

**SB65**

# SENATE FINANCE COMMITTEE REPORT

DATE: 5/17/91

FURTHER:

DATE TURNED INTO OFFICE: 5/17/91

The Finance Committee considered SB 65

Establishing the Alaska Mental Health Trust Authority and defining its powers and duties; administration of the trust and appropriations made to it, and to a comprehensive service program for the beneficiaries of the trust; abolishing the Interim Mental Health Trust Commission; relating to the Older Alaskans Commission and the Governor's Council for the Handicapped/Gifted; amending the membership and duties of the Advisory Board on Alcoholism/Drug Abuse and the Alaska Mental Health Board; exempting trust property from municipal taxation; amending Alaska Rule of Civil Procedure 82; efd.

and recommended:

- replace with \_\_\_\_\_ CS SSSB65 (Finance)  same title
- or adopt \_\_\_\_\_ CS \_\_\_\_\_  new title
- attached amendment(s)  technical title change (HB only)
- Finance letter of intent adopted

do pass

do not pass

no recommendation

individual recommendations

further referral to \_\_\_\_\_

New FN:	DOR-MHTA	183.0	5/17/91
(by SFC)	DOLaw	1,978.3	5/17/91
	DNR	1,471.8	5/17/91
	Courts	156.3	5/17/91
	DHSS-AMHB	48.4	5/17/91
	DHSS-ADA	232.9	5/17/91

### ATTACHES NEW FISCAL NOTE(S):

fiscal note(s) \_\_\_\_\_ Dept/Date: \_\_\_\_\_

zero fiscal note(s) \_\_\_\_\_

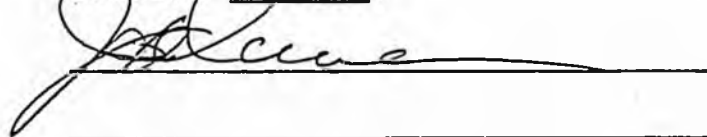
appropriation-no fiscal note

### APPROVES PREVIOUS:

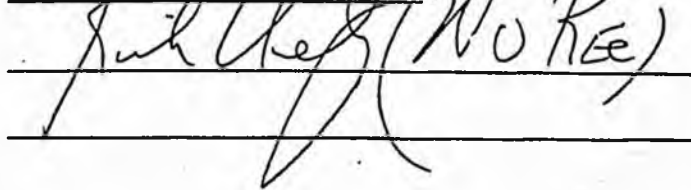
fiscal note(s) DOA-DAC 38.5 5/17/91 Dept/Date: \_\_\_\_\_

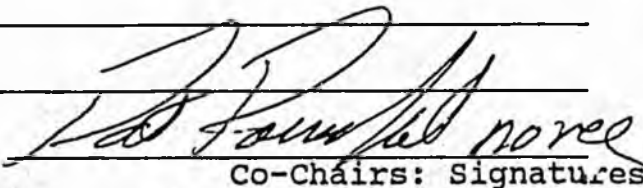
zero fiscal note(s) DOR-Treas 5/17/91

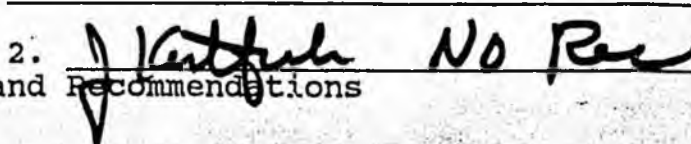
### SIGNING DO PASS:



### OTHER RECOMMENDATIONS:

 (No Rec)

1.  Co-Chairs: Signatures and Recommendations

2.  No Rec



Official Business

# Alaska State Legislature

Senate

Committee on Finance

5-17-91  
Duncan  
moved  
no objection  
Adopted.

Pouch V  
State Capitol  
Juneau, Alaska 99811

CS SS SB 65 (Finance)

## LETTER OF INTENT

It is the intent of the Legislature that the commissioner of the Department of Natural Resources and the Mental Health Authority report annually to the Legislature at the beginning of the session on the progress of implementation of this legislation, including a list of lands traded and conveyed.

FISCAL NOTE

STATE OF ALASKA  
1991 LEGISLATIVE SESSION

BILL NO. CSSSB 65

Revision Date: May 16, 1991  
 Title: An Act establishing the Mental Health Trust  
 Authority and defining its powers and duties:  
 Sponsor: Senator Duncan  
 Requestor: \_\_\_\_\_

Department Affected: Revenue  
 BRU: Treasury  
 Component: \_\_\_\_\_

Component Serial No.

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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

CAPITAL						
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REVENUE						
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FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year impact: \_\_\_\_\_

ANALYSIS: See attached bill analysis.

Prepared by: Brian C. Andrews  
 Division: Treasury  
 Approved by Commissioner: [Signature]  
 Agency: Revenue

Phone: 465-2350  
 Date: May 16, 1991

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

Rev 10/90

Changes in CS SS SB 65 (FIN)  
 have no fiscal impact. This  
 fiscal note is appropriate.  
5/17/91 [Signature]  
 date Comte Aide (initial)

Bill Analysis  
CSSSSB\_65

The Department of Revenue views the investment management of the assets of the Alaska Mental Health Trust as the responsibility of the State's Treasury. The statutory purpose of the Permanent Fund Corporation (37.13.030) is to manage and invest the assets allocated by law (37.13.010) to the Alaska Permanent Fund. The purpose of the State's Treasury is to manage all other investment and trust funds for the State. Currently, there are nine funds under Treasury's investment management which total more than six billion dollars. Of these nine funds there are two, the Public School Investment Trust Fund and the University of Alaska Investment Trust Fund, which are managed as endowment trust funds for which the corpus or principal is invested for perpetuity.

The Treasury has investment management expertise equal to the Permanent Fund Corporation. Simply stated, the State's Treasury has a track record which is competitive in all areas of investment management such as operational costs, investment performance, accounting, auditing etc. The State has a Treasury which is governed by laws and regulations that are based on the prudent-investor rule.

The State's Treasury is the proper organizational entity from either a statutory or competitive perspective. The Department of Revenue believes that the State's Treasury is the proper entity to carry out the investment management functions of the assets of the Alaska Mental Health Trust.

**FISCAL NOTE**

**STATE OF ALASKA**  
**1991 LEGISLATIVE SESSION**

**BILL NO. CSSSSB 65 (Fin)**

Revision Date: \_\_\_\_\_ Department Affected: Health & Social Services  
 Title: An Act establishing the Alaska BRU: Alcoholism & Drug Abuse  
Mental Health Trust Authority Component: Advisory Board on Alcoholism  
 Sponsor: Senator Duncan & Drug Abuse  
 Requestor: \_\_\_\_\_ COMPONENT SERIAL NO. 

