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Alaska State Legislature

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Senate Committee on Resources

M E M O R A N D U M

April 14, 1986

TO: All Members
Senate Resources Committee

FROM: Staff, ⁷Senate Resources Committee

RE: SB 472 "An Act relating to the interim management
of the mental health trust; and providing
for an effective date"

SB 472 would establish an interim mental health trust commission in the Department of Natural Resources. The Commission is composed of five members including the commissioners of Natural Resources and Health and Social Services, and three public members appointed by the governor.

The Commission may employ an executive director and staff and may contract with other parties for certain work items.

The Commissioner of Natural Resources has several specific responsibilities related to the Commission:

1. Inventory and catalog all mental health lands
2. Retain an appraiser to appraise all lands that once were mental health lands
3. Manage mental health lands
4. Deposit all proceeds in special trust account in general fund

The Commissioner of Health and Social Services has the following responsibilities:

1. Audit state's mental health program
2. Establish procedures for audit
3. Comply with state's comprehensive mental health plan in establishing procedures

The Commission shall submit a report with recommendations to the first session of the Fifteenth State Legislature.

The Commission terminates July 1, 1987.

There is a \$464,100 fiscal note from DNR and a \$81,000 fiscal note from HESS.

There is a similar bill (HB 128) in the House.

Enclosures:

DNR fiscal note with explanation
HESS fiscal note
HESS position paper

STATE OF ALASKA 1986 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date : _____

REQUEST

Bill/Resolution No. : SB 472
Title : Management of Mental Health Trust

Sponsor : Senate HESS
Requestor : Senate Finance
Date of Request : 4/10/86

FISCAL DETAIL

Agency Affected : Natural Resources
BRU : Land and Water Management

Components : _____

EXPENDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES		271.6				
TRAVEL		33.0				
CONTRACTUAL		146.9				
SUPPLIES		9.6				
EQUIPMENT		3.0				
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		464.1				

CAPITAL						
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REVENUE						
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FUNDING : (Thousands of Dollars)

GENERAL FUND		464.1				
FEDERAL FUNDS						
OTHER						
TOTAL		464.1				

POSITIONS :

FULL-TIME		7				
PART-TIME						
TEMPORARY						

ANALYSIS : Attach a separate page if necessary

see attached

Prepared by : Mike Vediner
Division : Commissioner's Office

Phone : 465-2400
Date : 4/10/86

Approved by Commissioner : Mark D Arnold, Deputy
Agency : Department of Natural Resources

Date : 4/10/86

Distribution (by Agency preparing fiscal note) :

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

Department of Natural Resources
4-10-86
Senate Bill 472
Fiscal Note Addendum

Analysis

Several detailed reports, audits, and appraisals would be required under this bill, and indeed are required under the Supreme Court decision in Weiss v. Alaska, as interpreted by the Attorney General's Office. No funding is included for contracting with the plaintiffs and intervenors in the case.

1. Account for all funds or land received from conveyances and exchanges made between July 19, 1978 and October 4, 1985. Estimated costs: \$40,800.

We estimate that 4,650 cases (2,370 land conveyances, 1,370 mining claims, 390 rights-of-way, 275 land leases, 25 timber or material sales, 110 oil and gas or coal leases, and 110 miscellaneous cases) will have to be audited to determine the amount received and/or appraised. Land discounts will have to be accounted for during this process. This process will take a Natural Resource Officer I approximately one year (37.8 personal services; 1.0 travel; 1.5 contractual; 0.5 commodities).

2. Identify and appraise all less than fair market value conveyances and encumbrances. Estimated costs: \$117,800.

These appraisals will be performed contractually. However, the department must prepare reports and maps containing information about each parcel before the contract can be let. We also note that these appraisals cover only those mental health parcels that are no longer in trust status. The approximately 700,000 acres in trust status are not to be appraised. If section 3(b) of the bill intends that all mental health land be appraised, then the cost, by the Opinion of Value panel method, will require an additional \$22,000.

The reports and maps must take approximately 1,100 parcels into consideration. We expect this project to take a single Natural Resource Officer I three months to complete. Additionally, the project will need funding for supplies and contractual clerical services (9.5 personal services; .5 contractual; .2 commodities).

The appraisals are expected to cost \$107,600. We project that approximately 820 parcels totalling 268,000 acres will need appraisals at an estimated cost of \$28,000. These appraisals will be determined by an Opinion of Value panel

method. This method employs three senior designated appraisers, each representing one geographic region (northern, southcentral, and southeastern). The panel of appraisers prepares value statements for each parcel of mental health land based on their regional expertise. The Opinion of Value method has been criticized by the plaintiffs and intervenors.

In addition, approximately 276 leases must be reappraised at five-year intervals. Currently these leases may not be reappraised for twenty-five years which will create a discrepancy with fair market value rental. The approximate cost of these lease reappraisals is \$79,600.

3. Provide management oversight of all transactions and account for funds received from mental health lands.
Estimated costs: \$142,700.

Statewide trust management oversight can be provided by a Natural Resource Manager II with support from a Natural Resource Officer I. That manager would be expected to review a large number of transactions, with research assistance from a subordinate, to ensure that the trust is not breached. It is expected that the manager will also provide the necessary coordination between the department and the plaintiffs, and will be required to travel.

Accounting functions can be broken into two parts: ongoing accounting services, and an independent audit. An accounting Technician I will be needed to receive and separately process that portion of the approximately \$1.5 billion taken in by DNR annually that should be assigned to the mental health accounts.

Line items in this total are: 124.0 personal services; 6.0 travel; 11.3 contractual; and, 1.4 commodities.

4. Provide administrative support to the commission.
Estimated costs: \$53,600.

The department would need to provide administrative support to the commission which includes arranging meetings, preparing briefing packets, documenting meeting results, and clerical support. The Natural Resource Officer I listed in item 3 above could assist with the details of action review and a Clerk Typist III would be needed to assist with typing and organization of meetings. Contractual monies would cover duplication costs, phone charges, postage, etc. Travel and per diem funding is for meetings of the commission. Commodities money is to cover routine supplies and maps (27.1 personal services; 18.0 travel; 6.0 contractual; 2.5 commodities).

5. Executive Director and secretary for Commission.
Estimated costs: \$109,200.

The executive director receives a monthly salary at the Natural Resource Manager level (range 18). Office support is provided by a Clerk Typist II (range 7). Both persons serve in the exempt service. Travel funding enables the director to meet regularly with the diverse mental health constituent groups. Contractual funding provides office space and overhead. Equipment funding is for a one time purchase of office equipment. Line item totals are: 73.2 personal services; 8.0 travel; 20.0 contractual; 5.0 commodities; and, 3.0 equipment.

STATE OF ALASKA 1986 LEGISLATIVE SESSION FISCAL NOTE

Revision Date : _____

REQUEST

Bill/Resolution No. : CSSSHB 128
 Title : An Act relating to the interim management of mental health trust land; and providing for an effective date.
 Sponsor : Pignalberi, Gruenberg, Boucher
 Requestor : Pignalberi
 Date of Request : March 24, 1986

FISCAL DETAIL

Agency Affected : Health & Social Services
 BRU : DHSS Administrative Services
 Components : Audit

EXPENDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL		81.0	0			
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		81.0	0	0	0	0

CAPITAL						
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REVENUE						
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FUNDING : (Thousands of Dollars)

GENERAL FUND		81.0				
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS :

FULL-TIME		0				
PART-TIME		0				
TEMPORARY						

ANALYSIS : Attach a separate page if necessary

Prepared by : Karen Perdue, Assistant Commissioner
 Division : Commissioner's Office

Phone : 465-3030
 Date : 3/26/86

Approved by Commissioner : [Signature]
 Agency : Health and Social Services

Date : 4/1/86

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

Fiscal Note, Page 2

The definition of mental health is not clear, and was not defined by the courts. The parties may agree to a definition or the court may be asked to define it for these purposes.

The department's cost estimate for an independent audit includes the accounting for a broad range of possible mental health expenditures. Auditing all possible expenditures and then applying those relevant to the final definition would be cheaper than presupposing the definition of mental health and then reperforming the audit should the definition be expanded beyond the original scope.

Department audit staff could perform this audit at a negligible cost if it is determined that a private firm is not needed. DHSS audit staff includes 3 CPAs who regularly perform hundreds of audits per year.

Should it be determined that the department perform this function in-house, the proposed language would have to be amended to delete the word "independent" in section 4(1).

DRAFT POSITION PAPER
SENATE HESS COMMITTEE

For an Act entitled: "An Act relating to the interim management of mental health trust land; and providing for an effective date."

Section 4 of the draft bill requires the department to establish guidelines for and obtain an independent audit of mental health expenditures. It also requires the department to prepare guidelines and procedures to determine by some mechanism the level of funding necessary to comply with the state's mental health plan. It requires the department to seek the approval of the commission prior to embarking on these tasks.


Position

The department wishes to comment on Section 4 of this bill. The department believes an audit of mental health expenditures needs to be performed.

It would be prudent for all parties to agree on the guidelines for such an audit prior to commitment of funds for that purpose. The commission provides a valuable forum for this agreement to be reached. The department would work with the commission to achieve consensus on such a set of guidelines. Once the scope is determined, the department's Audit Unit could perform the audit within existing resources. Should it be determined that the audit could adequately be performed in-house, the proposed language would have to be amended to delete the word "independent" in section 4(1).

With regard to the third section, the department feels it important that an interim commission examine the needs for mental health services and be involved in a needs assessment which would result in costing out what is "necessary" for the state to implement a comprehensive mental health program. A broad based effort to come to an agreement on the level and range of services needed to meet Alaska's mental health program would provide a valuable yard stick by which to measure how existing services fail to meet the true need and what level of commitment is needed in the future.

Recommended by:

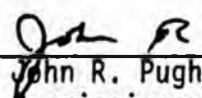


Karen Perdue
Assistant Commissioner
for Administration

Date:

4/3/86

Approved by:



John R. Pugh
Commissioner

Date:

4/3/86

STATE OF ALASKA 1986 LEGISLATIVE SESSION FISCAL NOTE

Revision Date : 5/7/86

REQUEST

Bill/Resolution No. : SB 472
 Title : Management of Mental Health Trust

Sponsor : Senate HESS
 Requestor : House Finance
 Date of Request : 5/7/86

FISCAL DETAIL

Agency Affected : Natural Resources
 BRU : Land and Water Management

Components : _____

EXPENDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS		300.0				
TOTAL OPERATING		300.0				

CAPITAL						
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REVENUE						
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FUNDING : (Thousands of Dollars)

GENERAL FUND		300.0				
FEDERAL FUNDS						
OTHER						
TOTAL		300.0				

POSITIONS :

FULL-TIME		3				
PART-TIME						
TEMPORARY						

ANALYSIS : Attach a separate page if necessary

see attached

Prepared by : Mike Vediner
 Division : Commissioner's Office

Phone : 465-2400
 Date : 5/7/86

Approved by Commissioner : Mr. D. Arnold, Deputy
 Agency : Department of Natural Resources

Date : 5/7/86

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

Department of Natural Resources
5-7-86
Senate Bill 472
House Finance - Fiscal Note Addendum

Analysis

Several detailed reports, audits, and appraisals would be required under this bill, and indeed are required under the Supreme Court decision in Weiss v. Alaska, as interpreted by the Attorney General's Office.

Task 4 specifies that \$72,000 will be made available to the commission which will prepare a budget for necessary expenditure of those funds. Tasks 1, 2, and 3 will be completed by the department with the remaining \$228,000. Rather than allocate the funds to each component it is preferred that the department have the flexibility to utilize the funds as determined necessary by the commissioner.

1. Account for all funds or land received from conveyances and exchanges made between July 19, 1978 and October 4, 1985.

We estimate that 4,650 cases (2,370 land conveyances, 1,370 mining claims, 390 rights-of-way, 275 land leases, 25 timber or material sales, 110 oil and gas or coal leases, and 110 miscellaneous cases) will have to be audited to determine the amount received and/or appraised. Land discounts will have to be accounted for during this process. This process will take a Natural Resource Officer I approximately one year.

