 (3) projections of the trust's assets, earnings, and expenditures for the next five  
26 fiscal years;

27 (4) the authority's budget recommendations submitted under (a) of this section,  
28 and its reasons for making those recommendations;

29 (5) the authority's guidelines for the establishment of services; the provision of  
30 services shall be based on the principle that services paid for from the trust are provided to  
31 recipients as close to the recipient's home and family as practical with due consideration of

1 demographics, mental health service requirements, use of mental health services, economic  
2 feasibility, and capital expenditures required for provision of minimum levels of service;

3 (6) forecasts of the number of persons needing services;

4 (7) projections of the resources required to provide the necessary services and  
5 facilities; and

6 (8) reviews of the status of the integrated comprehensive mental health program,  
7 including evaluation of program goals, objectives, targets and timelines, and overall effectiveness.

8 Sec. 47.30.051. SUBMISSIONS REQUIRING USE OF TRUST MONEY. An agency  
9 or entity proposing an expenditure of money by the trust shall present its proposal to the  
10 authority under regulations adopted under AS 47.30.031.

11 Sec. 47.30.056. USE OF MONEY IN THE MENTAL HEALTH TRUST INCOME  
12 ACCOUNT. (a) If appropriated by law, the money in the mental health trust income account  
13 established in AS 37.14.036 shall be used to

14 (1) provide an integrated comprehensive mental health program as required by  
15 this section;

16 (2) meet the authority's annual administrative expenses; and

17 (3) offset the effect of inflation on the corpus of the trust.

18 (b) Expenditures under (a)(1) of this section shall provide for a reasonable level of  
19 necessary services to

20 (1) the mentally ill;

21 (2) the mentally defective and retarded;

22 (3) chronic alcoholics suffering from psychoses;

23 (4) senile people who as a result of their senility suffer major mental illness; and

24 (5) other persons needing mental health services, as the legislature may determine.

25 (c) The integrated comprehensive mental health program for which expenditures are made  
26 under this section

27 (1) shall give priority in service delivery to persons who, as a result of a mental  
28 disorder or of a disorder identified in (b) of this section;

29 (A) may require or are at risk of hospitalization; or

30 (B) experience such major impairment of self-care, self-direction, or social  
31 and economic functioning that they require continuing or intensive services;

1 (2) may, at the discretion of the board, include services to persons who are not  
2 included under (b) or (c)(1) of this section.

3 (d) In (b)(1) of this section, "the mentally ill" includes persons with the following mental  
4 disorders:

5 (1) schizophrenia;

6 (2) delusional (paranoid) disorder;

7 (3) mood disorders;

8 (4) anxiety disorders;

9 (5) somatoform disorders;

10 (6) organic mental disorders;

11 (7) personality disorders;

12 (8) dissociative disorders;

13 (9) other psychotic or severe and persistent mental disorders manifested by  
14 behavioral changes and symptoms of comparable severity to those manifested by persons with  
15 mental disorders listed in this subsection; and

16 (10) persons who have been diagnosed by a licensed psychologist, psychiatrist,  
17 or physician licensed to practice medicine in the state and, as a result of the diagnosis, have been  
18 determined to have a childhood disorder manifested by behaviors or symptoms suggesting risk  
19 of developing a mental disorder listed in this subsection.

20 (e) In (b)(2) of this section, "the mentally defective and retarded" includes persons with  
21 the following neurologic or mental disorders:

22 (1) cerebral palsy;

23 (2) epilepsy;

24 (3) mental retardation;

25 (4) autistic disorder;

26 (5) severe organic brain impairment;

27 (6) significant developmental delay during early childhood indicating risk of  
28 developing a disorder listed in this subsection;

29 (7) other severe and persistent mental disorders manifested by behaviors and  
30 symptoms similar to those manifested by persons with disorders listed in this subsection.

31 (f) In (b)(3) of this section, "chronic alcoholics suffering from psychoses" includes

1 persons with the following disorders:

- 2 (1) alcohol withdrawal delirium (delirium tremens);
- 3 (2) alcohol hallucinosis;
- 4 (3) alcohol amnestic disorder;
- 5 (4) dementia associated with alcoholism;
- 6 (5) alcohol-induced organic mental disorder;
- 7 (6) alcoholic depressive disorder;
- 8 (7) other severe and persistent disorders associated with a history of prolonged
- 9 or excessive drinking or episodes of drinking out of control and manifested by behavioral
- 10 changes and symptoms similar to those manifested by persons with disorders listed in this
- 11 subsection.

12 (g) In (b)(4) of this section, "senile people who as a result of their senility suffer major

13 mental illness" includes persons with the following mental disorders:

- 14 (1) primary degenerative dementia of the Alzheimer type;
- 15 (2) multi-infarct dementia;
- 16 (3) senile dementia;
- 17 (4) presenile dementia;
- 18 (5) other severe and persistent mental disorders manifested by behaviors and
- 19 symptoms similar to those manifested by persons with disorders listed in this subsection.