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**Expenditures/Revenues: (Thousands of Dollars)**

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES	109.6	177.5	177.5	177.5	177.5	177.5
TRAVEL	56.0	94.5	99.2	104.2	109.4	114.9
CONTRACTUAL	47.5	49.9	52.4	55.0	57.8	60.7
SUPPLIES	5.8	6.0	6.3	6.6	6.9	7.2
EQUIPMENT	14.0	0	0	0	0	0
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>232.9</b>	<b>327.9</b>	<b>335.4</b>	<b>343.3</b>	<b>351.6</b>	<b>360.3</b>

CAPITAL						
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REVENUE						
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**FUNDING: (Thousands of Dollars)**

GENERAL FUND	232.9	327.9	335.4	343.3	351.6	360.3
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>	<b>232.9</b>	<b>327.9</b>	<b>335.4</b>	<b>343.3</b>	<b>351.6</b>	<b>360.3</b>

**POSITIONS:**

FULL-TIME	2	3	3	3	3	3
PART-TIME						
TEMPORARY						

Estimate of current year impact: \_\_\_\_\_

ANALYSIS: (Attach a separate page if necessary.)



Prepared By: Senator Pat Pourchot, Co-chairman Phone: 465-3879  
 Division: Senate Finance Committee Date: May 17, 1991

Approved by Commissioner: \_\_\_\_\_ Date: \_\_\_\_\_  
 Agency: \_\_\_\_\_

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

FISCAL NOTE

STATE OF ALASKA  
1991 LEGISLATIVE SESSION

BILL NO. CSSSSB 65 (Fin

Revision Date: \_\_\_\_\_ Department Affected: Health & Social Services  
 Title: Est. Alaska Mental Health BRU: Administrative Services  
 Trust Authority: \_\_\_\_\_ Component: Alaska Mental Health Board  
 Sponsor: Duncan  
 Requestor: Senate Finance COMPONENT SERIAL NO. 

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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES						
TRAVEL	48.4	50.8	53.3	56.0	58.8	61.7
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>48.4</b>	<b>50.8</b>	<b>53.3</b>	<b>56.0</b>	<b>58.8</b>	<b>61.7</b>

CAPITAL						
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REVENUE						
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FUNDING: (Thousands of Dollars)

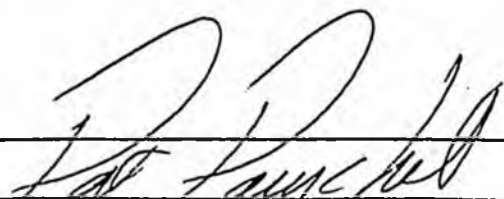
GENERAL FUND						
FEDERAL FUNDS						
OTHER MHT/GF	48.4	50.8	53.3	56.0	58.8	61.7
<b>TOTAL</b>						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year impact:

ANALYSIS: (Attach a separate page if necessary.)



Prepared By: Senator Pae Pourchot, Co-chairman Phone: 465-4935  
 Division: Senate Finance Committee Date: May 17, 1991  
 Approved by Commissioner: \_\_\_\_\_  
 Agency: \_\_\_\_\_ Date: \_\_\_\_\_

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

FISCAL NOTE

STATE OF ALASKA  
1991 LEGISLATIVE SESSION

BILL NO. CSSSSB 65 (Fin)

Revision Date: \_\_\_\_\_ Department Affected: Alaska Court System  
 Title: An Act establishing the Alaska BRU: Appellate Courts  
Mental Health Trust Authority Component: \_\_\_\_\_

Sponsor: Senator Duncan

Requestor: \_\_\_\_\_ COMPONENT SERIAL NO. 

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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES		39.0	39.0	39.0	39.0	39.0
TRAVEL	7.5	15.0	15.0	15.0	15.0	15.0
CONTRACTUAL	148.8	297.5	297.5	297.5	297.5	297.5
SUPPLIES		3.0	3.0	3.0	3.0	3.0
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>156.3</b>	<b>354.5</b>	<b>354.5</b>	<b>354.5</b>	<b>354.5</b>	<b>354.5</b>

CAPITAL						
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REVENUE						
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FUNDING: (Thousands of Dollars)

GENERAL FUND	156.3	354.5	354.5	354.5	354.5	354.5
FEDERAL FUNDS						-
OTHER						
<b>TOTAL</b>	<b>156.3</b>	<b>354.5</b>	<b>354.5</b>	<b>354.5</b>	<b>354.5</b>	<b>354.5</b>

POSITIONS:

FULL-TIME	0	1	1	1	1	1
PART-TIME						
TEMPORARY						

Estimate of current year impact: \_\_\_\_\_

ANALYSIS: (Attach a separate page if necessary.)



Prepared By: Pat Pourchot Phone: 465-3879

Division: Senator Pat Pourchot, Co-chairman Date: May 17, 1991  
Senate Finance Committee

Approved by Commissioner: \_\_\_\_\_

Agency: \_\_\_\_\_ Date: \_\_\_\_\_

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

Department of Administration  
Older Alaskans Commission  
May 9, 1991

DETAIL OF FISCAL NOTE ON CSSS SB 65

100	<u>PERSONAL SERVICES</u>	
	1 PFT Health Program Spec. II (Range 19) Juneau -	\$59.4
200	<u>TRAVEL</u>	
	1 three-day Commission meeting in Anchorage including a half-day statewide teleconference to specifically focus on OAC's responsibilities under the mental health trust (\$14.0); travel funds to allow the position and Commission member to attend numerous meetings of the Alaska Mental Health Authority, the Mental Health Board, and the annual planning session of the Division of Mental Health and Developmental Disabilities (\$6.1).	\$20.1
300	<u>CONTRACTUAL</u>	
	RSA with DOA word processing for reports, copying, and mailing; telephone and related fixed costs.	\$ 3.5
400	<u>SUPPLIES</u>	\$ 2.0
500	<u>EQUIPMENT</u>	
	Includes as one time expenses: computer, software, related office equipment	<u>\$ 3.5</u>
	<b>FY 92 TOTAL:</b>	<b>\$88.5</b>

FISCAL NOTE

STATE OF ALASKA  
1991 LEGISLATIVE SESSION

BILL NO. CSSS SB 65

Revision Date: \_\_\_\_\_  
 Title: An Act establishing the Alaska Mental Health Trust  
 Authority: \_\_\_\_\_  
 Sponsor: Duncan  
 Requestor: \_\_\_\_\_

Department Affected: Administration  
 BRU: Older Alaskans Commission  
 Component: Older Alaskans Services

COMPONENT SERIAL NO. 