2. Identify and appraise all less than fair market value conveyances and encumbrances.

These appraisals will be performed contractually. However, the department must prepare reports and maps containing information about each parcel before the contract can be let. We also note that these appraisals cover only those mental health parcels that are no longer in trust status. The approximately 700,000 acres in trust status are not to be appraised.

The reports and maps must take approximately 1,100 parcels into consideration. This project will be completed by the Natural Resource Officer I in item #1 above.

We project that approximately 820 parcels totalling 268,000 acres will need appraisals. These appraisals will be determined by an Opinion of Value panel method. This method employs three senior designated appraisers, each

representing one geographic region (northern, southcentral, and southeastern). The panel of appraisers prepares value statements for each parcel of mental health land based on their regional expertise. The Opinion of Value method has been criticized by the plaintiffs and intervenors.

In addition, approximately 276 leases must be reappraised at five-year intervals. Currently these leases may not be reappraised for twenty-five years which will create a discrepancy with fair market value rental.

3. Provide management oversight of all transactions and account for funds received from mental health lands.

The Supreme Court decision in Weiss v. Alaska requires the department to manage mental health land as a trust consistent with the Alaska Mental Health Enabling Act. In order to comply in a defensible and consistent manner the department will employ a Natural Resource Manager and Accounting Technician.

The new Natural Resource Manager (NRM) position will oversee all actions taken by the department on mental health land. Over the last eight years we have averaged approximately 60 cases per month where some (former) mental health land was involved. These include mining locations, park permits, oil and gas lease sales, rights-of-way, ILMAs, municipal selections, leases, land sales, and nearly anything else in which the department is involved.

One of the major duties of the NRM will be review of these cases to ensure compliance with the court decision and prepare briefing packets for review by the commission. In addition the NRM will: prepare mental health land management notices to the department; prepare audit reports; oversee implementation of Department Order 121 relating to interim mental health land management; research trust land management problems; coordinate review and responses by various agencies; continue to update audit reports; implement procedure to recognize various trust lands on the LAS computer system; establish, maintain, and continue to improve departmental mental health land records system; prepare fact sheets and informational notices regarding mental health lands; and, oversee and assist in the activities of the NRO (item 1 above) and coordinate with the accountant position to ensure an accurate and expeditious procedure for distribution of monies.

It is expected that the manager will also provide the necessary coordination between the department and the plaintiffs, and will be required to travel.

The accounting position is required to distribute the appropriate percentage of income to the proper accounts for each post-October 4, 1986 transaction involving mental health land. In addition to percentage distributions among land types this position must also identify the percentage distribution between interest, principle, and penalty payments for entry into AKSAS. Many of these transactions are manually posted. A large portion of the work this position must accomplish will be the large number of monthly transactions from pre-1978 and continuing leases which must be corrected to reflect the proper distribution of income monies between the general and trust accounts. This is a continuing prospective function for each of the several thousand transactions which include mental health land.

4. Commission funding for the performance of its duties.
Total allocation: \$72,000.

The commissioner shall allocate \$72,000 to the commission for the performance of its duties which may include, but are not limited to, hiring an executive director and staff, contracting with parties or individuals for the performance of functions it considers necessary, and travel expenses incurred in convening the commission or by the executive director. A budget for these funds will be prepared by the commission as provided in section 1 of the bill.

Office space and equipment will be provided by the department.

Offered: 4/15/85
Referred: Finance

FH

Original sponsor: Health, Education and
Social Services Committee

1 IN THE SENATE BY THE RESOURCES COMMITTEE

2 CS FOR SENATE BILL NO. 472 (Resources)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the interim management of the
7 mental health trust; and providing for an effective
8 date."

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10 * Section 1. The legislature finds that

11 (1) the Congress granted 1,000,000 acres of land to the Terri-
12 tory of Alaska to be administered as a public trust for the necessary
13 expenses of the support of mental health in the territory;

14 (2) the land authorized to be granted to the Territory of Alaska
15 has been selected by the territory and since statehood by the state and
16 most of the 1,000,000 acres has been conveyed to the state;

17 (3) the Alaska Supreme Court ruled in State v. Weiss, 706 P.2d
18 681 (Alaska 1985) that the legislation redesignating mental health trust
19 land as general grant land had actually breached the trust established by
20 Congress and the court ordered the trust reconstituted;

21 (4) there is presently no statutory authority providing for the
22 management of the mental health trust land as trust land;

23 (5) the Alaska Mental Health Association as the original sponsor
24 of the litigation regarding the management of the mental health trust land,
25 more recently participating as intervenor in the litigation, and the plain-
26 tiffs have performed and continue to perform an important public function
27 in their efforts to reconstitute the mental health trust land and to pro-
28 vide for the proper management of the trust land; and

29 (6) there is a need for the interim management of the trust land

1 as a public trust.

2 * Sec. 2. INTERIM MENTAL HEALTH TRUST COMMISSION ESTABLISHED. (a) The
3 interim mental health trust commission is established in the Department of
4 Natural Resources.

5 (b) The commission established under (a) of this section consists of
6 five members, including the commissioner of natural resources and the
7 commissioner of health and social services, or their designees, and three
8 members appointed by the governor as follows:

9 (1) a member representing the plaintiffs, appointed by the
10 governor from a list of three names submitted to the governor by the plain-
11 tiffs in State v. Weiss, 706 P.2d 681 (Alaska 1985);

12 (2) a member representing the intervenors, appointed by the
13 governor from a list of three names submitted to the governor by the inter-
14 venors in State v. Weiss, 706 P.2d 681 (Alaska 1985); and

15 (3) a member representing the Governor's Mental Health Advisory
16 Council, appointed by the governor from a list of three names submitted to
17 the governor by the Governor's Mental Health Advisory Council.

18 (c) The members of the commission shall elect a presiding officer. A
19 majority of the commission constitutes a quorum. The affirmative vote of
20 three members is required to take official action. A vacancy does not
21 impair the power of the remaining members to exercise the powers of the
22 commission.

23 (d) Members of the commission serve without compensation but are
24 entitled to per diem and travel expenses authorized by law for other boards
25 under AS 39.20.180.

26 (e) The commission shall meet at least quarterly and may meet more
27 frequently, either in person or by teleconference.

28 (f) The commission may employ an executive director and staff to
29 assist it in fulfilling its responsibilities under this Act. The employees

1 shall be in the exempt service.

2 (g) The commission may contract with parties or individuals for the
3 performance of functions assigned to it.

4 * Sec. 3. RESPONSIBILITIES OF THE COMMISSIONER OF NATURAL RESOURCES AND
5 THE COMMISSION. (a) The commissioner of natural resources shall inventory
6 and catalog the mental health trust land of the state, shall audit and
7 appraise each land transaction involving land that has been part of the
8 mental health trust land of the state, and determine the status of mental
9 health trust land on the effective date of this Act under procedures and
10 guidelines established by the commissioner of natural resources with the
11 approval of the commission. In the exercise of the commission's respon-
12 sibilities under this section, the commission may review the records of the
13 Department of Natural Resources.

14 (b) The commissioner of natural resources shall, with the approval of
15 the commission, retain an appraiser or appraisers to appraise all or
16 portion of land that, at any time, was part of the mental health trust land
17 of the state. The commissioner shall provide an appraiser conducting an
18 appraisal with written procedures and instructions that have been approved
19 by the commission.

20 (c) The commissioner of natural resources is responsible for the
21 management of the mental health land of the state as a public trust under
22 P.L. 84-830, 70 Stat. 709. Except for a transfer authorized under AS 38.-
23 05.035(b)(9), the commissioner of natural resources may not sell, lease, or
24 exchange mental health trust land of the state or an interest in the mental
25 health trust land of the state without the prior approval of the commis-
26 sion. In reviewing a proposal for the sale, lease, or exchange of mental
27 health trust land from the commissioner of natural resources, the commis-
28 sion may approve the proposal of the commissioner on its determination that
29 the proposal is consistent with the terms of the trust established by the

NATIVE ALLOTMENT LAND

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agrees*

1 Alaska Mental Health Enabling Act.

2 (d) The proceeds from the management of the mental health trust land
3 of the state shall be deposited in a special trust account in the general
4 fund of the state and are subject to appropriation by the legislature.

5 * Sec. 4. RESPONSIBILITIES OF THE COMMISSIONER OF HEALTH AND SOCIAL
6 SERVICES AND THE COMMISSION. (a) The commissioner of health and social
7 services, with the approval of the commission, shall

8 (1) select an independent auditor to audit the state's mental
9 health program;

10 (2) establish the procedures and guidelines to guide the auditor
11 selected under this subsection;

12 (3) propose the guidelines and procedures to be used in de-
13 termining a range of expenditures for mental health programs necessary to
14 comply with the state's comprehensive mental health plan.

15 (b) The commission may review the records of the Department of Health
16 and Social Services that involve mental health expenditures under the
17 state's comprehensive mental health plan.

18 * Sec. 5. ADDITIONAL RESPONSIBILITIES OF THE COMMISSION. The commis-
19 sion shall submit a report to the legislature by the 10th day of the first
20 session of the fifteenth state legislature on matters of concern to the
21 commission. The report shall include its recommendations for amendment of
22 the laws relating to the management of the mental health trust, the mental
23 health trust land, and the mental health program of the state.

24 * Sec. 6. DEFINITION. In this Act "commission" means the interim
25 mental health trust commission established in sec. 2 of this Act.

26 * Sec. 7. This Act is repealed July 1, 1987.

27 * Sec. 8. This Act takes effect immediately in accordance with AS 01.-
28 10.070(c).

Letter of Intent for CS SB 472 (RES)

It is the intent of the legislature that the Interim Mental Health Trust Commission established by CSSB 472 shall include at least one member besides the Commissioner of Natural Resources who has experience and knowledge in Alaskan-based property and resource values.

SENATE BILL NO. 472 was referred to the Rules Committee.

Alaska State Legislature

BETTYE FAHRENKAMP, Chairman
ARLISS STURGULEWSKI, Vice Chairman
JOE JOSEPHSON
PAUL FISCHER
EDNA ARMSTRONG-DE VRIES



P. O. BOX V
STATE CAPITOL
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Senate Committee on Health, Education and Social Services

*Clarification of
relationship between
this committee &
Legislative Com.*

3/31/86 draft

An Act relating to the interim management of the mental health trust.

Section 1 - Findings

Congress granted 1,000,000 acres of land to Alaska to be administered as a trust, the Alaska Supreme Court ruled the trust had been breached, and there is a need for interim management of the trust land.

Section 2 - Establishes Commission in DNR

- membership - DNR Commissioner, DH&SS Commissioner, representative of plaintiffs, representative of intervenors, representative of Governor's Mental Health Advisory Council
- receive travel and per diem
- quarterly meetings; others allowed
- may employ staff

Section 3 - DNR Responsibilities

- inventory and catalog Mental Health Land
- audit land transactions
- hire an appraiser to appraise land
- manage Mental Health land with oversight from the commission
- deposit land proceeds in a special trust account

Section 4 - DH&SS Responsibilities

- hire an auditor to audit the Mental Health program, with oversight from the commission
- develop guidelines to determine necessary Mental Health expenditures, with oversight from the commission

Section 5 - Report to Legislature

Commission must submit recommendations by the 10th day of the next legislative session on management of the Mental Health trust and on the state's Mental Health program.

Section 6 - Defines "commission."

Section 7 - Commission terminates 7-1-87.

Section 8 - Immediate effective date.

14-2030
Bradley
3/31/86

DRAFT

1 IN THE SENATE

BY THE HEALTH, EDUCATION AND
SOCIAL SERVICES COMMITTEE

2 SENATE BILL NO.

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the interim management of the
7 mental health trust; and providing for an effective
8 date."