20 (h) The authority shall adopt regulations defining the disorders identified in this section

21 to reflect revisions in the diagnostic nomenclature of the health professions serving the

22 beneficiaries of the trust. The authority shall review and revise the regulations as necessary.

23 Regulations adopted under this subsection must be in the long term best interest of the trust and

24 of persons with disorders equivalent to those identified in (b) and (c) of this section.

25 (i) In this section, "an integrated comprehensive mental health program"

- 26 (1) means public health programs and services that, on the effective date of this
- 27 Act, are separately recognizable and administered, without regard to the administrative unit
- 28 directly responsible for the delivery of the service; among the services included are services for
- 29 the mentally ill, community mental health services, services for the developmentally disabled,
- 30 alcoholism services, and services for children, youth, adults, and seniors with mental disorders;
- 31 (2) includes, at a minimum, each of the following services as appropriate:

- 1 (A) emergency services on a 24-hour basis;
- 2 (B) screening examination and evaluation services required to complete
- 3 the involuntary commitment process under AS 47.30.700 - 47.30.815;
- 4 (C) inpatient care;
- 5 (D) crisis stabilization services, which may include:
  - 6 (i) active community outreach;
  - 7 (ii) in-hospital contact;
  - 8 (iii) mobile crisis teams of mental health professionals;
  - 9 (iv) crisis beds to provide a short term residential program for
  - 10 persons experiencing an acute episode of mental illness that requires temporary
  - 11 removal from a home environment;
- 12 (E) treatment services, which may include
  - 13 (i) diagnosis, testing, and evaluation of medical needs;
  - 14 (ii) medication monitoring;
  - 15 (iii) physical examinations;
  - 16 (iv) dispensing psychotropic and other medication;
  - 17 (v) detoxification;
  - 18 (vi) individual or group therapy;
  - 19 (vii) aftercare;
- 20 (F) case management, which may include
  - 21 (i) evaluation of needs;
  - 22 (ii) development of individualized treatment plans;
  - 23 (iii) enhancement of access to available resources and programs;
  - 24 (iv) development of interagency contacts and family involvement;
  - 25 (v) advocacy;
- 26 (G) daily structure and support, which may include
  - 27 (i) daily living skills training;
  - 28 (ii) socialization activities;
  - 29 (iii) recreation;
  - 30 (iv) transportation;
  - 31 (v) day care services;

1 (vi) client and care provider education and support services;

2 (H) residential services, which may include

3 (i) crisis or respite care;

4 (ii) board and care;

5 (iii) foster care, group homes, halfway houses, or supervised  
6 apartments;

7 (iv) intermediate care facilities;

8 (v) long-term care facilities;

9 (vi) in-home care;

10 (I) vocational services, which may include

11 (i) prevocational services;

12 (ii) work adjustment;

13 (iii) supported work;

14 (iv) sheltered work;

15 (v) training in which participants achieve useful work experience;

16 (J) outpatient screening, diagnosis, and treatment services, including  
17 individual, family, and group psychotherapy, counseling, and referral;

18 (K) prevention and education services, including consultation with  
19 organizations, providers, and the public; and

20 (L) administrative services, including appropriate operating expenses of  
21 state agencies and other service providers.

22 (j) The authority shall adopt regulations regarding the services described in (i) of this  
23 section to reflect advances in the appropriate professions. The authority shall review and revise  
24 the regulations as necessary. Regulations adopted under this subsection must be in the long term  
25 best interest of the mental health trust.

26 Sec. 47.30.061. DEFINITIONS. In AS 47.30.011 - 47.30.061,

27 (1) "authority" means the Alaska Mental Health Trust Authority established by  
28 AS 47.30.011;

29 (2) "board" means the board of trustees of the authority;

30 (3) "trust" means the trust established by the Alaska Mental Health Enabling Act  
31 of 1956, P.L.84-830, 70 Stat. 709.

1 \* Sec. 27. AS 47.30.470 is amended by adding new paragraphs to read:

2 (8) prepare that part of the plan for the integrated comprehensive mental health  
3 program under AS 47.30.056 that relates to the services and facilities that are necessary for the  
4 care and treatment of persons identified as chronic alcoholics suffering from psychoses, as  
5 defined in AS 47.30.056(b)(3) and (f); in preparing the plan of services for persons identified in  
6 this paragraph, the department shall coordinate with the Alaska Mental Health Trust Authority  
7 and the Advisory Board on Alcoholism and Drug Abuse;

8 (9) use money appropriated from the mental health trust income account  
9 established under AS 37.14.036 to provide the necessary services identified in (8) of this section  
10 and in accordance with AS 47.30.056.