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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES	59.4	61.0	62.4	64.2	65.7	67.5
TRAVEL	20.1	20.1	20.1	20.1	20.1	20.1
CONTRACTUAL	3.5	3.5	3.5	3.5	3.5	3.5
SUPPLIES	2.0	2.0	2.0	2.0	2.0	2.0
EQUIPMENT	3.5	0.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES	0.0	0.0	0.0	0.0	0.0	0.0
GRANTS, CLAIMS	0.0	0.0	0.0	0.0	0.0	0.0
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
<b>TOTAL OPERATING</b>	<b>88.5</b>	<b>86.6</b>	<b>88.0</b>	<b>89.8</b>	<b>91.3</b>	<b>93.1</b>

<b>CAPITAL</b>	0.0	0.0	0.0	0.0	0.0	0.0
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<b>REVENUE</b>	0.0	0.0	0.0	0.0	0.0	0.0
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FUNDING: (Thousands of Dollars)

GENERAL FUND	0.0	0.0	0.0	0.0	0.0	0.0
FEDERAL FUNDS	0.0	0.0	0.0	0.0	0.0	0.0
OTHER/MHT	88.5	86.6	88.0	89.8	91.3	93.1
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

POSITIONS:

FULL-TIME	1.0	1.0	1.0	1.0	1.0	1.0
PART-TIME	0.0	0.0	0.0	0.0	0.0	0.0
TEMPORARY	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of current year impact: \_\_\_\_\_

ANALYSIS: (Attach a separate page if necessary.) To meet its expanded duties under this bill, the Older Alaskans Commission (OAC) needs: (1) funds to increase commission meetings from three to four per year, one meeting for mental health (Alzheimer's) planning duties and public hearings; and (2) one staffer to carry out OAC's new planning duties and to monitor the mental health services funded by OAC. Staffer will attend report back, and coordinate with the meetings, planning sessions, and regulatory requirements of the new Mental Health Authority, the Division of Mental Health, and the other three "coordinating" boards for mental health services.

Prepared by: Connie J. Sipe *Connie J. Sipe*  
 Division: Older Alaskans Commission

Phone: 465-3250  
 Date: May 9, 1991

Approved by Commissioner: Millett Keller *Millett Keller*  
 Agency: Administration

Date: 5/13/91

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

**FISCAL NOTE**

**STATE OF ALASKA**  
**1991 LEGISLATIVE SESSION**

**BILL NO. CSSSSB 65 (Fin)**

Revision Date: \_\_\_\_\_ Department Affected: Natural Resources  
 Title: Mental Health Trust BRU: Management & Administration  
Land Administration Component: Mental Health Lands  
 Sponsor: Senator Duncan  
 Requestor: Senate Finance COMPONENT SERIAL NO. 

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**Expenditures/Revenues: (Thousands of Dollars)**

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES	358.8	381.8				
TRAVEL	3.5	4.0				
CONTRACTUAL	1,073.0	2,000.0				
SUPPLIES	18.0	16.0				
EQUIPMENT	18.5					
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>1,471.8</b>	<b>2,401.8</b>	0	0	0	0

<b>CAPITAL</b>						
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<b>REVENUE</b>						
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**FUNDING: (Thousands of Dollars)**

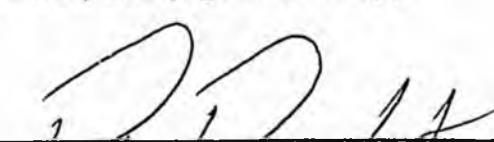
GENERAL FUND	1,471.8	2,401.8				
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>	<b>1,471.8</b>	<b>2,401.8</b>	0	0	0	0

**POSITIONS:**

FULL-TIME	8.0	8.0				
PART-TIME						
TEMPORARY						

Estimate of current year impact:

ANALYSIS: (Attach a separate page if necessary.)



Prepared By: Senator Pat Pourchot, Co-chairman Phone: 465-4935  
 Division: Senate Finance Committee Date: May 17, 1991

Approved by Commissioner: \_\_\_\_\_ Date: \_\_\_\_\_  
 Agency: \_\_\_\_\_

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

FISCAL NOTE

STATE OF ALASKA  
1991 LEGISLATIVE SESSION

BILL NO. CSSSSB 65 (Fin)

Revision Date: \_\_\_\_\_ Department Affected: Department of Law  
 Title: Est. the Alaska Mental Health Trust Authority BRU: Legal Services  
 Component: Operations

Sponsor: Senator Duncan  
 Requestor: Senate Finance

COMPONENT SERIAL NO. 

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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES	167.8	167.8	167.8	118.5	0	0
TRAVEL	6.0	6.0	6.0	3.0	0	0
CONTRACTUAL	173.5	173.5	190.6	173.5	0	0
SUPPLIES	9.0	0.0	9.0	6.0	0	0..
EQUIPMENT	22.0					
LAND & STRUCTURES						
GRANTS, CLAIMS	1,000.0	1,000.0	800.0	500.0	0	0
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>1,378.3</b>	<b>1,356.3</b>	<b>1,173.4</b>	<b>801.0</b>	<b>0</b>	<b>0</b>

CAPITAL						
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REVENUE						
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FUNDING: (Thousands of Dollars)

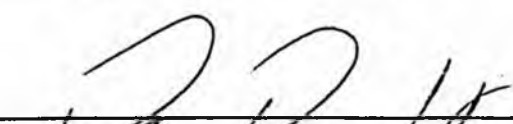
GENERAL FUND	378.3	356.3	373.4	301.0	0	0
FEDERAL FUNDS						
OTHER MHTIA/GF	1,000.0	1,000.0	800.0	500.0	0	0
<b>TOTAL</b>	<b>1,378.3</b>	<b>1,356.3</b>	<b>1,173.4</b>	<b>801.0</b>	<b>0</b>	<b>0</b>

POSITIONS:

FULL-TIME	3.0	3.0	3.0	2.0	0	0
PART-TIME						
TEMPORARY						

Estimate of current year impact: \_\_\_\_\_

ANALYSIS: (Attach a separate page if necessary.)