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10 * Section 1. The legislature finds that

11 (1) the Congress granted 1,000,000 acres of land to the Terri-
12 tory of Alaska to be administered as a public trust for the necessary
13 expenses of the support of mental health in the territory;

14 (2) the land authorized to be granted to the Territory of Alaska
15 has been selected by the territory and since statehood by the state and
16 most of the 1,000,000 acres has been conveyed to the state;

17 (3) the Alaska Supreme Court ruled in State v. Weiss, 706 P.2d
18 681 (Alaska 1985) that the legislation redesignating mental health trust
19 land as general grant land had actually breached the trust established by
20 Congress and the court ordered the trust reconstituted;

21 (4) there is presently no statutory authority providing for the
22 management of the mental health trust land as trust land;

23 (5) the Alaska Mental Health Association as the original sponsor
24 of the litigation regarding the management of the mental health trust land,
25 more recently participating as intervenor in the litigation, and the plain-
26 tiffs have performed and continue to perform an important public function
27 in their efforts to reconstitute the mental health trust land and to pro-
28 vide for the proper management of the trust land; and

29 (6) there is a need for the interim management of the trust land

1 as a public trust.

2 * Sec. 2. INTERIM MENTAL HEALTH TRUST COMMISSION ESTABLISHED. (a) The
3 interim mental health trust commission is established in the Department of
4 Natural Resources.

5 (b) The commission established under (a) of this section consists of
6 five members, including the commissioner of natural resources and the
7 commissioner of health and social services, or their designees, and three
8 members appointed by the governor as follows:

9 (1) a member representing the plaintiffs, appointed by the
10 governor from a list of three names submitted to the governor by the plain-
11 tiffs in State v. Weiss, 706 P.2d 681 (Alaska 1985);

12 (2) a member representing the intervenors, appointed by the
13 governor from a list of three names submitted to the governor by the inter-
14 venors in State v. Weiss, 706 P.2d 681 (Alaska 1985); and

15 (3) a member representing the Governor's Mental Health Advisory
16 Council, appointed by the governor from a list of three names submitted to
17 the governor by the Governor's Mental Health Advisory Council.

18 (c) The members of the commission shall elect a presiding officer. A
19 majority of the commission constitutes a quorum. The affirmative vote of
20 three members is required to take official action. A vacancy does not
21 impair the power of the remaining members to exercise the powers of the
22 commission.

23 (d) Members of the commission serve without compensation but are
24 entitled to per diem and travel expenses authorized by law for other boards
25 under AS 39.20.180.

26 (e) The commission shall meet at least quarterly and may meet more
27 frequently, either in person or by teleconference.

28 (f) The commission may employ an executive director and staff to
29 assist it in fulfilling its responsibilities under this Act. The employees

1 shall be in the exempt service.

2 (g) The commission may contract with parties or individuals for the
3 performance of functions assigned to it.

4 * Sec. 3. RESPONSIBILITIES OF THE COMMISSIONER OF NATURAL RESOURCES AND
5 THE COMMISSION. (a) The commissioner of natural resources shall inventory
6 and catalog the mental health trust land of the state, shall audit and
7 appraise each land transaction involving land that has been part of the
8 mental health trust land of the state, and determine the status of mental
9 health trust land on the effective date of this Act under procedures and
10 guidelines established by the commissioner of natural resources with the
11 approval of the commission. In the exercise of the commission's respon-
12 sibilities under this section, the commission may review the records of the
13 Department of Natural Resources.

14 (b) The commissioner of natural resources shall, with the approval of
15 the commission, retain an appraiser or appraisers to appraise all or a
16 portion of land that, at any time, was part of the mental health trust land
17 of the state. The commissioner shall provide an appraiser conducting an
18 appraisal with written procedures and instructions that have been approved
19 by the commission.

20 (c) The commissioner of natural resources is responsible for the
21 management of the mental health land of the state as a public trust under
22 P.L. 84-830, 70 Stat. 709. The commissioner of natural resources may not
23 sell, lease, or exchange mental health trust land of the state or an inter-
24 est in the mental health trust land of the state without the prior approval
25 of the commission. In reviewing a proposal for the sale, lease, or ex-
26 change of mental health trust land from the commissioner of natural re-
27 sources, the commission may approve the proposal of the commissioner on its
28 determination that the proposal is consistent with the terms of the trust
29 established by the Alaska Mental Health Enabling Act.

1 (d) The proceeds from the management of the mental health trust land
 2 of the state shall be deposited in a special trust account in the general
 3 fund of the state and are subject to appropriation by the legislature.

4 * Sec. 4. RESPONSIBILITIES OF THE COMMISSIONER OF HEALTH AND SOCIAL
 5 SERVICES AND THE COMMISSION. (a) The commissioner of health and social
 6 services, with the approval of the commission, shall

7 (1) select an independent auditor to audit the state's mental
 8 health program;

9 (2) establish the procedures and guidelines to guide the auditor
 10 selected under this subsection;

11 (3) propose the guidelines and procedures to be used in de-
 12 termining a range of expenditures for mental health programs necessary to
 13 comply with the state's comprehensive mental health plan.

14 (b) The commission may review the records of the Department of Health
 15 and Social Services that involve mental health expenditures under the
 16 state's comprehensive mental health plan.

17 * Sec. 5. ADDITIONAL RESPONSIBILITIES OF THE COMMISSION. The commis-
 18 sion shall submit a report to the legislature by the 10th day of the first
 19 session of the fifteenth state legislature on matters of concern to the
 20 commission. The report shall include its recommendations for amendment of
 21 the laws relating to the management of ^{the} mental health trust, the mental
 22 health trust land, and the mental health program of the state.

23 * Sec. 6. DEFINITION. In this Act "commission" means the interim
 24 mental health trust commission established in sec. 2 of this Act.

25 * Sec. 7. This Act is repealed July 1, 1987.

26 * Sec. 8. This Act takes effect immediately in accordance with AS 01.-
 27 10.070(c).

**STATE OF ALASKA 1986 LEGISLATIVE SESSION
FISCAL NOTE**

Revision Date : _____

REQUEST

Bill/Resolutior. No. : _____
 Title : Interim Mental Health Land
Management Commission
Alternative 2
 Sponsor : _____
 Requestor : Senate HESS
 Date of Request : 4/3/86

FISCAL DETAIL

Agency Affected : Natural Resources
 BRU : Land and Water Management

 Components : _____

EXPENDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES		308.5				
TRAVEL		33.0				
CONTRACTUAL		136.9				
SUPPLIES		9.6				
EQUIPMENT		3.0				
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		491.0				

CAPITAL						
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REVENUE						
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FUNDING : (Thousands of Dollars)

GENERAL FUND		491.0				
FEDERAL FUNDS						
OTHER						
TOTAL		491.0				

POSITIONS :

FULL-TIME		7				
PART-TIME						
TEMPORARY						

ANALYSIS : Attach a separate page if necessary

see attached

Prepared by : Mike Vediner Phone : 465-2400
 Division : Commissioner's Office Date : 4/3/86

Approved by Commissioner : _____ Date : _____
 Agency : Department of Natural Resources

Distribution (by Agency preparing fiscal note) :

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

Department of Natural Resources
4-3-86
Draft Senate HESS Mental Health Commission
Fiscal Note Addendum (unnumbered)
ALTERNATIVE 2

Analysis

Several detailed reports, audits, and appraisals would be required under this bill, and indeed are required under the Supreme Court decision in Weiss v. Alaska, as interpreted by the Attorney General's Office. No funding is included for contracting with the plaintiffs and intervenors in the case.

1. Account for all funds or land received from conveyances and exchanges made between July 19, 1978 and October 4, 1985. Estimated costs: \$40,800.

We estimate that 4,650 cases (2,370 land conveyances, 1,370 mining claims, 390 rights-of-way, 275 land leases, 25 timber or material sales, 110 oil and gas or coal leases, and 110 miscellaneous cases) will have to be audited to determine the amount received and/or appraised. Land discounts will have to be accounted for during this process. This process will take a Natural Resource Officer I approximately one year (37.8 personal services; 1.0 travel; 1.5 contractual; 0.5 commodities).

2. Identify and appraise all less than fair market value conveyances and encumbrances. Estimated costs: \$117,800.

These appraisals will be performed contractually. However, the department must prepare reports and maps containing information about each parcel before the contract can be let. We also note that these appraisals cover only those mental health parcels that are no longer in trust status. The approximately 700,000 acres in trust status are not to be appraised. If section 3(b) of the bill intends that all mental health land be appraised, then the cost, by the Opinion of Value panel method, will be approximately \$50,000.

The reports and maps must take approximately 1,100 parcels into consideration. We expect this project to take a single Natural Resource Officer I three months to complete. Additionally, the project will need funding for supplies and contractual clerical services (9.5 personal services; .5 contractual; .2 commodities).

The appraisals are expected to cost \$107,600. We project that approximately 820 parcels totalling 268,000 acres will need appraisals at an estimated cost of \$28,000. These appraisals will be determined by an Opinion of Value panel

method. This method employs three senior designated appraisers, each representing one geographic region (northern, southcentral, and southeastern). The panel of appraisers prepares value statements for each parcel of mental health land based on their regional expertise. The Opinion of Value method has been criticized by the plaintiffs and intervenors.

In addition, approximately 276 leases must be reappraised at five-year intervals. Currently these leases may not be reappraised for twenty-five years which will create a discrepancy with fair market value rental. The approximate cost of these lease reappraisals is \$70,600.

3. Provide management oversight of all transactions and account for funds received from mental health lands.
Estimated costs: \$142,700.

Statewide trust management oversight can be provided by a Natural Resource Manager II with support from a Natural Resource Officer I. That manager would be expected to review a large number of transactions, with research assistance from a subordinate, to ensure that the trust is not breached. It is expected that the manager will also provide the necessary coordination between the department and the plaintiffs, and will be required to travel.

Accounting functions can be broken into two parts: ongoing accounting services, and an independent audit. An accounting Technician I will be needed to receive and separately process that portion of the approximately \$1.5 billion taken in by DNR annually that should be assigned to the mental health accounts.

Line items in this total are: 124.0 personal services; 6.0 travel; 11.3 contractual; and, 1.4 commodities.

4. Provide administrative support to the commission.
Estimated costs: \$53,600.

The department would need to provide administrative support to the commission which includes arranging meetings, preparing briefing packets, documenting meeting results, and clerical support. The Natural Resource Officer I listed in item 3 above could assist with the details of action review and a Clerk Typist III would be needed to assist with typing and organization of meetings. Contractual monies would cover duplication costs, phone charges, postage, etc. Travel and per diem funding is for meetings of the commission. Commodities money is to cover routine supplies and maps (27.1 personal services; 18.0 travel; 6.0 contractual; 2.5 commodities).

5. Executive Director and secretary for Commission.
Estimated costs: \$146,100.

The executive director receives a monthly salary at the division director level (range 26). Office support is provided by a secretary (range 10). Both persons serve in the exempt service. Travel funding enables the director to meet regularly with the diverse mental health constituent groups. Contractual funding provides office space and overhead. Equipment funding is for a one time purchase of office equipment. Line item totals are: 110.1 personal services; 8.0 travel; 20.0 contractual; 5.0 commodities; and, 3.0 equipment.

**STATE OF ALASKA 1986 LEGISLATIVE SESSION
FISCAL NOTE**

Revision Date : 4/17/86

REQUEST

Bill/Resolution No. : SB 472
 Title : Management of Mental Health Trust

Sponsor : Senate HESS
 Requestor : Senate Finance
 Date of Request : 4/10/86

FISCAL DETAIL

Agency Affected : Natural Resources
 BRU : Land and Water Management

Components : _____

EXPENDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES		191.0				
TRAVEL		26.0				
CONTRACTUAL		129.1				
SUPPLIES		10.0				
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		356.1				

CAPITAL						
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REVENUE						
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FUNDING : (Thousands of Dollars)

GENERAL FUND		356.1				
FEDERAL FUNDS						
OTHER						
TOTAL		356.1				

POSITIONS :

FULL-TIME		5				
PART-TIME						
TEMPORARY						

ANALYSIS : Attach a separate page if necessary

see attached

Prepared by : Mike Vediner Phone : 465-2400
 Division : Commissioner's Office Date : 4/17/86

Approved by Commissioner : *James D. Amel* Date : 4/17/86
 Agency : Department of Natural Resources

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

Department of Natural Resources
4-17-86
Senate Bill 472
Fiscal Note Addendum

Analysis

Several detailed reports, audits, and appraisals would be required under this bill, and indeed are required under the Supreme Court decision in Weiss v. Alaska, as interpreted by the Attorney General's Office. No funding is included for contracting with the plaintiffs and intervenors in the case.