11 \* Sec. 28. AS 47.30.520 is amended to read:

12 Sec. 47.30.520. LEGISLATIVE PURPOSE. It is the purpose of the [LEGISLATURE  
13 IN ENACTING THE] Community Mental Health Services Act to

14 (1) [TO] provide a range of community based inpatient, outpatient, and  
15 support services for persons with mental disorders;

16 (2) [OR EMOTIONAL DISTURBANCES AND TO] assist [LOCAL]  
17 communities in planning, organizing, and financing community mental health services through  
18 locally developed, administered, and controlled community mental health programs;

19 (3) [. IT IS FURTHER INTENDED TO] better develop and use [UTILIZE  
20 EXISTING] resources at both state and local levels;

21 (4) [IN ORDER TO (1)] develop and implement plans for comprehensive  
22 [INITIATING MAXIMUM] mental health services based on demonstrated need on a regional  
23 basis [FOR SERVICES IN EACH GEOGRAPHICAL PLANNING AREA, AS WELL AS  
24 REGIONALIZED COMPREHENSIVE MENTAL HEALTH SERVICES];

25 (5) [(2)] improve the effectiveness of existing mental health services;

26 (6) [(3)] integrate state-operated and community mental health programs into a  
27 unified mental health system;

28 (7) ensure that consumers, families, and representatives of [(4) PROVIDE A  
29 MEANS FOR PARTICIPATION BY LOCAL] communities within mental health planning  
30 regions can participate in determining [THE DETERMINATION OF] the need for and the  
31 allocation of mental health resources;

1                   (8) [(5) ESTABLISH A UNIFORM RATIO OF LOCAL AND STATE  
2 GOVERNMENT RESPONSIBILITY FOR FINANCING MENTAL HEALTH SERVICES;

3                   (6)] provide a means of allocating money available for state mental health  
4 services [FUNDS] according to community needs;

5                   (9) [(7)] encourage the full use of all existing public or private agencies, facilities,  
6 personnel, and funds to accomplish these objectives; and

7                   (10) [(8)] prevent unnecessary duplication and fragmentation of services and  
8 expenditures.

9 \* **Sec. 29.** AS 47.30 is amended by adding a new section to read:

10                   Sec. 47.30.523. COMMUNITY MENTAL HEALTH PROGRAM POLICY AND  
11 PRINCIPLES. (a) It is the policy of the state that

12                   (1) the community mental health program provide a comprehensive and integrated  
13 system of community based facilities, supports, and mental health services including child and  
14 adolescent screening and diagnosis, inpatient, outpatient, prevention, consultation, and education  
15 services;

16                   (2) persons most in need of community mental health services receive appropriate  
17 services as provided under AS 47.30.056;

18                   (3) the community mental health program be coordinated, to the maximum extent  
19 possible, with the programs established under AS 47.37, AS 47.65, AS 47.80, and other programs  
20 affecting the well being of persons in need of mental health services.

21                   (b) Community mental health program service delivery principles include the principles  
22 that persons

23                   (1) have ready and prompt access to necessary screening, diagnosis, and treatment;

24                   (2) receiving community mental health services be informed of their rights,  
25 including their rights to confidentiality and to treatment with dignity;

26                   (3) be provided community mental health services by staff and programs that  
27 reflect the culture, linguistic, and other social characteristics of their community and that  
28 incorporate multidisciplinary professional staff to meet client functional levels and diagnostic and  
29 treatment needs;

30                   (4) in need of community mental health services, and their families, be  
31 encouraged to participate in formulating, delivering, and evaluating treatment and rehabilitation;

1 (5) in need of community mental health services be provided treatment and  
2 rehabilitation services designed to minimize institutionalization and maximize individual potential;

3 (6) be treated in the least restrictive alternative environment consistent with their  
4 treatment needs, enabling the person to live as normally as possible;

5 (7) be provided necessary treatment as close to the person's home as possible;

6 (8) be informed of and allowed to participate in planning their own treatment as  
7 much as possible.

8 \* Sec. 30. AS 47.30.530 is amended by adding a new subsection to read:

9 (b) In performing its duties under (a) of this section, the department shall coordinate with  
10 the Alaska Mental Health Trust Authority established in AS 47.30.011.

11 \* Sec. 31. AS 47.30.540(b) is amended to read:

12 (b) An [THE] entity designated by the department [IN THE LOCAL AREA AS THE  
13 ORGANIZATIONAL UNIT] to receive money [FUNDS] under AS 47.30.520 - 47.30.620 [AND  
14 TO ADMINISTER THE PROGRAM] shall ensure a broad base of community support as  
15 evidenced by a governing board reasonably representative of the professional, civic, and citizen  
16 groups in the community and including persons with mental disorders or family members  
17 of persons with mental disorders. No more than two members, or 40 percent of the  
18 membership, whichever is greater, may be providers of services under the program. In order to  
19 receive funds under AS 47.30.520 - 47.30.620, a local community entity shall agree to

20 (1) give priority to mental health programs and services consistent with the  
21 priorities set out in AS 47.30.056 and that provide the [HAVE A] maximum services for the  
22 least expenditure of money from the mental health trust income account [EFFECT ON  
23 OTHER TAX FUNDED PROGRAMS];

24 (2) furnish services through a qualified staff meeting reasonable standards of  
25 experience and training;

26 (3) conform to a state cost accounting system showing the true cost of services  
27 rendered, collect fees for services according to a schedule based on an analysis of reasonable  
28 ability to pay, and provide that a person may not be refused services because of inability to pay  
29 for those services;

30 (4) maintain adequate clinical and administrative records and furnish periodic  
31 reports to the department;

1 (5) furnish the authority and the department an annual report of the preceding  
2 fiscal year, including an evaluation of the effectiveness of the previous year's programs and their  
3 costs; and

4 (6) furnish the authority and the department [EACH YEAR A] satisfactory  
5 needs assessments for the population and area it serves and an annual update of a long-range  
6 planning and budget statement that describes program goals for the coming year, the steps and  
7 resources necessary to implement the goals, the projected means by which these resources will  
8 be secured, and the procedures necessary to evaluate the program.