Prepared By: Senator Pat Pourchot, Co-chairman Phone: 465-4935  
 Division: Senate Finance Committee Date: May 17, 1991  
 Approved by Commissioner: \_\_\_\_\_  
 Agency: \_\_\_\_\_ Date: \_\_\_\_\_

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

**ALASKA MENTAL HEALTH TRUST AUTHORITY  
OPERATING BUDGET FY92 (START UP)**

	FY92
<b>PERSONAL SERVICES</b>	
1FTE - Chief Executive Officer -R26C - 6 months	\$46,742
1FTE - Administrator - R22A - 4 months	\$22,921
1FTE - Secretary I - R10A - 4 months	\$10,325
TOTAL	\$79,988
<b>TRAVEL</b>	
Professional Staff Travel	\$9,900
Board of Trustees Travel	\$9,100
Board of Trustees Honoraria	\$21,000
TOTAL	\$40,000
<b>CONTRACTUAL</b>	
Professional Services	\$7,000
Rent	\$8,000
Communications	\$5,000
Advertsing,Printing & Binding	\$10,000
TOTAL	\$30,000
<b>SUPPLIES</b>	
Office Supplies	\$3,000
TOTAL	\$3,000
<b>500 EQUIPMENT</b>	
4 station computer network, software, peripherals	\$26,000
Office furnishings	\$4,000
TOTAL	\$30,000
<b>TOTAL FY92 DIRECT COSTS</b>	<b>\$182,988</b>

CSSSSB65 (FIN) FISCAL NOTE

ALASKA MENTAL HEALTH TRUST AUTHORITY (AMHTA)

This newly created agency will be located for budgetary and administrative purposes within the Department of Revenue. The agency composition, staff and duties are outlined in section 25 of the bill. The agency, through its board of trustees, will be responsible for administration and management of the mental health trust. Duties will include making the trust property productive and recommending to the governor and legislature appropriate trust earnings expenditure for the integrated comprehensive mental health program. The expertise required in the trustees and the staff must include financial management and investment, land management and services for the beneficiaries of the trust.

Total FY92 operating costs are estimated at \$183,000. This will provide funds for start up of the agency for approximately six months.

Personal services costs include the chief executive officer who will be directly responsible to the board and who must possess a high degree of knowledge in all the requisite skill areas. An administrator will assist the chief executive officer in contract management, budget review and analysis for proposals to the governor and legislature, integration of planning and other recommendations from the various appropriate advisory and administrative entities, and other aspects of operational support. The two person professional staff will require support of a secretary. Total personal services costs in the start up year are estimated at \$80,000.

Travel costs for the board of trustees and staff, including trustee honoraria, and costs for board meetings total \$40,000.

Project planning, counsel, and hearing officer professional services will be obtained from contractual funds. Minimal such costs are anticipated in the first six months of operations. Office expense and costs for public notice and production of reports added to professional service costs bring contractual cost total to \$30,000.

Basic office supplies are estimated at \$3,000.

Furniture and equipment to support development project planning, integrated mental health program plan tracking and evaluation, financial management and office administration with a local area network will require an estimated \$30,000.

FISCAL NOTE

STATE OF ALASKA  
1991 LEGISLATIVE SESSION

BILL NO. csssb 65 (Fin)

Revision Date: \_\_\_\_\_ Department Affected: Revenue  
 Title: Establishing the Mental BRU: Treasury  
Health Trust Authority Component: Mental Health Trust Authority

Sponsor: \_\_\_\_\_  
 Requestor: \_\_\_\_\_ COMPONENT SERIAL NO. 

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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES	80.0	200.0	200.0	200.0	200.0	
TRAVEL	40.0	90.0	90.0	90.0	90.0	
CONTRACTUAL	30.0	230.0	330.0	330.0	330.0	
SUPPLIES	3.0	6.0	6.0	6.0	6.0	
EQUIPMENT	30.0	5.0	5.0	5.0	5.0	
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>183.0</b>	<b>531.0</b>	<b>631.0</b>	<b>631.0</b>	<b>631.0</b>	

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

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

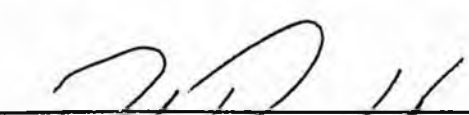
FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER <sup>MHITA</sup>	183.0	531.0	631.0	631.0	631.0	
<b>TOTAL</b>						

POSITIONS:

FULL-TIME	3	3	3	3	3	
PART-TIME						
TEMPORARY						

Estimate of current year impact: \_\_\_\_\_

ANALYSIS: (Attach a separate page if necessary.)  


Prepared By: Pat Pourchot Phone: 465-4935  
 Division: Senator Pat Pourchot, Co-chairman Date: May 17, 1991  
Senate Finance Committee  
 Approved by Commissioner: \_\_\_\_\_  
 Agency: \_\_\_\_\_ Date: \_\_\_\_\_

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

CS FOR SPONSOR SUBSTITUTE FOR SENATE BILL NO. 65 (FINANCE)  
IN THE LEGISLATURE OF THE STATE OF ALASKA  
SEVENTEENTH LEGISLATURE - FIRST SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:  
Referred:

Sponsor(s): SENATORS DUNCAN, Zharoff

A BILL

FOR AN ACT ENTITLED

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

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

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

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

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

5 (2) in a manner that

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

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

11 (C) assures appropriate expenditures from the trust;

12 (D) establishes an independent trust authority; and

13 (E) is enforceable.

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

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

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

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

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

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

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

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

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

5 (5) money on deposit;

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

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

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

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

13 (1) grants;

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

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

18 (4) contracts for medical doctors and dentists;

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

21 (6) disposals under AS 38.05;

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

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

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

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

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

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

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

1 corporation of the state;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

11 (1) federal receipts;

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

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

15 (4) receipts of the following funds:

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

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

18 (C) loan funds;

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

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

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

26 (G) school fund (AS 43.50.140);

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

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

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

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

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

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

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

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

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

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

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

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

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

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

10 (b) The corporation shall

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 Authority

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

29 (A) Alaska Public Broadcasting Commission;

30 (B) Professional Teaching Practices Commission;

31 (C) Parole Board;

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

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

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

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

17 (a) The commission shall

18 (1) formulate a comprehensive statewide plan that identifies the concerns and  
19 needs of older Alaskans and, with reference to the plan adopted, prepare and submit to the  
20 governor and legislature an annual analysis and evaluation of the services that are provided to  
21 older Alaskans;

22 (2) make recommendations directly to the governor and legislature with respect  
23 to legislation, regulations, and appropriations for programs or services that benefit older Alaskans;

24 (3) encourage and aid the development of municipal commissions serving older  
25 Alaskans and community-oriented programs and services for the benefit of older Alaskans;

26 (4) employ an executive director who serves at the pleasure of the commission;

27 (5) help older Alaskans lead dignified, independent, and useful lives;

28 (6) request and receive reports and audits from state agencies and local institutions  
29 concerned with the conditions and needs of older Alaskans;

30 (7) administer, with the approval of the commissioner of administration, federal  
31 programs as provided under 42 U.S.C. 3001 - 3045i (Older Americans Act), as amended,

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 among its membership.