1. Account for all funds or land received from conveyances and exchanges made between July 19, 1978 and October 4, 1985. Estimated costs: \$40,800.

We estimate that 4,650 cases (2,370 land conveyances, 1,370 mining claims, 390 rights-of-way, 275 land leases, 25 timber or material sales, 110 oil and gas or coal leases, and 110 miscellaneous cases) will have to be audited to determine the amount received and/or appraised. Land discounts will have to be accounted for during this process. This process will take a Natural Resource Officer I approximately one year (37.8 personal services; 1.0 travel; 1.5 contractual; 0.5 commodities).

2. Identify and appraise all less than fair market value conveyances and encumbrances. Estimated costs: \$107,600.

These appraisals will be performed contractually. However, the department must prepare reports and maps containing information about each parcel before the contract can be let. We also note that these appraisals cover only those mental health parcels that are no longer in trust status. The approximately 700,000 acres in trust status are not to be appraised. If section 3(b) of the bill intends that all mental health land be appraised, then the cost, by the Opinion of Value panel method, will require an additional \$22,000.

The reports and maps must take approximately 1,100 parcels into consideration. This project will be completed by the Natural Resource Officer I in item #1 above.

The appraisals are expected to cost \$107,600. We project that approximately 820 parcels totalling 268,000 acres will need appraisals at an estimated cost of \$28,000. These appraisals will be determined by an Opinion of Value panel method. This method employs three senior designated appraisers, each representing one geographic region (northern, southcentral, and southeastern). The panel of

appraisers prepares value statements for each parcel of mental health land based on their regional expertise. The Opinion of Value method has been criticized by the plaintiffs and intervenors.

In addition, approximately 276 leases must be reappraised at five-year intervals. Currently these leases may not be reappraised for twenty-five years which will create a discrepancy with fair market value rental. The approximate cost of these lease reappraisals is \$79,600.

3. Provide management oversight of all transactions and account for funds received from mental health lands.
Estimated costs: \$101,500.

Statewide trust management oversight can be provided by a Natural Resource Manager I. The manager would be expected to review a large number of transactions to ensure that the trust is not breached. It is expected that the manager will also provide the necessary coordination between the department and the plaintiffs, and will be required to travel. Additional contractual money allows for the hiring of temporary help to assist with less complex, routine procedural steps.

An Accounting Technician I will be needed to receive and separately process that portion of the approximately \$1.5 billion taken in by the department annually that should be assigned to the mental health accounts.

Line items in this total are: 80.0 personal services; 5.0 travel; 12.0 contractual; and, 4.5 commodities.

4. Executive Director and secretary for Commission.
Estimated costs: \$106,200.

The executive director receives a monthly salary at the Natural Resource Manager level (range 18) and is in the exempt service. Office support is provided by a Clerk Typist II (range 7). Travel funding enables the director to meet regularly with the diverse mental health constituent groups and enables the commission to meet regularly. Office space and equipment will be provided in the department offices.

Line item totals are: 73.2 personal services; 20.0 travel; 8.0 contractual; 5.0 commodities.

STATE OF ALASKA 1986 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date : 4/17/86

REQUEST

FISCAL DETAIL

Bill/Resolution No. : SB 472
Title : Management of Mental Health Trust

Agency Affected : Natural Resources
BRU : Land and Water Management

Sponsor : Senate HESS
Requestor : Senate Finance
Date of Request : 4/10/86

Components : _____

EXPENDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES		227.9				
TRAVEL		26.0				
CONTRACTUAL		129.1				
SUPPLIES		10.0				
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		393.0				

CAPITAL						
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REVENUE						
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FUNDING : (Thousands of Dollars)

GENERAL FUND		393.0				
FEDERAL FUNDS						
OTHER						
TOTAL		393.0				

POSITIONS :

FULL-TIME		5				
PART-TIME						
TEMPORARY						

ANALYSIS : Attach a separate page if necessary

see attached

Prepared by : Mike Vediner
Division : Commissioner's Office

Phone : 465-2400
Date : 4/17/86

Approved by Commissioner : *Armut D. Amodeo*
Agency : Department of Natural Resources

Date : 4/17/86

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

Department of Natural Resources
4-17-86
Senate Bill 472
Fiscal Note Addendum

Analysis

Several detailed reports, audits, and appraisals would be required under this bill, and indeed are required under the Supreme Court decision in Weiss v. Alaska, as interpreted by the Attorney General's Office. No funding is included for contracting with the plaintiffs and intervenors in the case.

1. Account for all funds or land received from conveyances and exchanges made between July 19, 1978 and October 4, 1985. Estimated costs: \$40,800.

We estimate that 4,650 cases (2,370 land conveyances, 1,370 mining claims, 390 rights-of-way, 275 land leases, 25 timber or material sales, 110 oil and gas or coal leases, and 110 miscellaneous cases) will have to be audited to determine the amount received and/or appraised. Land discounts will have to be accounted for during this process. This process will take a Natural Resource Officer I approximately one year (37.8 personal services; 1.0 travel; 1.5 contractual; 0.5 commodities).

2. Identify and appraise all less than fair market value conveyances and encumbrances. Estimated costs: \$107,600.

These appraisals will be performed contractually. However, the department must prepare reports and maps containing information about each parcel before the contract can be let. We also note that these appraisals cover only those mental health parcels that are no longer in trust status. The approximately 700,000 acres in trust status are not to be appraised. If section 3(b) of the bill intends that all mental health land be appraised, then the cost, by the Opinion of Value panel method, will require an additional \$22,000.

The reports and maps must take approximately 1,100 parcels into consideration. This project will be completed by the Natural Resource Officer I in item #1 above.

The appraisals are expected to cost \$107,600. We project that approximately 820 parcels totalling 268,000 acres will need appraisals at an estimated cost of \$28,000. These appraisals will be determined by an Opinion of Value panel method. This method employs three senior designated appraisers, each representing one geographic region (northern, southcentral, and southeastern). The panel of

appraisers prepares value statements for each parcel of mental health land based on their regional expertise. The Opinion of Value method has been criticized by the plaintiffs and intervenors.

In addition, approximately 276 leases must be reappraised at five-year intervals. Currently these leases may not be reappraised for twenty-five years which will create a discrepancy with fair market value rental. The approximate cost of these lease reappraisals is \$79,600.

3. Provide management oversight of all transactions and account for funds received from mental health lands.
Estimated costs: \$101,500.

Statewide trust management oversight can be provided by a Natural Resource Manager I. The manager would be expected to review a large number of transactions to ensure that the trust is not breached. It is expected that the manager will also provide the necessary coordination between the department and the plaintiffs, and will be required to travel. Additional contractual money allows for the hiring of temporary help to assist with less complex, routine procedural steps.

An Accounting Technician I will be needed to receive and separately process that portion of the approximately \$1.5 billion taken in by the department annually that should be assigned to the mental health accounts.

Line items in this total are: 80.0 personal services; 5.0 travel; 12.0 contractual; and, 4.5 commodities.

4. Executive Director and secretary for Commission.
Estimated costs: \$143,100.

The executive director receives a monthly salary at the Division Director level (range 26) and is in the exempt service. Office support is provided by a Secretary (range 10). Travel funding enables the director to meet regularly with the diverse mental health constituent groups and enables the commission to meet regularly. Office space and equipment will be provided in the department offices.

Line item totals are: 110.1 personal services; 20.0 travel; 8.0 contractual; 5.0 commodities.

Introduced: 4/4/86
Referred: Health, Education and
Social Services, Resources
and Finance

BY THE HEALTH, EDUCATION AND
SOCIAL SERVICES COMMITTEE

1 IN THE SENATE

2

SENATE BILL NO. 472

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6 For an Act entitled: "An Act relating to the interim management of the
7 mental health trust; and providing for an effective
8 date."

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10 * Section 1. The legislature finds that

11 (1) the Congress granted 1,000,000 acres of land to the Terri-
12 tory of Alaska to be administered as a public trust for the necessary
13 expenses of the support of mental health in the territory;

14 (2) the land authorized to be granted to the Territory of Alaska
15 has been selected by the territory and since statehood by the state and
16 most of the 1,000,000 acres has been conveyed to the state;

17 (3) the Alaska Supreme Court ruled in State v. Weiss, 706 P.2d
18 681 (Alaska 1985) that the legislation redesignating mental health trust
19 land as general grant land had actually breached the trust established by
20 Congress and the court ordered the trust reconstituted;

21 (4) there is presently no statutory authority providing for the
22 management of the mental health trust land as trust land; *WEISS ET AL. V*
STATE, 4 FA BZ 2708 CIV.

23 (5) the Alaska Mental Health Association as the original sponsor
24 of the litigation regarding the management of the mental health trust land,
25 more recently participating as intervenor in the litigation, and the plain-
26 tiffs have performed and continue to perform an important public function
27 in their efforts to reconstitute the mental health trust land and to pro-
28 vide for the proper management of the trust land; ~~and~~

29 ^{AN IMMEDIATE} (6) there is ~~a~~ need for the interim management of the trust land

(6) There is an ⁻¹⁻ immediate need ^{SB 472} for funds to facilitate the reconstruction of the trust land and to conclude the litigation over the status of the mental health trust land; and

1 as a public trust.

2 * Sec. 2. INTERIM MENTAL HEALTH TRUST COMMISSION ESTABLISHED. (a) The
3 interim mental health trust commission is established in the Department of
4 Natural Resources.

5 (b) The commission established under (a) of this section consists of
6 five members, including the commissioner of natural resources and the
7 commissioner of health and social services, or their designees, and three
8 members appointed by the governor as follows:

9 (1) a member representing the plaintiffs, appointed by the
10 governor from a list of three names submitted to the governor by the plain-
11 tiffs in State v. Weiss, 706 P.2d 681 (Alaska 1985);

12 (2) a member representing the intervenors, appointed by the
13 governor from a list of three names submitted to the governor by the inter-
14 venors in State v. Weiss, 706 P.2d 681 (Alaska 1985); and

15 (3) a member representing the Governor's Mental Health Advisory
16 Council, appointed by the governor from a list of three names submitted to
17 the governor by the Governor's Mental Health Advisory Council.

18 (c) The members of the commission shall elect a presiding officer. A
19 majority of the commission constitutes a quorum. The affirmative vote of
20 three members is required to take official action. A vacancy does not
21 impair the power of the remaining members to exercise the powers of the
22 commission.

23 (d) Members of the commission serve without compensation but are
24 entitled to per diem and travel expenses authorized by law for other boards
25 under AS 39.20.180.

26 (e) The commission shall meet at least ^{ONCE A MONTH} (quarterly and may meet more
27 frequently, either in person or by teleconference.)

28 (f) The commission may employ an executive director and staff to
29 assist it in fulfilling its responsibilities under this Act. (The employees

1 shall be in the exempt service.)

2 (g) The commission may contract with parties or individuals for the
3 performance of functions assigned to it.

4 * Sec. 3. RESPONSIBILITIES OF THE COMMISSIONER OF NATURAL RESOURCES AND
5 THE COMMISSION. (a) The commissioner of natural resources shall inventory
6 and catalog the mental health trust land of the state, shall audit (and
7 appraise) each land transaction involving land that has been part of the
8 mental health trust land of the state, and determine the status of mental
9 health trust land on the effective date of this Act under procedures and
10 guidelines established by the commissioner of natural resources with the
11 approval of the commission. In the exercise of the commission's respon-
12 sibilities under this section, the commission may review the records of the
13 Department of Natural Resources.