9 \* Sec. 32. AS 47.30.545 is repealed and reenacted to read:

10 Sec. 47.30.545. POPULATIONS TO BE SERVED. The entities designated by the  
11 department to receive money under AS 47.30.540(b) shall provide one or more of the services  
12 that are set out in AS 47.30.056(i) to persons identified in AS 47.30.056.

13 \* Sec. 33. AS 47.30.547 is amended to read

14 Sec. 47.30.547. STANDARDS FOR COMMUNITY MENTAL HEALTH SERVICES.  
15 An entity that provides community mental health services shall

16 (1) make services available at times and locations that enable residents of the  
17 entity's service area to obtain services readily;

18 (2) ensure each client's right to confidentiality and treatment with dignity;

19 (3) establish staffing patterns of qualified and trained personnel that reflect the  
20 cultural, linguistic, and other social characteristics of the community and that incorporate  
21 multidisciplinary professional staff to meet client functional levels and diagnostic and treatment  
22 needs;

23 (4) promote client and family participation in formulating, delivering, and  
24 evaluating treatment and rehabilitation;

25 (5) design screening, diagnosis, treatment, and rehabilitation services to  
26 maximize individual potential and to minimize institutionalization; and

27 (6) provide services in the least restrictive setting, enabling the person  
28 receiving the services to live as normally as possible.

29 \* Sec. 34. AS 47.30.590 is amended to read:

30 Sec. 47.30.590. PATIENT RIGHTS AND THE CONFIDENTIAL NATURE OF  
31 RECORDS AND INFORMATION. The department shall adopt regulations to assure patient

1 rights and to safeguard the confidential nature of records and information about the recipients of  
2 services provided under this chapter [AS 47.30.520 - 47.30.620]. The regulations must require  
3 that [LOCAL COMMUNITY] entities identified in AS 47.30.540(b) develop and include in any  
4 plan submitted for approval adequate provisions for safeguarding confidential information. The  
5 [DEPARTMENT'S] regulations must provide for disclosure of confidential information to  
6 parents or guardians, to mental health professionals providing services to a recipient, and to  
7 other appropriate service agencies when it is in the defined best interests of the patient.

8 \* Sec. 35. AS 47.30.610 is repealed and reenacted to read:

9 Sec. 47.30.610. DEFINITIONS. In AS 47.30.520 - 47.30.610,

10 (1) "authority" means the Alaska Mental Health Trust Authority established in  
11 AS 47.30.011;

12 (2) "department" means the Department of Health and Social Services;

13 (3) "persons with mental disorders" means persons with disorders currently  
14 included within nationally accepted diagnostic systems of the mental health professions;

15 (4) "trust" has the meaning given in AS 47.30.061.

16 \* Sec. 36. AS 47.30.660 is amended to read:

17 Sec. 47.30.660. POWERS AND DUTIES OF DEPARTMENT. (a) The department  
18 shall

19 (1) prepare, and periodically revise and amend, a plan for an integrated  
20 comprehensive mental health program; the preparation of the plan and any revision or  
21 amendment of it shall

22 (A) be made in conjunction with the Alaska Mental Health Trust  
23 Authority;

24 (B) be coordinated with federal, state, regional, local, and private  
25 entities involved in mental health services; and

26 (2) in planning expenditures from the mental health trust income account,  
27 conform to the regulations adopted by the Alaska Mental Health Trust Authority under  
28 AS 47.30.031(b)(6); and

29 (3) implement an integrated comprehensive system of care that meets the  
30 service needs of the beneficiaries of the trust established under the Alaska Mental Health  
31 Enabling Act of 1956, as determined by the plan.

1           **(b) The department, in fulfilling its duties under this section and through its division**  
2 **of mental health and developmental disabilities, [IS THE MENTAL HEALTH AUTHORITY**  
3 **OF THE STATE AND]** shall

4           (1) administer a comprehensive program **of services for persons with mental**  
5 **disorders**, for the prevention of mental illness, and the **for** care and treatment of **persons with**  
6 **mental disorders** [THE MENTALLY ILL], including inpatient and outpatient care and treatment  
7 and the procurement of services of specialists or other persons on a contractual or other basis;

8           (2) take the actions and undertake the obligations that are necessary to participate  
9 in federal grants-in-aid programs and accept federal or other financial aid from whatever sources  
10 for the study, **prevention**, examination, care, and treatment of **persons with mental disorders**  
11 [THE MENTALLY ILL];