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

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

9 Sec. 44.29.140. DUTIES. The board shall

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

14 (c) The authority

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

17 (2) may sue and be sued;

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

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

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

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

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

1 appointed under this subsection shall be appointed

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

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

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

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

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

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

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

16 (F) one person selected by the authority.

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

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

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

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

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

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

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

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

1 the member's successor is appointed and confirmed.

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

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

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

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

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

22 (1) hire additional employees;

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

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

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

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

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

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

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

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

28 **Sec. 47.30.041. BOARD ADVISORS.** The commissioners of health and social services,  
29 natural resources, and revenue, or their respective designees, are advisors to the board.

30 **Sec. 47.30.046. BUDGET RECOMMENDATIONS; REPORTS.** (a) The board shall  
31 annually, not later than September 15, submit to the governor and the Legislative Budget and

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

20 (1) the mentally ill;

21 (2) the mentally defective and retarded;

22 (3) chronic alcoholics suffering from psychoses;

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

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

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

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

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

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

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

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

- 5 (1) schizophrenia;
- 6 (2) delusional (paranoid) disorder;
- 7 (3) mood disorders;
- 8 (4) anxiety disorders;
- 9 (5) somatoform disorders;
- 10 (6) organic mental disorders;
- 11 (7) personality disorders;
- 12 (8) dissociative disorders;
- 13 (9) other psychotic or severe and persistent mental disorders manifested by  
14 behavioral changes and symptoms of comparable severity to those manifested by persons with  
15 mental disorders listed in this subsection; and
- 16 (10) persons who have been diagnosed by a licensed psychologist, psychiatrist,  
17 or physician licensed to practice medicine in the state and, as a result of the diagnosis, have been  
18 determined to have a childhood disorder manifested by behaviors or symptoms suggesting risk  
19 of developing a mental disorder listed in this subsection.

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

- 22 (1) cerebral palsy;
- 23 (2) epilepsy;
- 24 (3) mental retardation;
- 25 (4) autistic disorder;
- 26 (5) severe organic brain impairment;
- 27 (6) significant developmental delay during early childhood indicating risk of  
28 developing a disorder listed in this subsection;
- 29 (7) other severe and persistent mental disorders manifested by behaviors and  
30 symptoms similar to those manifested by persons with disorders listed in this subsection.

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

1 persons with the following disorders:

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

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

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

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

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

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

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

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

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

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

26 (1) means public health programs and services that, on the effective date of this

27 Act, are separately recognizable and administered, without regard to the administrative unit

28 directly responsible for the delivery of the service; among the services included are services for

29 the mentally ill, community mental health services, services for the developmentally disabled,

30 alcoholism services, and services for children, youth, adults, and seniors with mental disorders;

31 (2) includes, at a minimum, each of the following services as appropriate:

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

- 1 (vi) client and care provider education and support services;  
2 (H) residential services, which may include  
3 (i) crisis or respite care;  
4 (ii) board and care;  
5 (iii) foster care, group homes, halfway houses, or supervised  
6 apartments;  
7 (iv) intermediate care facilities;  
8 (v) long-term care facilities;  
9 (vi) in-home care;  
10 (I) vocational services, which may include  
11 (i) prevocational services;  
12 (ii) work adjustment;  
13 (iii) supported work;  
14 (iv) sheltered work;  
15 (v) training in which participants achieve useful work experience;  
16 (J) outpatient screening, diagnosis, and treatment services, including  
17 individual, family, and group psychotherapy, counseling, and referral;  
18 (K) prevention and education services, including consultation with  
19 organizations, providers, and the public; and  
20 (L) administrative services, including appropriate operating expenses of  
21 state agencies and other service providers.

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

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

- 27 (1) "authority" means the Alaska Mental Health Trust Authority established by  
28 AS 47.30.011;  
29 (2) "board" means the board of trustees of the authority;  
30 (3) "trust" means the trust established by the Alaska Mental Health Enabling Act  
31 of 1956, P.L.84-830, 70 Stat. 709.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

14 Sec. 47.30.547. STANDARDS FOR COMMUNITY MENTAL HEALTH SERVICES.

15 An entity that provides community mental health services shall

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

12           (3) administer AS 47.30.660 - 47.30.915;

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

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

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

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

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

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

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

1 patients;

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

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

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

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

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

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

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

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

20 (c) The board members

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 Mental Health Trust Authority, after consulting with organizations and persons affected by this Act, shall

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

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

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

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

14 \* **Sec. 51. INITIAL APPOINTMENT OF MEMBERS TO THE BOARD OF TRUSTEES.**

15 Notwithstanding AS 47.30.016 and 47.30.021, added by sec. 26 of this Act,

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 section to a special master.

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

FISCAL NOTES -- MENTAL HEALTH SETTLEMENT

	G.F.	MHTIA
Department of Administration (OAC) (1 PFT, 1 additional meeting)	.0	88.5
Courts (special master, clerk)	195.3	.0
Health and Social Services		
Mental Health Board (purpose unclear)	.0	48.4
Alcohol/Drug Abuse Board (new) (director, staff)	332.4	.0
Law**		
(4 attorneys and support)	626.6	.0
(plaintiffs' attorneys costs)	.0	1,000.0
Natural Resources** (8PFT + contractual for appraisals/mapping)	1,471.8	.0
Permanent Fund Corporation	.0	.0
Revenue	.0	.0
<b>TOTAL</b>	<b>2,626.1</b>	<b>1,136.9</b>
<b>TOTAL GF/MHTIA</b>	<b>\$3,763,000</b>	

\*\* THESE ARE THE TWO THE HOUSE WANTS FUNDED IN THE CAPITAL BUDGET

5/17/91  
SFC/Jud  
ADOPTED  
by SFC

AMENDMENT #1 - SFC

OFFERED IN THE SENATE

TO: CSSSSB 65 ( ) (7-LS0057\F dated 5/17/91)

*Sal-y; v ob; St,*

Page 10, line 9, after "program;":

Insert new material to read:

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

Page 10, line 10:

Delete: "(4)"

Insert: "(5)"

ADOPTED by  
Jud Comm  
5/17/91

A M E N D M E N T

OFFERED IN THE SENATE

BY SENATOR DUNCAN

TO: CSSSSB 65 ( ) (7-LS0057N dated 5/17/91)

Page 11, following line 20:

Insert a new bill section to read:

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

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

Renumber the following bill sections accordingly.