14 (b) The commissioner of natural resources shall, with the approval of
15 the commission, retain an appraiser (or appraisers) to appraise all or a
16 portion of land that, at any time, was part of the mental health trust land
17 of the state. The commissioner shall provide an appraiser conducting an
18 appraisal with written procedures and instructions that have been approved
19 by the commission.

20 (c) The commissioner of natural resources is responsible for the
21 management of the mental health land of the state as a public trust under
22 P.L. 84-830, 70 Stat. 709. ^{under the direction of the Commission,} The commissioner of natural resources may not
23 sell, lease, or exchange mental health trust land of the state or an inter-
24 est in the mental health trust land of the state without the prior approval
25 of the commission. ^{changed.} In reviewing a proposal for the sale, lease, or ex-
26 change of mental health trust land from the commissioner of natural re-
27 sources, the commission may approve the proposal of the commissioner on its
28 determination that the proposal is consistent with the terms of the trust
29 established by the Alaska Mental Health Enabling Act.

The Commission may contract with the private sector for the performance of functions assigned to it.

1 (d) The proceeds from the management of the mental health trust land
2 of the state shall be deposited in a special trust account in the general
3 fund of the state and are subject to appropriation by the legislature.

*for the support
of the mental
health
program
in the
state*

4 * Sec. 4. RESPONSIBILITIES OF THE COMMISSIONER OF HEALTH AND SOCIAL
5 SERVICES AND THE COMMISSION. (a) The commissioner of health and social
6 services, with the approval of the commission, shall

7 (1) select an independent auditor to audit the state's mental
8 health program;

9 (2) establish the procedures and guidelines to guide the auditor
10 selected under this subsection;

11 (3) propose the guidelines and procedures to be used in de-
12 termining a range of expenditures for mental health programs necessary to
13 comply with the state's comprehensive mental health plan.

14 (b) The commission may review the records of the Department of Health
15 and Social Services that involve mental health expenditures under the
16 state's comprehensive mental health plan.

17 * Sec. 5. ADDITIONAL RESPONSIBILITIES OF THE COMMISSION. The commis-
18 sion shall submit a report to the legislature by the 10th day of the first
19 session of the fifteenth state legislature on matters of concern to the
20 commission. The report shall include its recommendations for amendment of
21 the laws relating to the management of the mental health trust, the mental
22 health trust land, and the mental health program of the state.

} different

23 * Sec. 6. DEFINITION. In this Act "commission" means the interim
24 mental health trust commission established in sec. 2 of this Act.

25 * Sec. 7. This Act is repealed July 1, 1987.)

26 * Sec. 8. This Act takes effect immediately in accordance with AS 01.-
27 10.070(c).

Offered: 3/26/86
Referred: Judiciary and
Finance

Original sponsors: Pignalberi, Gruenberg,
Boucher, et al

1 IN THE HOUSE BY THE RESOURCES COMMITTEE

2 CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 128 (Resources)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the interim management of mental
7 health trust land; and providing for an effective
8 date."

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10 * Section 1. The legislature finds that

11 (1) the Congress granted 1,000,000 acres of land to the Terri-
12 tory of Alaska to be administered as a public trust for the necessary
13 expenses of the support of mental health in the territory;

14 (2) the land authorized to be granted to the Territory of Alaska
15 has been selected by the territory and since statehood by the state and
16 most of the 1,000,000 acres has been conveyed to the state;

17 (3) the Alaska Supreme Court ruled in State v. Weiss, 706 P.2d
18 681 (Alaska 1985) that the legislation redesignating mental health trust
19 land as general grant land had actually breached the trust established by
20 Congress and the court ordered the trust reconstituted;

21 (4) there is presently no statutory authority providing for the
22 management of the mental health trust land as trust land, (Weiss et al. v.
23 State, 4 FA 82 2208 CIV;)

24 (5) the Alaska Mental Health Association as the original sponsor
25 of the litigation regarding the management of the mental health trust land,
26 more recently participating as intervenor in the litigation, and the plain-
27 tiffs have performed and continue to perform an important public function
28 in their efforts to reconstitute the mental health trust land and to pro-
29 vide for the proper management of the trust land;

1 (6) there is an immediate need for funds to facilitate the
2 reconstruction of the trust land and to conclude the litigation over the
3 status of the mental health trust land; and

4 (7) there is an immediate need for the interim management of the
5 trust land as a public trust.

6 * Sec. 2. INTERIM MENTAL HEALTH TRUST LAND COMMISSION ESTABLISHED. (a)
7 The interim mental health trust land commission is established in the
8 Department of Natural Resources.

9 (b) The commission established under (a) of this section consists of
10 five members, including the commissioner of natural resources and the
11 commissioner of health and social services, or their designees, and three
12 members appointed by the governor as follows:

13 (1) a member representing the plaintiffs, appointed by the
14 governor from a list of three names submitted to the governor by the plain-
15 tiffs in State v. Weiss, 706 P.2d 681 (Alaska 1985);

16 (2) a member representing the intervenors, appointed by the
17 governor from a list of three names submitted to the governor by the inter-
18 venors in State v. Weiss, 706 P.2d 681 (Alaska 1985); and

19 (3) a member representing the Governor's Mental Health Advisory
20 Council, appointed by the governor from a list of three names submitted to
21 the governor by the Governor's Mental Health Advisory Council.

22 (c) The members of the commission shall elect a presiding officer. A
23 majority of the commission constitutes a quorum. The affirmative vote of
24 three members is required to take official action. A vacancy does not
25 impair the power of the remaining members to exercise the powers of the
26 commission.

27 (d) Members of the commission serve without compensation but are
28 entitled to per diem and travel expenses authorized by law for other boards
29 under AS 39.20.180.

1 (e) The commission shall meet at least (once a month.)

2 (f) The commission may employ an executive director and staff to
3 assist it in fulfilling its responsibilities under this Act.

4 * Sec. 3. RESPONSIBILITIES OF THE COMMISSIONER OF NATURAL RESOURCES AND

5 THE COMMISSION. (a) The commissioner of natural resources () inventory and
6 catalog the mental health trust land of the state, shall audit each land
7 transaction involving land that has been part of the mental health trust
8 land of the state, and determine the status of mental health trust land on
9 the effective date of this Act under procedures and guidelines established
10 by the commissioner of natural resources with the approval of the commis-
11 sion. In the exercise of the commission's responsibilities under this
12 section, the commission may review the records of the Department of Natural
13 Resources.

14 (b) The commissioner of natural resources shall, with the approval of
15 the commission, retain an appraiser to appraise all or a portion of land
16 that, at any time, was part of the mental health trust land of the state.
17 The commissioner shall provide the appraiser conducting the appraisal with
18 written procedures and instructions that have been approved by the commis-
19 sion.

20 (c) The commissioner of natural resources is responsible for the
21 management of the mental health land of the state as a public trust under
22 P.L. 84-830, 70 Stat. 709, under the direction of the commission. The
23 commission may contract with the plaintiffs or the intervenors for the
24 performance of functions assigned to it. The commissioner of natural
25 resources may not sell, lease, or exchange mental health trust land of the
26 state or an interest in the mental health trust land of the state without
27 the prior approval of the commission. The commissioner of natural re-
28 sources shall sell, lease, and exchange mental health trust land of the
29 state as directed by the commission. In managing the trust and the trust

1 land the commission and the commissioner shall seek to maximize the income
2 earned and received by the trust consistent with a trustee's obligation to
3 protect and perpetuate the trust.

4 (d) The proceeds from the management of the mental health trust land
5 of the state shall be deposited in a special trust account in the general
6 fund of the state and may be appropriated by the legislature for the sup-
7 port of the mental health program in the state.)

8 * Sec. 4. RESPONSIBILITIES OF THE COMMISSIONER OF HEALTH AND SOCIAL
9 SERVICES AND THE COMMISSION. (a) The commissioner of health and social
10 services, with the approval of the commission, shall

11 (1) select an independent auditor to audit the state's mental
12 health program;

13 (2) establish the procedures and guidelines to guide the auditor
14 selected under this subsection;

15 (3) propose the guidelines and procedures to be used in de-
16 termining a range of expenditures for mental health programs necessary to
17 comply with the state's comprehensive mental health plan.

18 (b) The commission may review the records of the Department of Health
19 and Social Services that involve mental health expenditures under the
20 state's comprehensive mental health plan.

21 * Sec. 5. ADDITIONAL RESPONSIBILITIES OF THE COMMISSION. The commis-
22 sion shall make an annual report to the legislature on matters of concern
23 to it including recommendations of the commissioner for amendment of the laws
24 relating the management of mental health trust, the mental health trust
25 land, and the mental health program of the state.

26 * Sec. 6. DEFINITION. In secs. 2 - 5 of this Act "commission" means
27 the interim mental health trust land commission established in sec. 2 of
28 this Act.

29 * Sec. 7. Sections 1 - 6 of this Act are repealed July 1, 1988.

1 * Sec. 8. This Act takes effect immediately in accordance with AS 01.-
2 10.070(c).

POSITION PAPER
SB 472

For an Act entitled: "Act relating to the interim management of mental health trust funds and providing for an effective date."

Section 4 of the bill requires the department to establish guidelines for and obtain an independent audit of mental health expenditures. It also requires the department to prepare guidelines and procedures to determine by some mechanism the level of funding necessary to comply with the state's mental health plan. It requires the department to seek the approval of the commission prior to embarking on these tasks.

Position

The department wishes to comment on Section 4 of this bill. The department believes an audit of mental health expenditures needs to be performed.

It would be prudent for all parties to agree on the guidelines for such an audit prior to commitment of funds for that purpose. The commission provides a valuable forum for this agreement to be reached. The department would work with the commission to achieve consensus on such a set of guidelines. Once the scope is determined, the department's Audit Unit could perform the audit within existing resources. Should it be determined that the audit could adequately be performed in-house, the proposed language would have to be amended to delete the word "independent" in section 4(1).

With regard to the third section, the department feels it important that an interim commission examine the needs for mental health services and be involved in a needs assessment which would result in costing out what is "necessary" for the state to implement a comprehensive mental health program. A broad based effort to come to an agreement on the level and range of services needed to meet Alaska's mental health program would provide a valuable yard stick by which to measure how existing services fail to meet the true need and what level of commitment is needed in the future.

Recommended by:

Karen Perdue
Karen Perdue
Assistant Commissioner
for Administration

Date:

4/14/86

Approved by:

John R. Pugh
John R. Pugh
Commissioner

Date:

4/14/86

STATE OF ALASKA 1986 LEGISLATIVE SESSION FISCAL NOTE

Revision Date : _____

REQUEST

Bill/Resolution No. : SB 472
 Title : An Act relating to the interim management of mental health trust land and providing for an effective date.
 Sponsor : _____
 Requestor : _____
 Date of Request : _____

FISCAL DETAIL

Agency Affected : Health & Social Services
 BRU : DHSS Administrative Services
 Components : Audit

EXPENDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL		81.0	0			
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		81.0	0	0	0	0

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING : (Thousands of Dollars)

GENERAL FUND		81.0				
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS :

FULL-TIME		0				
PART-TIME		0				
TEMPORARY						

ANALYSIS : Attach a separate page if necessary

Prepared by : Karen Perdue, Assistant Commissioner
 Division : Commissioner's Office

Phone : 465-3030
 Date : April 14, 1986

Approved by Commissioner : [Signature]
 Agency : Health & Social Services

Date : 4/14/86

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

The definition of mental health is not clear, and was not defined by the courts. The parties may agree to a definition or the court may be asked to define it for these purposes.

The department's cost estimate for an independent audit includes the accounting for a broad range of possible mental health expenditures. Auditing all possible expenditures and then applying those relevant to the final definition would be cheaper than presupposing the definition of mental health and then reperforming the audit should the definition be expanded beyond the original scope.