12           (3) administer AS 47.30.660 - 47.30.915;

13           (4) designate, operate, and maintain treatment facilities equipped and qualified to  
14 provide inpatient and outpatient care and treatment for **persons with mental disorders** [THE  
15 MENTALLY ILL];

16           (5) provide for the placement of [MENTALLY ILL] patients **with mental**  
17 **disorders** in designated treatment facilities;

18           (6) enter into arrangements with governmental agencies for the care or treatment  
19 of **persons with mental disorders** [THE MENTALLY ILL] in facilities of the governmental  
20 agencies in the state or in another state;

21           (7) enter into contracts with treatment facilities for the custody and care or  
22 treatment of **persons with mental disorders** [THE MENTALLY ILL]; contracts under this  
23 paragraph are governed by AS 36.30 (State Procurement Code);

24           (8) enter into contracts, which incorporate safeguards consistent with  
25 AS 47.30.660 - 47.30.915 and the preservation of the civil rights of the patients [,] with another  
26 state for the custody and care or treatment of patients previously committed from this state under  
27 48 U.S.C. 46 et seq., and **P.L. 84-830** [P.L. 830, 84TH CONGRESS, 2ND SESSION], 70 Stat.  
28 709;

29           (9) prescribe the form of applications, records, reports, requests for release, and  
30 consents to medical or psychological treatment required by AS 47.30.660 - 47.30.915;

31           (10) require reports from the head of a treatment facility concerning the care of

1 patients;

2 (11) visit each treatment facility at least annually to review methods of care or  
3 treatment for patients;

4 (12) investigate complaints made by a patient or an interested party on behalf of  
5 a patient;

6 (13) delegate upon mutual agreement to another officer or agency of it, or a  
7 political subdivision of the state, or a treatment facility designated, any of the duties and powers  
8 imposed upon it by AS 47.30.660 - 47.30.915; [AND]

9 (14) after consultation with the Alaska Mental Health Trust Authority, adopt  
10 regulations to implement the provisions of AS 47.30.660 - 47.30.915; and

11 (15) provide technical assistance and training to providers of mental health  
12 services.

13 \* Sec. 37. AS 47.30.662 is repealed and reenacted to read:

14 Sec. 47.30.662. COMPOSITION. (a) The board consists of not fewer than 18 nor more  
15 than 24 members appointed by the governor, with due regard for the demographics of the state  
16 and balanced geographic representation of the state. The membership and committees of the  
17 board shall fulfill the requirements of P.L. 99-660, as amended.

18 (b) Not less than one-half of the members shall be persons with a mental disorder  
19 identified in AS 47.30.056(b)(1) or members of their families.

20 (c) The board members

21 (1) shall include the director of the division of mental health and developmental  
22 disabilities in the department; and

23 (2) may include representatives of the principal state agencies with respect to  
24 education, vocational rehabilitation, criminal justice, housing, social services, medical assistance,  
25 substance abuse, and aging.

26 (d) Board members appointed under (c) of this section may not vote on matters before  
27 the board.

28 (e) The board members shall include at least two licensed mental health professionals  
29 who represent public and private providers of mental health services and at least one member  
30 who is admitted to practice law in the state. Members appointed under this subsection may also  
31 be family members identified under (b) of this section.

1 \* Sec. 38. AS 47.30.664(h) is amended to read:

2 (b) The board shall have a paid staff provided by the department, including, but not  
3 limited to, an executive director who shall be selected by the board [FROM CANDIDATES  
4 PROVIDED BY THE DEPARTMENT]. The executive director is in the partially exempt service  
5 and may hire additional employees in the classified service of the state. The department shall  
6 provide for the assignment of personnel to the board to ensure the board has the capacity  
7 to fulfill its responsibilities. The executive director [AND THE STAFF] of the board shall be  
8 directly responsible to the board in the performance of the director's [THEIR] duties.

9 \* Sec. 39. AS 47.30.666 is repealed and reenacted to read:

10 Sec. 47.30.666. DUTIES OF THE BOARD. The board is the state planning and  
11 coordinating body for the purpose of federal and state laws relating to mental health services for  
12 persons with mental disorders identified in AS 47.30.056(b)(1) and (4). On behalf of those  
13 persons, the board shall

14 (1) prepare and maintain a comprehensive plan of treatment and rehabilitation  
15 services;

16 (2) propose an annual implementation plan consistent with the comprehensive plan  
17 and with due regard for the findings from evaluation of existing programs;

18 (3) provide a public forum for the discussion of issues related to the mental health  
19 services for which the board has planning and coordinating responsibility;

20 (4) advocate the needs of persons with mental disorders before the governor,  
21 executive agencies, the legislature, and the public;

22 (5) advise the legislature, the governor, the Alaska Mental Health Trust Authority,  
23 and other state agencies in matters affecting persons with mental disorders, including, but not  
24 limited to,

25 (A) development of necessary services for diagnosis, treatment, and  
26 rehabilitation;

27 (B) evaluation of the effectiveness of programs in the state for diagnosis,  
28 treatment, and rehabilitation;

29 (C) legal processes that affect screening, diagnosis, treatment, and  
30 rehabilitation;

31 (6) provide to the Alaska Mental Health Trust Authority for its review and

1 consideration recommendations concerning the integrated comprehensive mental health program  
2 for those persons who are described in AS 47.30.056(b)(1) and (4) and the use of money in the  
3 mental health trust income account in a manner consistent with regulations adopted under  
4 AS 47.30.031; and

5 (7) submit periodic reports regarding its planning, evaluation, advocacy, and other  
6 activities.