Page 35, line 27, following "37.14.021,":

Insert "AS 38.05.800,"

Page 36, lines 1, 6, 14, and 16:

Delete "sec. 25"

Insert "sec. 26"

Page 36, line 24:

Delete "18 and 19"

Insert "19 and 20"

Page 36, line 27:

Delete "19"

Insert "20"

Page 36, line 29:

Delete "36"

Insert "37"

Page 37, line 1:

Delete "36"

Insert "37"

Page 37, line 29:

Delete "54"

Insert "55"

Page 38, line 1:

Delete "25"

Insert "26"

Page 38, line 3:

Delete "53(1) - (6)"

Insert "54(1) - (6)"

Page 39, line 10:

Delete "53 and 54"

Insert "54 and 55"

Page 39, lines 13 - 17:

Delete all material and insert:

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

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

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

Page 39, line 20:

Delete "53 - 55"

Insert "54 - 56"

5/17/91  
SFC/Jud  
WORK DRAFT

WORK DRAFT

WORK DRAFT

Atty Am: #1 - p 10  
#2 - p 7  
#3 - p 10  
#4 - p 6 & p 10

Atty Am: #5 - p 31  
#6 - p 38

7-LS0057N  
Chenoweth/Finley  
5/17/91

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

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

**SEVENTEENTH LEGISLATURE - FIRST SESSION**

**BY**

SFC Am: p 14 & 33 & 35

Offered:  
Referred:

Sponsor(s): SENATORS DUNCAN, Zharoff

**A BILL**

**FOR AN ACT ENTITLED**

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

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

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

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

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

5 (2) in a manner that

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

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

11 (C) assures appropriate expenditures from the trust;

12 (D) establishes an independent trust authority; and

13 (E) is enforceable.

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

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

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

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

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

25 (1) municipal, state, or federally owned property, or land that is in the trust  
26 established by the Alaska Mental Health Enabling Act of 1956, P.L. 84-830, 70 Stat. 709,

27 except that a private leasehold, contract, or other interest in the property is taxable to the extent  
28 of the interest;

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

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

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

5 (5) money on deposit;

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

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

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

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

13 (1) grants;

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

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

18 (4) contracts for medical doctors and dentists;

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

21 (6) disposals under AS 38.05;

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

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

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

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

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

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

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

1 corporation of the state;

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

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

9 (16) a contract that is a delegation, in whole or in part, of investment powers of  
10 (A) the Board of Trustees of the Alaska Permanent Fund Corporation  
11 under AS 37.13;

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

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

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

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

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

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

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

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

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

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

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

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

11 (1) federal receipts;

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

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

15 (4) receipts of the following funds:

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

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

18 (C) loan funds;

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

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

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

26 (G) school fund (AS 43.50.140);

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

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

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

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

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

5 <sup>Am #4</sup> [(P) mental health trust income account (AS 37.14.036)].

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

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

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

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

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

31 Sec. 37.13.040. ALASKA PERMANENT FUND CORPORATION. There is established

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

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

6 Sec. 37.13.300. CORPORATION TO MANAGE CERTAIN ASSETS OF THE MENTAL  
 7 HEALTH TRUST. (a) Subject to agreement with the Alaska Mental Health Trust Authority  
 8 (AS 47.30.011) entered into under AS 37.14.009(a)(4), the corporation shall manage the cash  
 9 assets of the corpus of the trust established under the Alaska Mental Health Enabling Act of  
 10 1956, P.L. 84-830, 70 Stat. 709.

11 (b) The corporation shall

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

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

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

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

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

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

29 Sec. 37.14.001. MENTAL HEALTH TRUST. [The state is the trustee of the trust  
 30 established under the Mental Health Enabling Act of 1956] <sup>Amended</sup> under the AMH Enabling Act of 1956  
 31 the state acts through the governor, the legislature, and the Alaska Mental Health Trust Authority

1 (AS 47.30.011).

2 Sec. 37.14.003. RESPONSIBILITIES OF THE GOVERNOR. (a) In reviewing  
3 appropriations from the mental health trust income account proposed by the authority, the  
4 governor shall consider the needs of the beneficiaries of the trust without regard to other potential  
5 objects of state expenditure. The governor shall, by December 15 of each year, submit to the  
6 legislature a separate appropriation bill limited to appropriations from the mental health trust  
7 income account.

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

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

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

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

31 (c) If the appropriations in the bill passed by the legislature differ from those proposed

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

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

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

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

1 AS 47.30.056.

2 Sec. 37.14.009. TRUST MANAGEMENT. (a) The Alaska Mental Health Trust  
3 Authority

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

6 (2) may, consistent with (1) of this subsection and AS 47.30.036(1), sell, lease,  
7 <sup>Am#3</sup> [mortgage] exchange, or otherwise dispose of land in the trust;

8 (3) may, consistent with (1) of this subsection, use land that is an asset of the  
9 trust directly for the integrated comprehensive mental health program; <sup>Am#1</sup> and

10 <sup>5</sup> (4) shall contract with the Alaska Permanent Fund Corporation for management  
11 of the trust's cash assets, unless the authority finds that the best interests of trust beneficiaries  
12 would be served by contracting with another entity.

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

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

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

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

22 The mental health trust income account consists of

23 <sup>Am#4</sup> (1) <sup>fees, charges, income</sup> [money] earned on assets <sup>that is not attributed to principle</sup> [of the trust] <sup>and other money received by</sup>

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

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

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

29 (c) In each of the following state fiscal years, the commissioner of revenue shall allocate  
30 from the general fund of the state to the mental health trust income account in the general fund  
31 an amount equal to the percent of the unrestricted revenue of the state specified for that fiscal

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

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

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

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

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

21 \* Sec. 12. AS 39.25.120(c)(9) is amended to read:

22 (9) the principal executive officer of the following boards, councils, or  
23 commissions:

24 (A) Alaska Public Broadcasting Commission;

25 (B) Professional Teaching Practices Commission;

26 (C) Parole Board;

27 (D) Board of Nursing;

28 (E) Real Estate Commission;

29 (F) Alaska Royalty Oil and Gas Development Advisory Board;

30 (G) Alaska Historical Commission;

31 (H) Alaska State Council on the Arts;

- 1 (I) Alaska Police Standards Council;  
2 (J) Older Alaskans Commission;  
3 (K) Alaska Mental Health Board;  
4 (L) State Medical Board;  
5 (M) Governor's Council for the Handicapped and Gifted;  
6 (N) Advisory Board on Alcoholism and Drug Abuse;

7 \* Sec. 13. AS 41.15 is amended by adding a new section to read:

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

11 \* Sec. 14. AS 44.21.230(a) is amended to read:

12 (a) The commission shall

13 (1) formulate a comprehensive statewide plan that identifies the concerns and  
14 needs of older Alaskans and, with reference to the plan adopted, prepare and submit to the  
15 governor and legislature an annual analysis and evaluation of the services that are provided to  
16 older Alaskans;