Department audit staff could perform this audit at a negligible cost if it is determined that a private firm is not needed. DHSS audit staff includes 3 CPAs who regularly perform hundreds of audits per year.

Should it be determined that the department perform this function in-house, the proposed language would have to be amended to delete the word "independent" in section 4(1).

Sec. 3 - Part of the responsibilities of the commissioner and commission have already been fulfilled. Suggest, therefore that the following be substituted for the beginning of subsection 3 (a), commencing on line 5, page 3:

- (a) The commissioner of natural resources shall inventory and maintain appropriate title and status records pertaining to [CATALOG] the mental health trust land of the state and, to the extent necessary, shall audit....

Mike

April 8, 1986

The Honorable M. Mike Miller
Chair, House Judiciary Committee
Alaska State Legislature
P.O. Box V
Juneau, AK 99811

Dear Representative Miller:

During yesterday afternoon's hearing on CSSSB 128, related to a mental health lands commission, a member of your committee asserted that the proposed commission was the proper forum for determining the disposition of mental health lands, since the Alaska Mental Health Enabling Act (AMHEA) made clear that the lands were to be used for mental health purposes.

The AMHEA assigns to the legislature of Alaska the authority to determine the disposition of mental health lands. Section 202(e) of the Act provides as follows:

All lands granted to the Territory of Alaska under this section, together with the income therefrom and the proceeds from any dispositions thereof, shall be administered by the Territory of Alaska as a public trust and such proceeds and income shall first be applied to meet the necessary expenses of the mental health program of Alaska. Such lands, income and proceeds shall be managed and utilized in such manner as the Legislature of Alaska may provide. Such lands, together with any property acquired in exchange therefor or acquired out of the income or proceeds therefrom, may be sold, leased, mortgaged, exchanged, or otherwise disposed of in such manner as the Legislature of Alaska may provide in order to obtain funds or other property to be invested, expended or used by the Territory of Alaska. The authority of the Legislature of Alaska under this subsection shall be exercised in a manner compatible with the conditions and requirements imposed by other provisions of this Act. (emphasis added)

The Honorable M. Mike Miller

-2-

April 8, 1986

I hope this information is useful to your committee's deliberations.

Sincerely,

Robert D. Arnold
Deputy Commissioner

Offered: 4/9/86
Referred: Judiciary and Finance

Original sponsors: Pignalberi and M.M.Miller

Funding Information
General Fund \$797,500
Other Funds -0-
\$797,500

BY THE HEALTH, EDUCATION AND
SOCIAL SERVICES COMMITTEE

1 IN THE HOUSE

2

CS FOR HOUSE BILL NO. 625 (HESS)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6 For an Act entitled: "An Act making a special appropriation implementing

7

Weiss v. State; and providing for an effective date."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9

* Section 1. PURPOSE. (a) The Alaska Supreme Court has issued its
10 decision in the mental health trust land litigation: State v. Weiss, 706
11 P.2d 681 (Alaska 1985). In Weiss v. State, 4FA 2208 Civil, the superior
12 court is considering the issuance of orders implementing the supreme's
13 court's decision. It is the purpose of this Act to provide interim funding
14 to comply with the orders of the supreme court and the superior court in
15 this case and to allow the parties to resolve the lawsuit, either by set-
16 tlement or court order.

17 (b) To effectuate the beneficial purposes of this Act, the legisla-
18 ture intends that secs. 4 and 5 of this Act be liberally construed by the
19 supreme court and the superior court to permit the expenditure of funds to
20 allow the plaintiffs and the intervenors to participate fully in the liti-
21 gation and the settlement.

22 (c) The legislature intends that funds appropriated under this Act
23 may be released only upon an order of the supreme court or the superior
24 court in Weiss v. State.

25 * Sec. 2. The sum of \$487,500 is appropriated from the general fund to
26 the Department of Natural Resources, to be allocated as follows:

27 (1) for the identification and appraisal of land that has had
28 status as Alaska mental health trust land: \$304,000;

29 (2) for an accounting of Alaska mental health trust land and the

1 income received by the state from the land from 1978 through

2 1985: \$40,800;

3 (3) to provide management oversight of all transactions involv-
4 ing Alaska mental health trust land and income received from Alaska mental
5 health trust land: \$142,700.

6 * Sec. 3. The sum of \$20,000 is appropriated from the general fund to
7 the Department of Health and Social Services for a determination of ex-
8 penditures for the mental health program from 1978 through 1985.

9 * Sec. 4. The sum of \$250,000 is appropriated from the general fund to
10 the Department of Law for payment for past and present attorney fees and
11 costs of the plaintiffs and intervenors in Weiss v. State.

12 * Sec. 5. The sum of \$40,000 is appropriated from the general fund to
13 the Department of Health and Social Services for payment as a grant to the
14 Alaska Alliance for the Mentally Ill and to the Alaska Mental Health Asso-
15 ciation for expenses directly related to Weiss v. State and its settlement.

16 * Sec. 6. The unexpended and unobligated portion of the appropriations
17 made by secs. 2 - 5 of this Act lapses into the general fund June 30, 1987.

18 * Sec. 7. Each appropriation made in secs. 2 - 5 of this Act is con-
19 ditioned on the issuance of a court order in Weiss v. State directing a
20 payment consistent with the purpose stated in the section.

21 * Sec. 8. This Act takes effect immediately in accordance with AS 01.-
22 10.070(c).

STATE OF ALASKA

DEPARTMENT OF NATURAL RESOURCES

OFFICE OF THE COMMISSIONER

BILL SHEFFIELD, GOVERNOR

POUGH M
JUNEAU, ALASKA 99811
PHONE: 907-465-2400

April 7, 1986

The Honorable M. Mike Miller
Chair, House Judiciary Committee
Alaska State Legislature
P.O. Box V
Juneau, AK 99811

Dear Representative Miller:

I am writing to provide Department of Natural Resources comments on HB 128 which is scheduled for hearing in your committee today. This bill would establish an interim committee to oversee mental health land management by the department. I understand that HB 651 is not formally scheduled but can be discussed. Since your intent is to move HB 128, I will address several areas for which the department offers amendment.

Amendment 1

Section 3 requires several actions by the department, some of which are already completed or will be completed this fiscal year. As a technical amendment I suggest the following:

Amend Section 3, page 3, commencing on line 5 as follows:

- (a) The commissioner of natural resources shall inventory and maintain appropriate title and status records pertaining to [CATALOG] the mental health trust land of the state and, to the extent necessary, shall audit....

Amendment 2

I recommend deleting the last sentence in subsection 3(a), page 3, lines 11-13, since all such department records are freely available.

Amendment 3

Subsection 3(c) requires the commissioner to take whatever disposal actions the commission desires in maximizing the income earned from mental health land. Since there is substantial disagreement about the meaning of the Supreme Court's decision in Weiss v. Alaska, the Attorney General is

APR 7 1986

FA

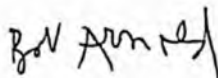
April 7, 1986

considering seeking clarification of that decision by the Superior Court. One of the questions that would be posed is whether the state has an affirmative obligation to manage mental health lands for maximum revenue generation. In order to avoid prejudging this issue, we suggest that subsection 3(c) be amended as follows:

(c) The commissioner of natural resources is responsible for the management of the mental health land of the state as a public trust under P.L. 84-830, 70 Stat. 709, under the direction of the commission. [THE COMMISSION MAY CONTRACT WITH THE PLAINTIFFS OR THE INTERVENORS FOR THE PERFORMANCE OF FUNCTIONS ASSIGNED TO IT.] The commissioner of natural resources may not sell, lease, or exchange mental health trust land of the state or an interest in the mental health trust land of the state without the prior approval of the commission. [THE COMMISSIONER OF NATURAL RESOURCES SHALL SELL, LEASE, AND EXCHANGE MENTAL HEALTH TRUST LAND OF THE STATE AS DIRECTED BY THE COMMISSION.] In managing the trust and the trust land the commission [AND THE COMMISSIONER] shall deny or approve actions consistent with the terms of the trust established by the Alaska Mental Health Enabling Act. [SEEK TO MAXIMIZE THE INCOME EARNED AND RECEIVED BY THE TRUST CONSISTENT WITH A TRUSTEE'S OBLIGATION TO PROTECT AND PERPETUATE THE TRUST.]

I will be available to testify and answer questions at today's hearing. If there is additional information I might supply, please let me know.

Sincerely,



Robert D. Arnold
Deputy Commissioner

cc: Representative Pignalberi
Representative Gruenberg
Senator Fahrenkamp
Senator Sturgulewski
Senator Josephson
Jim Gottstein
David Walker
Tom Koester, Department of Law
Jim Ayers, Governor's Office
Molly McCammon, Governor's Office
Tom Hawkins, DLWM
Salli Slaughter, DLWM

STATE OF ALASKA 1986 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date : 4/7/86

REQUEST

Bill/Resolution No. : CSSSHB 128
 Title : Interim Mental Health Land Management Commission
 Sponsor : Pignalberi
 Requestor : House Judiciary
 Date of Request : 3/24/86

FISCAL DETAIL

Agency Affected : Natural Resources
 BRU : Land & Water Management
 Components : _____

EXPENDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES		308.5	270.7			
TRAVEL		33.0	32.0			
CONTRACTUAL		333.9	37.8			
SUPPLIES		9.6	9.1			
EQUIPMENT		3.0				
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		688.0	349.6			

CAPITAL						
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REVENUE						
---------	--	--	--	--	--	--

FUNDING : (Thousands of Dollars)

GENERAL FUND		688.0	349.6			
FEDERAL FUNDS						
OTHER						
TOTAL		688.0	349.6			

POSITIONS :

FULL-TIME		7	6			
PART-TIME						
TEMPORARY						

ANALYSIS : Attach a separate page if necessary

SEE ATTACHED

Prepared by : Mike Vediner Phone : 465-2400
 Division : Commissioner's Office Date : 4/7/86
 Approved by Commissioner : *Thomas D. Arnold* Date : 4/7/86
 Agency : Department of Natural Resources

Distribution (by Agency preparing fiscal note) :

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

Department of Natural Resources
4-7-86
CSSSHB 128
Revised Fiscal Note Addendum

Analysis

Several detailed reports, audits, and appraisals would be required under this bill, and indeed are required under the Supreme Court decision in Weiss v. Alaska, as interpreted by the Attorney General's Office. No funding is included for contracting with the plaintiffs and intervenors in the case.

FY 87

1. Account for all funds or land received from conveyances and exchanges made between July 19, 1978 and October 4, 1985. Estimated costs: \$40,800.

We estimate that 4,650 cases (2,370 land conveyances, 1,370 mining claims, 390 rights-of-way, 275 land leases, 25 timber or material sales, 110 oil and gas or coal leases, and 110 miscellaneous cases) will have to be audited to determine the amount received and/or appraised. Land discounts will have to be accounted for during this process. This process will take a Natural Resource Officer I approximately one year (37.8 personal services; 1.0 travel; 1.5 contractual; 0.5 commodities).

2. Identify and appraise all less than fair market value conveyances and encumbrances. Estimated costs: \$304,800.

These appraisals will be performed contractually. However, the department must prepare reports and maps containing information about each parcel before the contract can be let. We also note that these appraisals cover only those mental health parcels that are no longer in trust status. The approximately 700,000 acres in trust status are not to be appraised. If section 3(b) of the bill intends that all mental health land be appraised, then the cost will be \$1,206,100.

The reports and maps must take approximately 1,100 parcels into consideration. We expect this project to take a single Natural Resource Officer I three months to complete. Additionally, the project will need funding for supplies and contractual clerical services (9.5 personal services; .5 contractual; .2 commodities).

The appraisals are expected to cost \$294,600. We project that approximately 820 parcels totalling 268,000 acres will need appraisals at an estimated cost of \$215,000. This figure could be reduced to \$28,000 if the department uses

the Opinion of Value panel method similar to that used in meeting the court stipulated appraisal for mental health land values as of July 19, 1978. The Opinion of Value method has been criticized by the plaintiffs and intervenors.