7 \* Sec. 40. AS 47.30 is amended by adding a new section to read:

8 Sec. 47.30.667. COMPENSATION, PER DIEM, AND EXPENSES. The board members  
9 appointed under AS 47.30.662(b) and (e) are not entitled to a salary, but are entitled to per diem.  
10 reimbursement for travel, and other expenses authorized by law for boards and commissions  
11 under AS 39.20.180.

12 \* Sec. 41. AS 47.30.910(d) is amended to read:

13 (d) All money paid by the patient or on the patient's behalf to the department under this  
14 section shall be deposited in the mental health trust income account established in  
15 AS 37.14.036 [GENERAL FUND].

16 \* Sec. 42. AS 47.30.910(g) is amended to read:

17 (g) The commissioner of administration shall separately account for medical care and  
18 treatment fees collected under this section. [THAT THE DEPARTMENT DEPOSITS IN THE  
19 GENERAL FUND. THE ANNUAL ESTIMATED BALANCE IN THE ACCOUNT MAY BE  
20 USED BY THE LEGISLATURE TO MAKE APPROPRIATIONS TO THE DEPARTMENT  
21 TO CARRY OUT THE PURPOSES OF THIS SECTION].

22 \* Sec. 43. AS 47.30.915 is amended by adding a new paragraph to read:

23 (18) "persons with mental disorders" has the meaning given in AS 47.30.610.

24 \* Sec. 44. AS 47.37.040(10) is repealed and reenacted to read:

25 (10) conduct program planning activities approved by the Advisory Board on  
26 Alcoholism and Drug Abuse.

27 \* Sec. 45. AS 47.37 is amended by adding a new section to read:

28 Sec. 47.37.125. PAYMENT FOR SERVICES. Subject to appropriation by the  
29 legislature, money in the mental health trust income account established in AS 37.14.036 may  
30 be used to support a service provided under the authority given in this chapter.

31 \* Sec. 46. AS 47.80.070(b) is amended to read:

1           (b) The council shall have a paid staff provided by the department, including an  
2 executive director selected by the council. The executive director is in the partially exempt  
3 service and may hire additional employees in the classified service of the state. The  
4 department shall provide for the assignment of personnel to the council to ensure that the council  
5 has the capacity to fulfill its responsibilities. The personnel shall be directly responsible to the  
6 council for performance of their duties.

7 \* Sec. 47. AS 47.80.090 is amended by adding a new paragraph to read:

8           (13) provide to the Alaska Mental Health Trust Authority for its review and  
9 consideration recommendations concerning the integrated comprehensive mental health program  
10 for the people of the state who are described in AS 47.30.056(b)(2) and the use of the money in  
11 the mental health trust income account in a manner consistent with regulations adopted under  
12 AS 47.30.031.

13 \* Sec. 48. AS 47.80.110 is amended to read:

14           Sec. 47.80.110. PROGRAM PRINCIPLES. The system of services and facilities required  
15 under AS 47.80.100 shall accord with the principles [PRINCIPLE] that service providers shall

16           (1) make services available at times and locations that enable residents of the  
17 provider's service area to obtain services readily;

18           (2) ensure each client's right to confidentiality and treatment with dignity;

19           (3) establish staffing patterns that reflect the cultural, linguistic, and other  
20 social characteristics of the community and that incorporate multidisciplinary professional  
21 staff to meet client functional levels and diagnostic and treatment needs;

22           (4) promote client and family participation in formulating, delivering, and  
23 evaluating treatment and rehabilitation;

24           (5) design treatment [, SERVICES,] and habilitation [SHALL BE DESIGNED]  
25 to maximize individual potential and [,] minimize institutionalization; [,] and

26           (6) provide services [SHALL BE PROVIDED] in the least restrictive setting,  
27 enabling a person to live as normally as possible within the limitations of the handicap.

28 \* Sec. 49. AS 37.14.011, 37.14.021, AS 38.05.800, AS 47.30.546, secs. 1, 2, 4, and 5, ch. 132,  
29 SLA 1986; and secs. 7 - 10, ch. 48, SLA 1987 are repealed.