17 (2) make recommendations directly to the governor and legislature with respect  
18 to legislation, regulations, and appropriations for programs or services that benefit older Alaskans;

19 (3) encourage and aid the development of municipal commissions serving older  
20 Alaskans and community-oriented programs and services for the benefit of older Alaskans;

21 (4) employ an executive director who serves at the pleasure of the commission;

22 (5) help older Alaskans lead dignified, independent, and useful lives;

23 (6) request and receive reports and audits from state agencies and local institutions  
24 concerned with the conditions and needs of older Alaskans;

25 (7) administer, with the approval of the commissioner of administration, federal  
26 programs as provided under 42 U.S.C. 3001 - 3045i (Older Americans Act), as amended;

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

29 (9) give assistance, on request, to the senior housing office in the Department of  
30 Community and Regional Affairs in administration of the senior housing loan program under  
31 AS 44.47.587 - 44.47.609 and in the performance of the office's other duties under

1 AS 44.47.585; and

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

7 \* Sec. 15. AS 44.29.022 is amended by adding a new subsection to read:

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

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

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

16 \* Sec. 17. AS 44.29.100 is amended to read:

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

21 \* Sec. 18. AS 44.29.110 is amended to read:

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

25 \* Sec. 19. AS 44.29.115 is amended to read:

26 Sec. 44.29.115. QUALIFICATIONS OF BOARD MEMBERS. The governor shall  
27 appoint the 14 public [12] members so that the board consists of the following public members:

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

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

1 (3) four members who are chronic alcoholics with psychoses who are  
2 recovering;

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

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

9 (4) ONE MEMBER WHO IS A REPRESENTATIVE OF THE LIQUOR  
10 INDUSTRY].

11 \* Sec. 20. AS 44.29.120 is amended to read:

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

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

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

20 \* Sec. 21. AS 44.29.130 is amended to read:

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

24 \* Sec. 22. AS 44.29 is amended by adding a new section to read:

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

28 (b) The board shall have a paid staff provided by the department, including an executive  
29 director who shall be selected by the board. The executive director is in the partially exempt  
30 service [and shall be compensated at no less than range 21 of the pay plan for state employees  
31 under AS 39.27.011(a)]. The executive director may hire additional employees in the classified

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1 service of the state. The department shall provide for the assignment of personnel to the board  
2 to ensure the board has the capacity to fulfill its responsibilities. The executive director of the  
3 board shall be directly responsible to the board in the performance of the director's duty.

4 \* Sec. 23. AS 44.29.140 is amended to read:

5 Sec. 44.29.140. DUTIES. The board shall

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

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

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

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

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

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

19 (F) [(6)] REVIEW OF APPLICATIONS AND SUBSEQUENT  
20 RECOMMENDATIONS TO THE COMMISSIONER OF HEALTH AND SOCIAL  
21 SERVICES ON USE OF FUNDS FOR GRANTS FOR LOCAL ALCOHOLISM OR  
22 DRUG ABUSE PROJECTS AND PROGRAMS;

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

25 (2) provide to the Alaska Mental Health Trust Authority for its review and  
26 consideration recommendations concerning the integrated comprehensive mental health  
27 program for the people who are described in AS 47.30.056(b)(2), and concerning the use of  
28 money in the mental health trust income account in a manner consistent with regulations  
29 adopted under AS 47.30.031.

30 \* Sec. 24. AS 44.29.140 is amended by adding new subsections to read:

31 (b) The board is the state planning and coordinating body for purposes of federal and

1 state laws relating to alcohol, drug, and other substance abuse prevention and treatment services.

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

4 \* Sec. 25. AS 47.30 is amended by adding new sections to read:

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

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

10 (c) The authority

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

13 (2) may sue and be sued;

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

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

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

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

27 (b) The board consists of seven members appointed by the governor. The members  
28 appointed under this subsection shall be appointed

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

31 (2) after the governor has considered a list of persons prepared by a panel of six

1 persons who are beneficiaries, or who are the guardians, family members, or representatives of  
2 beneficiaries; the panel shall consist of

3 (A) one person selected by the Alaska Mental Health Board  
4 (AS 47.30.661);

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

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

9 (D) one person selected by the Older Alaskans Commission  
10 (AS 44.21.200);

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

12 (F) one person selected by the authority.

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

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

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

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

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

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

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

26 Sec. 47.30.021. TERM OF OFFICE, VACANCIES, AND REMOVAL. (a) The  
27 members of the board serve staggered five-year terms. A member shall continue to serve until  
28 the member's successor is appointed and confirmed.

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

31 (c) The governor may remove a member of the board only for cause, including

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

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

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

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

*5/18  
 Deleted  
 (17) out*

- 18 (1) hire additional employees;
- 19 (2) appoint hearing officers to perform the responsibilities set out in
- 20 AS 47.30.031(b)(5); and
- 21 (3) contract for the services of consultants and others.

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

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

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

- 28 (1) the requirements of AS 47.30.056(h) and (j);
- 29 (2) provisions governing the administration and management of the mental health
- 30 trust;
- 31 (3) procedures by which an aggrieved person or group who believe they have not

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

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

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

24 Sec. 47.30.041. BOARD ADVISORS. The commissioners of health and social services,  
25 natural resources, and revenue, or their respective designees, are advisors to the board.

26 Sec. 47.30.046. BUDGET RECOMMENDATIONS; REPORTS. (a) The board shall  
27 annually, not later than September 15, submit to the governor and the Legislative Budget and  
28 Audit Committee a budget for the next fiscal year and a proposed plan of implementation based  
29 on the integrated comprehensive mental health program plan prepared under AS 47.30.660(a)(1).  
30 The budget must include the authority's determination of the amount

31 (1) recommended for expenditure from the mental health trust income account

1 during the next fiscal year to

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

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

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

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

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

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

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

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

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

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

25 (5) the authority's guidelines for the establishment of services; the provision of  
26 services shall be based on the principle that services paid for from the trust are provided to  
27 recipients as close to the recipient's home and family as practical with due consideration of  
28 demographics, mental health service requirements, use of mental health services, economic  
29 feasibility, and capital expenditures required for provision of minimum levels of service;

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

31 (7) projections of the resources required to provide the necessary services and

1 facilities; and

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

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

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

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

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

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

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

16 (1) the mentally ill;

17 (2) the mentally defective and retarded;

18 (3) chronic alcoholics suffering from psychoses;