In addition, approximately 276 leases must be reappraised at five-year intervals. Currently these leases may not be reappraised for twenty-five years which will create a discrepancy with fair market value rental. The approximate cost of these lease reappraisals is \$79,600.

3. Provide management oversight of all transactions and account for funds received from mental health lands.
Estimated costs: \$142,700.

Statewide trust management oversight can be provided by a Natural Resource Manager II with support from a Natural Resource Officer I. That manager would be expected to review a large number of transactions, with research assistance from a subordinate, to ensure that the trust is not breached. It is expected that the manager will also provide the necessary coordination between the department and the plaintiffs, and will be required to travel.

Accounting functions can be broken into two parts: ongoing accounting services, and an independent audit. An accounting Technician I will be needed to receive and separately process that portion of the approximately \$1.5 billion taken in by DNR annually that should be assigned to the mental health accounts.

Line items in this total are: 124.0 personal services; 6.0 travel; 11.3 contractual; and, 1.4 commodities.

4. Provide administrative support to the commission.
Estimated costs: \$53,600.

The department would need to provide administrative support to the commission which includes arranging meetings, ~~preparing briefing packets, documenting meeting results, and~~ clerical support. The Natural Resource Officer I listed in item 3 above could assist with the details of action review and a Clerk Typist III would be needed to assist with typing and organization of meetings. Contractual monies would cover duplication costs, phone charges, postage, etc. Travel and per diem funding is for meetings of the commission. Commodities money is to cover routine supplies and maps (27.1 personal services; 18.0 travel; 6.0 contractual; 2.5 commodities).

5. Executive Director and secretary for Commission.
Estimated costs: \$146,100.

The executive director receives a monthly salary at the division director level (range 26). Office support is provided by a secretary (range 10). Both persons serve in the exempt service. Travel funding enables the director to meet regularly with the diverse mental health constituent groups. Contractual funding provides office space and overhead. Equipment funding is for a one time purchase of office equipment. Line item totals are: 110.1 personal services; 8.0 travel; 20.0 contractual; 5.0 commodities; and, 3.0 equipment.

FY 88

All anticipated court ordered reports will be completed in FY 87. Therefore, FY 88 costs will be substantially reduced. Support for the commission will include 3 months of an NRO I, the clerk typist III, and similar support costs (36.6 personal services; 18.0 travel; 6.5 contractual; 2.7 commodities).

The department would continue to provide the oversight function described in item 3 for FY 87 with costs of 124.0 personal services, 6.0 travel, 11.3 contractual, and 1.4 commodities.

The executive director, staff, and support costs, minus equipment, continue in FY 88: 110.1 personal services; 8.0 travel; 20.0 contractual; and, 5.0 commodities.



THE ALASKA
ALLIANCE FOR THE MENTALLY ILL

MAR 11 1986

"An affiliate of the National Alliance for the Mentally Ill"

March 11, 1986

Honorable Don Bennett
President of Alaska State Senate
Alaska State Legislature
Juneau, Alaska 99801

Dear Senator Bennett and Members of the Senate:

The Alaska Alliance for the Mentally Ill believes it is essential that some legislation address the mental health lands dispute this session and appreciates the opportunity to present its position to the members of the Senate.

In addition to the proposed interim joint committee (either SCR 36 or HCR 50) the Alliance supports HB 128 as a further vehicle needed for resolution of the mental health lands dispute. Basic concepts embodied in this bill which we believe are essential to this or any other legislation are:

- The direction of the Supreme Court to reconstruct the trust must be implemented.
- A process for resolution of the mental health lands dispute must be set in motion
- Authority must be vested in an independent interim board to direct the necessary appraisals, inventories, and research; to oversee the management of the trust lands; draft proposed settlement legislation acceptable to all parties; and conduct other trust responsibilities.
- Representatives of the plaintiffs and intervenors (as well as legislators) must be part of the interim board and be funded sufficiently to responsibly review the State's audits, appraisals, and program expenditures and participate in consensus building efforts between the mental health community and the State.
- Sufficient funding must be made available for the departments of Natural Resources and Health and Social Services to conduct the necessary appraisals, audits, research and inventories required by the court order.
- Increased funding for the Division of Mental Health to address needs through the operation budget and SB 388/HB 412 initiating programs for the chronically mentally ill to demonstrate the legislature's intent to correct past inadequacies in mental health programming.

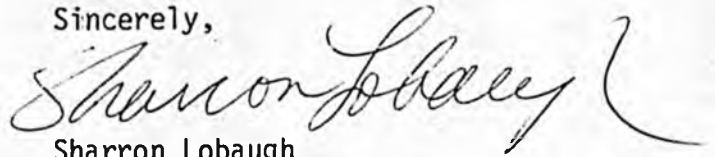
Our overall goal in resolving the mental health lands issue is to develop a

trust of sufficient size to adequately fund mental health programs for future generations.

The Alliance has voted to endorse the transfer of representation for the class from William Council to David T. Walker both of Juneau. The Alliance has agreed to serve as advisory to Mr. Walker on behalf of the class and are working closely with him on this issue. If you have any questions regarding the legal issues of this legislation, please contact him at 586-3537.

This session, Pat Clasby (789-2317) and George Rogers (586-1202) are legislative liaisons for the Alliance. We also have active professionals and family members statewide who are available to participate at any time. Please feel free to contact me if there are further questions.

Sincerely,



Sharron Lobaugh
Vice President, Alaska Alliance
for the Mentally Ill

cc: Representatives:

Pignalberi, Miller, Gruenberg
Office of the Governor
Commissioners HESS and DNR
Alaska Mental Health Association
David Walker
Alliance Chapters

POSITION OF THE ALASKA ALLIANCE ON MENTAL HEALTH LANDS

Before transferring care of the mentally ill to Alaska, Congress in 1956 provided \$12.5 million in transition appropriations and one million acres of land to be managed as a "public trust" to carry out "plans for an integrated mental health program for the Territory, including outpatient and inpatient care and treatment." This would be the basis for determining "necessary expenses" which had a first claim on the proceeds of the trust.

Except 1977-81 Alaska operated without a plan, the program simply being budgeted annually without needs assessments or program priorities. Without a plan there is no basis for a mental health program or its "necessary expenses."

Furthermore, mental health lands were treated as general lands without separate accounting. This was formalized by 1978 legislation redesignating these lands as general grant lands. This was challenged in 1982 and on October 4, 1985 the Alaska Supreme Court ruled that the trust established by the Congress had been breached and ordered it reconstituted.

The Legislature has recognized the necessity for responding to the issues raised by the court's order and the past mismanagement of the trust lands both in protecting the welfare of mentally ill Alaskans and removing restraints on future land management. There is need, however, to make a choice among the several proposals under consideration and the Alaska Alliance for the Mentally Ill and its community alliances has its recommendations.

The Legislature recognizes the complexity of problems thirty years in the making and that their resolution cannot be arrived at within one session. Accordingly each house has introduced concurrent resolutions (SCR 36 and HCR 50) to create an interim joint committee to study and propose resolution of the trust litigation and recommend an adequate mental health program. These are very similar, but the Alliance has a preference for the Senate version.

The Legislature also recognizes that at present there is no statutory authority providing for interim management of the trust lands as a trust and two proposals have been introduced to meet this need. HB 651 proposes a non-paid six member management commission within the Department of Natural Resources to manage the lands and seek to maximize the income. HB 128 proposes an interim and independent commission which in addition to these trust responsibilities would also carry out all the necessary inventory, accounting and appraisal functions necessary for settlement of the litigation. The Alliance recommends passage of HB 128 because it holds the greatest promise for a resolution in keeping with the original intent of the Congress and the Court.

The lack of an appropriate mental health program for Alaska is being addressed by the Department of Health and Social Services in a five year plan currently being drafted and in two companion bills (HB 412 and SB 388) providing for community based and locally or regionally coordinated care and treatment. This legislation is critically needed and the Alliance urges its passage this session.

George W. Rogers

Geo. W. Rogers
March 11, 1986

Mental Health Trust Lands: Legislators Grapple With Issue

By Rep. John Ringstad

One of the many underlying financial issues being discussed in this legislature is the legal and/or financial remedy involving the Mental Health Trust Lands issue. Now you might wonder how does mental health lands have anything to do with the finances of the state.

Well, depending on how we handle the issue, the state could find itself with a liability totaling hundreds of millions in order to comply with the recent Supreme Court decision regarding the redesignation of mental health lands.

Let me explain a bit further by way of a historical background.

In July 1956, Congress passed the Alaska Mental Health Enabling Act, transferring from the federal government to the Territory, fiscal and functional responsibilities for the hospitalization, treatment and care of the mentally ill in Alaska.

In order to financially ensure mental health programs, Congress designated one million acres of federal lands to be conveyed to the state as an economic base for the mental health trust.

All the proceeds from the lands were to be used for mental health issues, any remaining funds could be appropriated by the legislature for other public purposes at its discretion.

The state selected its mental health lands between 1956 and 1966. Most of the lands were near large population centers and other areas believed to be valuable in subsurface resources.

To date, 983,100 acres of mental health designated lands have been transferred to state ownership. Of this amount, nearly 350,000 of these mental health designated lands have been conveyed to other entities; 37,790 acres have been transferred to municipalities, 29,000 acres to the University of Alaska, other encumbered land amounts to 150,000 acres in parks, 47,700 in fish and game management units, and 3,700 acres in interagency land management sites.

There are also other lands in which only partial conveyances have taken place.

In 1978, the legislature, under pressure to provide a statewide land disposal program and to fulfill municipal entitlements, redesignated all mental health trust land to general grant lands.

By this time the state has already conveyed much of the mental health trust land to other entities.

The legislation also provided for (as a trade off for redesignating the mental health lands) a mechanism of funding the mental health trust fund, by requiring that 1.5% of all revenue derived from the management of state land, including proceeds from the sale or lease of subsurface rights, mineral lease rentals, royalties, royalty sale proceeds, and federal mineral revenue-sharing payments or bonuses, be placed in the mental health trust fund.

However, none of the revenues received were ever deposited into the trust fund.

If they had been, revenues from the management of state lands would have totaled \$9.8 billion from FY 78 to FY 85. Subsequently of that total amount, \$147 million would have been available in the trust fund account for use in state mental health programs.

In November 1982, the Alaska Mental Health Association as original sponsor, filed a suit in Superior Court, claiming that the state had breached the federal Congressional law by redesignating the mental health trust lands as general grant lands and subsequently selling this land in violation of the trust, using the funds for other than the intended public purposes.

This suit also contended that the state had failed to establish a separate account for the trust fund.

In September 1984, the Superior Court agreed and ordered the state to reimburse the trust for the full value of the land that was redesignated by the 1978 legislature.

The state in attempting to concur with the court order, assessed the land previously conveyed to have a (1978) value of \$250 million.

The Court ordered that interest was also due the trust up until the time the appraisals were actually completed (April 3-85) which could bring the total due the trust to over \$600 million (which is one-sixth of the state's total budget).

The state then appealed the decision to the Supreme Court.

In October 1985, the Supreme Court upheld the lower court's decision. The Court determined that the state had, in fact, breached the federal law by redesignating the mental health



trust lands. The remaining lands that were still in state ownership had to be returned to trust status and the Court required the state to reimburse the trust fund for land conveyed, minus a credit for all appropriations that had been made for mental health programs.

The Court stated that the Dept. of Natural Resources should manage the mental health lands separate from general grant lands until such time that details for the settlement, including the future management of the mental health lands, was approved by the Superior Court.

Where do we go from here?

First off, we have in place a temporary interim management system, administered by the Dept. of Natural Resources, which was ordered by the Supreme Court.

Secondly, we need to set up an administering body which will more fairly represent all the interests involved in this issue: state administration, legislative, mental health proponents with the immediate goal of administering the trust and the ultimate goal of determining a permanent solution for administering the mental health trust.