30 \* Sec. 50. TRANSITIONAL PROVISIONS: DEVELOPMENT OF TRUST INCOME ACCOUNT  
31 DISTRIBUTION MECHANISM. Not later than January 1, 1993, the Board of Trustees of the Alaska

1 Mental Health Trust Authority, after consulting with organizations and persons affected by this Act, shall  
2 (1) consistent with AS 47.30.056(h), added by sec. 26 of this Act, adopt regulations  
3 regarding persons who are to receive services funded by money in the mental health trust income  
4 account under AS 37.14.036, as added by sec. 11 of this Act;

5 (2) publish its finding and estimates regarding the number of persons in need under the  
6 regulations adopted under (1) of this section;

7 (3) consistent with AS 47.30.056(j), added by sec. 26 of this Act, adopt regulations  
8 regarding the services and facilities upon which expenditures are to be made from money in the mental  
9 health trust income account under AS 37.14.036, as added by sec. 11 of this Act;

10 (4) publish its findings and projections regarding the necessary expenditure of money  
11 from the mental health trust income account for the services and facilities identified under (3) of this  
12 section; the projections may be based on a formula that considers distribution, demographics, and level  
13 of functioning of the persons to be served and the cost of service delivery on a regional basis.

14 \* Sec. 51. INITIAL APPOINTMENT OF MEMBERS TO THE BOARD OF TRUSTEES.  
15 Notwithstanding AS 47.30.016 and 47.30.021, added by sec. 26 of this Act,

16 (1) the initial appointments of the members of the Board of Trustees of the Alaska  
17 Mental Health Trust Authority added by sec. 26 of this Act, shall be made by the governor after  
18 considering a list of candidates submitted to the governor by the Alaska Mental Health Board;

19 (2) the initial appointees shall be appointed to initial terms as follows: one shall be  
20 appointed for a term of one year, one shall be appointed for a term of two years, one shall be appointed  
21 for a term of three years, two shall be appointed for terms of four years, and two shall be appointed for  
22 terms of five years.

23 \* Sec. 52. TRANSITIONAL PROVISIONS: MEMBERS OF ADVISORY BOARD ON  
24 ALCOHOLISM AND DRUG ABUSE. Notwithstanding AS 44.29.110 and 44.29.115, as amended by  
25 secs. 19 and 20 of this Act, the members of the Advisory Board on Alcoholism and Drug Abuse who  
26 are serving on the effective date of this Act continue to serve their unexpired terms. Vacancies on the  
27 advisory board occurring after the effective date of this Act shall be filled by the governor under the  
28 provisions of AS 44.29.115, as amended by sec. 20 of this Act.

29 \* Sec. 53. TRANSITIONAL PROVISIONS: MEMBERS OF THE ALASKA MENTAL HEALTH  
30 BOARD. Notwithstanding AS 47.30.662, as amended by sec. 37 of this Act, the members of the Alaska  
31 Mental Health Board who are serving on the effective date of this Act continue to serve their unexpired

1 terms. Vacancies on the board occurring after the effective date of this Act, and new positions created  
2 by this Act, shall be filled by the governor under the provisions of AS 47.30.662, as amended by sec. 37  
3 of this Act. When making appointments to new positions on the board, the governor shall ensure that  
4 the initial terms of new members maintain the staggered term requirement of AS 47.30.663.

5 \* **Sec. 54. TRUST CORPUS RECONSTITUTED.** For the purpose of reconstituting the mental health  
6 trust established under the Alaska Mental Health Enabling Act, P.L. 84-830, 70 Stat. 709 (1956), and  
7 after public notice as provided under AS 38.05.945(b) and (c), the commissioner of natural resources  
8 shall convey to the mental health trust authority established under AS 47.30.011, the following land in  
9 trust:

10 (1) land granted to the state under the Alaska Mental Health Enabling Act and not  
11 conveyed or encumbered by the state on or before the effective date of this Act;

12 (2) land granted to the state under the Alaska Mental Health Enabling Act that is, on the  
13 effective date of this Act, subject only to oil and gas leases, coal leases, or timber contracts;

14 (3) land granted to the state under the Alaska Mental Health Enabling Act that has been  
15 selected, on or before the effective date of this Act, by a municipality under AS 29.65 or under former  
16 AS 29.18.190 - 29.18.200 and which on the effective date of this Act has been neither approved nor  
17 disapproved by the director of the division of lands, Department of Natural Resources;

18 (4) land granted to the state under the Alaska Mental Health Enabling Act, that is, on the  
19 effective date of this Act, subject to a land use permit or a right-of-way issued by the Department of  
20 Natural Resources under AS 38.05;

21 (5) land granted to the state under the Alaska Mental Health Enabling Act and included,  
22 on the effective date of this Act, in the Haines State Forest Resource Management Area (AS 41.15.300)  
23 and the Tanana Valley State Forest (AS 41.17.400);

24 (6) other land granted to the state under the Alaska Mental Health Enabling Act that is  
25 acceptable to the plaintiffs in Weiss v. State, 4FA-82-2208 Civil, and that has not, at the time of  
26 acceptance by the plaintiffs, been designated by law as a state park, state forest, state game refuge, state  
27 wildlife refuge, state game sanctuary, state recreational area, state recreational river, state wilderness  
28 park, state marine park, state special management area, state public use area, critical habitat area, bald  
29 eagle preserve, bison range, or moose range; and

30 (7) additional land to be conveyed to the authority under sec. 55 of this Act.

31 \* **Sec. 55. COMPENSATION TO TRUST FOR ORIGINAL MENTAL HEALTH LAND NOT**

1 RETURNED TO TRUST CORPUS. (a) The commissioner of natural resources shall convey to the  
2 Alaska Mental Health Trust Authority established under AS 47.30.011, added by sec. 26 of this Act,  
3 state land in trust in exchange for the original mental health land and interests therein not returned to  
4 the corpus under sec. 54(1) - (6) of this Act.

5 (b) The commissioner may not convey under this section land in legislatively-designated areas  
6 unless specifically authorized by law. In this subsection, "legislatively-designated areas" means land  
7 designated by law as a state park, state forest, state game refuge, state wildlife refuge, state game  
8 sanctuary, state recreational area, state recreational river, state wilderness park, state marine park, state  
9 special management area, state public use area, critical habitat area, bald eagle preserve, bison range,  
10 or moose range.

11 (c) Exchanges under this section shall be based on equal fair market value.

12 (d) Exchanges under this section shall involve, as nearly as practicable, land of comparable  
13 character. In determining whether land proposed for exchange is of comparable character, the factors  
14 to be considered are:

- 15 (1) terrain;
- 16 (2) use;
- 17 (3) location;
- 18 (4) development potential;
- 19 (5) income potential;
- 20 (6) accessibility; and
- 21 (7) other physical characteristics.

22 (e) Additional factors that shall be considered in determining whether land proposed for  
23 exchange under this section should be conveyed by the commissioner of natural resources in trust to the  
24 authority are:

- 25 (1) ensuring an appropriate diversity in the character of land in the trust corpus and in  
26 state ownership;
- 27 (2) additional development and income generating potential as a result of trust ownership;
- 28 (3) the public interest in retaining specific land in state ownership;
- 29 (4) public benefits resulting from the exchange;
- 30 (5) benefits to the trust resulting from the exchange; and
- 31 (6) efficiency of land management resulting from the exchange.

1 (f) Exchanges under this section shall be negotiated by the plaintiffs in Weiss v. State of Alaska,  
2 4FA-82-2208 Civil, and the commissioner of natural resources.

3 (g) The provisions of AS 38.50 do not apply to exchanges under this section.

4 (h) If agreement cannot be reached between the plaintiffs in Weiss v. State of Alaska, 4FA-82-  
5 2208 Civil, and the commissioner of natural resources under (f) of this section as to appropriate lands  
6 to be conveyed to the trust as compensation or as to the value of the original lands taken or of  
7 replacement lands, the Alaska Supreme Court shall resolve the disagreements using the criteria set out  
8 in this section. The Alaska Supreme Court may order the commissioner of natural resources to convey  
9 appropriate state land to the trust without further legislative authorization.

10 \* Sec. 56. SECURITY FOR COMPENSATION TO TRUST. (a) To secure the reconstitution of  
11 the trust as provided in secs. 54 and 55 of this Act, the land listed in "Lands Hypothecated to the Mental  
12 Health Trust, May 1991" located in the office of the director of the division of lands, Department of  
13 Natural Resources, in Anchorage, Alaska, is hypothecated to the mental health trust.

14 (b) Title to the land specified in (a) of this section remains with the state, and so long as no  
15 default exists under secs. 54 and 55 of this Act, and AS 37.14.036(c), added by sec. 11 of this Act, any  
16 income from that land shall be deposited in the general fund and considered unrestricted general funds  
17 of the state.

18 (c) As the reconstitution of the trust provided under secs. 54 and 55 of this Act is accomplished,  
19 and upon request, the hypothecated land shall be released on a pro rata basis, provided, however, the  
20 remaining hypothecated land shall at all times be sufficient to provide security for the remaining  
21 exchanges to be accomplished under sec. 55 of this Act.

22 (d) Upon default, or if the trust is not reconstituted by December 1, 1994, the foreclosure of the  
23 hypothecated lands, including the parcels to be foreclosed and manner of foreclosure, shall be determined  
24 by the court under sec. 57 of this Act.

25 \* Sec 57. JURISDICTION ASSIGNED TO THE ALASKA SUPREME COURT. (a)  
26 Notwithstanding any other provision of law, the Alaska Supreme Court has original and exclusive  
27 jurisdiction to hear and determine any dispute arising under secs. 54 - 56 of this Act.

28 (b) If for any reason the Alaska Supreme Court determines that the jurisdiction conferred under  
29 this Act is invalid, the superior court shall have jurisdiction over proceedings described in (a) of this  
30 section.

31 (c) The Alaska Supreme Court or the Superior Court may refer the proceedings under this

1 section to a special master.

2 \* Sec. 58. This Act takes effect upon entry of a final order dismissing Weiss v. State of Alaska, 4FA-  
3 82-2208 Civil, and the expiration of any time for appeal. The superior court shall advise the lieutenant  
4 governor and the revisor of statutes when the final settlement and order of Weiss v. State of Alaska has  
5 been approved.