This solution must be approved by the Superior Court.

Such administrative authority must be provided for in statute, which at this time there is none, since the courts found the entire redesignation statute of 1978 invalid.

I'm optimistic the legislature will remedy this vital statutory problem during this legislative session. In an early attempt to achieve this goal, there have been two bills and one resolution introduced in the house to establish administrative bodies for the trust.

HB 651 would establish a permanent Mental Health Trust Land Management Commission.

HB 128 would establish an Interim Mental Health Trust Land Commission.

HCR 50 establishes within the legislature a Joint House and Senate Committee on the Mental Health Trust Lands for the purpose of developing a proposal to solve the litigation and recommend a level of appropriate funding for mental health needs.

The joint committee would report back to the first session of the next legislature.

There is an on-going dialogue between all parties as to how this issue will be resolved in a fiscally responsible manner and at the same time insure that the financial needs of the mental health community are adequate, in that the legislature has the power to determine the level of these needs and thereby determine the level of funding.

The main obligation of the legislature is to insure that the original mental health trust is reimbursed and reinstated through land exchanges and/or cash reimbursements, which is one of the main points of contention between the state and mental health advocates.

At present all activities on

—Continued on page 24

Kingstad . . .

—Continued from page 3

the originally designated mental health trust lands, particularly those that have not been conveyed, has been stopped. It is my intention to do a follow-up report on this issue before the end of the legislative session.

SENATE HEALTH, EDUCATION AND SOCIAL SERVICES
MARCH 25, 1986
1:36 P.M.

FA

MEMBERS PRESENT:

Senator Bettye Fahrenkamp, Chairman
Senator Edna DeVries
Senator Paul Fischer
Senator Joe Josephson
~~Senator Arliss Sturgulewski~~

COMMITTEE CALENDAR:

SCR 36 Establishing a joint special committee on mental health trust land.

WITNESS REGISTER:

Sandra Schubert
Senate Health, Education and Social Services Staff
P.O. Box V
Juneau, AK 99811
Position Statement: Overview, history of mental health lands litigation.

Bob Arnold, Deputy Commissioner
Department of Natural Resources
P.O. Box M
Juneau, AK 99811
Position Statement: Support for SCR 36.

John Pugh, Commissioner
Department of Health and Social Services
P.O. Box H-01
Juneau, AK 99811
Position Statement: Support for SCR 36.

Jim Gottstein
406 G St., Suite 206
Anchorage, AK 99501
Position Statement: Support for SCR 36.

John Sandor
3311 Foster Ave.
Juneau, AK 99801
Position Statement: Support for SCR 36.

Sharron Lobaugh
3340 Fritz Cove Road
Juneau, AK 99801

Position Statement: Support for SCR 36.

ACTION NARRATIVE:

TAPE ONE SIDE ONE

Number 025

Sandra Schubert, Staff, Senate Committee on Health, Education and Social Services, gave a brief overview of the history of the mental health lands trust. In 1956, the federal government granted one million acres to the state for a mental health trust. The lands were redesignated in 1978 as general grant lands. In 1982, the Alaska Mental Health Association filed suit against the state for breach of the trust. The State Supreme Court directed the state in 1984 to reimburse the trust for the full value of the land that was redesignated. The state appealed. On October 4, 1985, the State Supreme Court ruled that the state had breached the trust and that it must be reconstituted.

Number 184

Bob Arnold, Deputy Commissioner, Department of Natural Resources, spoke in support of SCR 36, as well as creation of a Mental Health Trust Land Commission. He expressed preference for legislative solutions to the issue, rather than on-going litigation, although some court clarification may be necessary.

Number 573

Arnold noted that representatives of the Departments of Law, Health and Social Services, and Natural Resources have met several times to discuss the mental health lands issue. Currently, the Department is taking management steps such as denying activities on mental health lands that don't generate fair market value, the appointment of a mental health lands officer, and identifying all lands that were once in the trust.

Number 790

Arnold said that of the 1 million acres of mental health lands, 46,000 acres have been sold, 38,000 conveyed to municipalities and 29,000 to the University.

Number 840

John Pugh, Commissioner, Department of Health and Social Services, spoke in support of SCR 36 and of an interim Mental Health Trust Land Commission.

TAPE ONE, SIDE TWO
Number 030

Pugh identified several steps that need to be taken in the resolution of the mental health lands issue: establishment of a legislative committee, an interim commission to be advisory to the Department of Natural Resources, funding for appraisals, participation by advocacy groups, and a needs assessment of mental health in Alaska. He noted that an assessment should be available by July 1.

Number 388

Jim Gottstein, attorney for the Alaska Mental Health Association, spoke in support of SCR 36 and stressed the need for legislative involvement in the mental health lands issue. The trust, he said, should be managed to produce revenue.

Number 655

John Sandor expressed his support for SCR 36, stressing the need for public membership on the committee. He also expressed support for a needs-assessment of mental health in Alaska and additional funding for mental health programs.

TAPE TWO, SIDE ONE
Number 025

Sharron Lobaugh, President, Alaska Alliance for the Mentally Ill, spoke in support of SCR 36 and of a fair needs-assessment. She stated that the Alliance prefers legislation over continued litigation and supports a strong management commission. She also urged additional funding for the chronically mentally ill and for consensus building among the plaintiffs.

Number 128

The goals of a management commission should be to maximize revenue and ensure that the trust stays whole, Lobaugh said.

Number 353

Senators Fahrenkamp and Josephson suggested deleting the language on page 2, lines 5 and 6 of SCR 36 which would place commissioners as members of the commission.

Number 370

Senator Fahrenkamp suggested increasing the number of legislators on the committee to three from each House.

Number 495

Senator Josephson moved and asked unanimous consent to adopt a committee substitute with the amendments discussed. There were no objections.

Senator Fahrenkamp adjourned the meeting at 3:35 p.m.

Original sponsor: Health, Education and
Social Services Committee

1 IN THE SENATE

BY THE RESOURCES COMMITTEE

2 CS FOR SENATE BILL NO. 472 (Resources)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the interim management of the
7 mental health trust; and providing for an effective
8 date."

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10 * Section 1. The legislature finds that

11 (1) the Congress granted 1,000,000 acres of land to the Terri-
12 tory of Alaska to be administered as a public trust for the necessary
13 expenses of the support of mental health in the territory;

14 (2) the land authorized to be granted to the Territory of Alaska
15 has been selected by the territory and since statehood by the state and
16 most of the 1,000,000 acres has been conveyed to the state;

17 (3) the Alaska Supreme Court ruled in State v. Weiss, 706 P.2d
18 681 (Alaska 1985) that the legislation redesignating mental health trust
19 land as general grant land had actually breached the trust established by
20 Congress and the court ordered the trust reconstituted;

21 (4) there is presently no statutory authority providing for the
22 management of the mental health trust land as trust land;

23 (5) the Alaska Mental Health Association as the original sponsor
24 of the litigation regarding the management of the mental health trust land,
25 more recently participating as intervenor in the litigation, and the plain-
26 tiffs have performed and continue to perform an important public function
27 in their efforts to reconstitute the mental health trust land and to pro-
28 vide for the proper management of the trust land; and

29 (6) there is a need for the interim management of the trust land

1 as a public trust.

2 * Sec. 2. INTERIM MENTAL HEALTH TRUST COMMISSION ESTABLISHED. (a) The
3 interim mental health trust commission is established in the Department of
4 Natural Resources.

5 (b) The commission established under (a) of this section consists of
6 five members, including the commissioner of natural resources and the
7 commissioner of health and social services, or their designees, and three
8 members appointed by the governor as follows:

9 (1) a member representing the plaintiffs, appointed by the
10 governor from a list of three names submitted to the governor by the plain-
11 tiffs in State v. Weiss, 706 P.2d 681 (Alaska 1985);

12 (2) a member representing the intervenors, appointed by the
13 governor from a list of three names submitted to the governor by the inter-
14 venors in State v. Weiss, 706 P.2d 681 (Alaska 1985); and

15 (3) a member representing the Governor's Mental Health Advisory
16 Council, appointed by the governor from a list of three names submitted to
17 the governor by the Governor's Mental Health Advisory Council.

18 (c) The members of the commission shall elect a presiding officer. A
19 majority of the commission constitutes a quorum. The affirmative vote of
20 three members is required to take official action. A vacancy does not
21 impair the power of the remaining members to exercise the powers of the
22 commission.

23 (d) Members of the commission serve without compensation but are
24 entitled to per diem and travel expenses authorized by law for other boards
25 under AS 39.20.180.

26 (e) The commission shall meet at least quarterly and may meet more
27 frequently, either in person or by teleconference.

28 (f) The commission may employ an executive director and staff to
29 assist it in fulfilling its responsibilities under this Act. The employees

1 shall be in the exempt service.

2 (g) The commission may contract with parties or individuals for the
3 performance of functions assigned to it.

4 * Sec. 3. RESPONSIBILITIES OF THE COMMISSIONER OF NATURAL RESOURCES AND
5 THE COMMISSION. (a) The commissioner of natural resources shall inventory
6 and catalog the mental health trust land of the state, shall audit and
7 appraise each land transaction involving land that has been part of the
8 mental health trust land of the state, and determine the status of mental
9 health trust land on the effective date of this Act under procedures and
10 guidelines established by the commissioner of natural resources with the
11 approval of the commission. In the exercise of the commission's respon-
12 sibilities under this section, the commission may review the records of the
13 Department of Natural Resources.

14 (b) The commissioner of natural resources shall, with the approval of
15 the commission, retain an appraiser or appraisers to appraise all or a
16 portion of land that, at any time, was part of the mental health trust land
17 of the state. The commissioner shall provide an appraiser conducting an
18 appraisal with written procedures and instructions that have been approved
19 by the commission.

20 (c) The commissioner of natural resources is responsible for the
21 management of the mental health land of the state as a public trust under
22 P.L. 84-830, 70 Stat. 709. ^{NATIVE ALLOTMENTS} Except for a transfer authorized under AS 38.-
23 05.035(b)(9), the commissioner of natural resources may not sell, lease, or
24 exchange mental health trust land of the state or an interest in the mental
25 health trust land of the state without the prior approval of the commis-
26 sion. In reviewing a proposal for the sale, lease, or exchange of mental
27 health trust land from the commissioner of natural resources, the commis-
28 sion may approve the proposal of the commissioner on its determination that
29 the proposal is consistent with the terms of the trust established by the

1 Alaska Mental Health Enabling Act.

2 (d) The proceeds from the management of the mental health trust land
3 of the state shall be deposited in a special trust account in the general
4 fund of the state and are subject to appropriation by the legislature.

5 * Sec. 4. RESPONSIBILITIES OF THE COMMISSIONER OF HEALTH AND SOCIAL
6 SERVICES AND THE COMMISSION. (a) The commissioner of health and social
7 services, with the approval of the commission, shall

8 (1) select an independent auditor to audit the state's mental
9 health program;

10 (2) establish the procedures and guidelines to guide the auditor
11 selected under this subsection;

12 (3) propose the guidelines and procedures to be used in de-
13 termining a range of expenditures for mental health programs necessary to
14 comply with the state's comprehensive mental health plan.

15 (b) The commission may review the records of the Department of Health
16 and Social Services that involve mental health expenditures under the
17 state's comprehensive mental health plan.

18 * Sec. 5. ADDITIONAL RESPONSIBILITIES OF THE COMMISSION. The commis-
19 sion shall submit a report to the legislature by the 10th day of the first
20 session of the fifteenth state legislature on matters of concern to the
21 commission. The report shall include its recommendations for amendment of
22 the laws relating to the management of the mental health trust, the mental
23 health trust land, and the mental health program of the state.

24 * Sec. 6. DEFINITION. In this Act "commission" means the interim
25 mental health trust commission established in sec. 2 of this Act.

26 * Sec. 7. This Act is repealed July 1, 1987.

27 * Sec. 8. This Act takes effect immediately in accordance with AS 01.-
28 10.070(c).