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

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

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

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

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

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

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

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

- 1 (1) schizophrenia;
- 2 (2) delusional (paranoid) disorder;
- 3 (3) mood disorders;
- 4 (4) anxiety disorders;
- 5 (5) somatoform disorders;
- 6 (6) organic mental disorders;
- 7 (7) personality disorders;
- 8 (8) dissociative disorders;
- 9 (9) other psychotic or severe and persistent mental disorders manifested by
- 10 behavioral changes and symptoms of comparable severity to those manifested by persons with
- 11 mental disorders listed in this subsection; and
- 12 (10) persons who have been diagnosed by a licensed psychologist, psychiatrist,
- 13 or physician licensed to practice medicine in the state and, as a result of the diagnosis, have been
- 14 determined to have a childhood disorder manifested by behaviors or symptoms suggesting risk
- 15 of developing a mental disorder listed in this subsection.
- 16 (e) In (b)(2) of this section, "the mentally defective and retarded" includes persons with
- 17 the following neurologic or mental disorders:
- 18 (1) cerebral palsy;
- 19 (2) epilepsy;
- 20 (3) mental retardation;
- 21 (4) autistic disorder;
- 22 (5) severe organic brain impairment;
- 23 (6) significant developmental delay during early childhood indicating risk of
- 24 developing a disorder listed in this subsection;
- 25 (7) other severe and persistent mental disorders manifested by behaviors and
- 26 symptoms similar to those manifested by persons with disorders listed in this subsection.
- 27 (f) In (b)(3) of this section, "chronic alcoholics suffering from psychoses" includes
- 28 persons with the following disorders:
- 29 (1) alcohol withdrawal delirium (delirium tremens);
- 30 (2) alcohol hallucinosis;
- 31 (3) alcohol amnestic disorder;

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

8 (g) In (b)(4) of this section, "senile people who as a result of their senility suffer major  
9 mental illness" includes persons with the following mental disorders:

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

16 (h) The authority shall adopt regulations defining the disorders identified in this section  
17 to reflect revisions in the diagnostic nomenclature of the health professions serving the  
18 beneficiaries of the trust. The authority shall review and revise the regulations as necessary.  
19 Regulations adopted under this subsection must be in the long term best interest of the trust and  
20 of persons with disorders equivalent to those identified in (b) and (c) of this section.

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

22 (1) means public health programs and services that, on the effective date of this  
23 Act, are separately recognizable and administered, without regard to the administrative unit  
24 directly responsible for the delivery of the service; among the services included are services for  
25 the mentally ill, community mental health services, services for the developmentally disabled,  
26 alcoholism services, and services for children, youth, adults, and seniors with mental disorders;

27 (2) includes, at a minimum, each of the following services as appropriate:

- 28 (A) emergency services on a 24-hour basis;  
29 (B) screening examination and evaluation services required to complete  
30 the involuntary commitment process under AS 47.30.700 - 47.30.815;  
31 (C) inpatient care;

1 (D) crisis stabilization services, which may include:

- 2 (i) active community outreach;
- 3 (ii) in-hospital contact;
- 4 (iii) mobile crisis teams of mental health professionals;
- 5 (iv) crisis beds to provide a short term residential program for
- 6 persons experiencing an acute episode of mental illness that requires temporary
- 7 removal from a home environment;

8 (E) treatment services, which may include

- 9 (i) diagnosis, testing, and evaluation of medical needs;
- 10 (ii) medication monitoring;
- 11 (iii) physical examinations;
- 12 (iv) dispensing psychotropic and other medication;
- 13 (v) detoxification;
- 14 (vi) individual or group therapy;
- 15 (vii) aftercare;

16 (F) case management, which may include

- 17 (i) evaluation of needs;
- 18 (ii) development of individualized treatment plans;
- 19 (iii) enhancement of access to available resources and programs;
- 20 (iv) development of interagency contacts and family involvement;
- 21 (v) advocacy;

22 (G) daily structure and support, which may include

- 23 (i) daily living skills training;
- 24 (ii) socialization activities;
- 25 (iii) recreation;
- 26 (iv) transportation;
- 27 (v) day care services;
- 28 (vi) client and care provider education and support services;

29 (H) residential services, which may include

- 30 (i) crisis or respite care;
- 31 (ii) board and care;

- 1 (iii) foster care, group homes, halfway houses, or supervised  
 2 apartments;  
 3 (iv) intermediate care facilities;  
 4 (v) long-term care facilities;  
 5 (vi) in-home care;  
 6 (I) vocational services, which may include  
 7 (i) prevocational services;  
 8 (ii) work adjustment;  
 9 (iii) supported work;  
 10 (iv) sheltered work;  
 11 (v) training in which participants achieve useful work experience;  
 12 (J) outpatient screening, diagnosis, and treatment services, including  
 13 individual, family, and group psychotherapy, counseling, and referral;  
 14 (K) prevention and education services, including consultation with  
 15 organizations, providers, and the public; and  
 16 (L) administrative services, including appropriate operating expenses of  
 17 state agencies and other service providers.  
 18 (j) The authority shall adopt regulations regarding the services described in (i) of this  
 19 section to reflect advances in the appropriate professions. The authority shall review and revise  
 20 the regulations as necessary. Regulations adopted under this subsection must be in the long term  
 21 best interest of the mental health trust.

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

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

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

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

28 \* Sec. 26. AS 47.30.470 is amended by adding new paragraphs to read:

29 (8) prepare that part of the plan for the integrated comprehensive mental health  
 30 program under AS 47.30.056 that relates to the services and facilities that are necessary for the  
 31 care and treatment of persons identified as chronic alcoholics suffering from psychoses, as

1 defined in AS 47.30.056(b)(3) and (f); in preparing the plan of services for persons identified in  
2 this paragraph, the department shall coordinate with the Alaska Mental Health Trust Authority  
3 and the Advisory Board on Alcoholism and Drug Abuse;

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

7 \* Sec. 27. AS 47.30.520 is amended to read:

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

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

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

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

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

21 (5) [(2)] improve the effectiveness of existing mental health services;

22 (6) [(3)] integrate state-operated and community mental health programs into a  
23 unified mental health system;

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

28 (8) [(5) ESTABLISH A UNIFORM RATIO OF LOCAL AND STATE  
29 GOVERNMENT RESPONSIBILITY FOR FINANCING MENTAL HEALTH SERVICES;

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

1                   (9) [(7)] encourage the full use of all existing public or private agencies, facilities,  
2                   personnel, and funds to accomplish these objectives; and

3                   (10) [(8)] prevent unnecessary duplication and fragmentation of services and  
4                   expenditures.

5 \* Sec. 28. AS 47.30 is amended by adding a new section to read:

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

8                                 (1) the community mental health program provide a comprehensive and integrated  
9                   system of community based facilities, supports, and mental health services including child and  
10                  adolescent screening and diagnosis, inpatient, outpatient, prevention, consultation, and education  
11                  services;

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

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

17                                (b) Community mental health program service delivery principles include the principles  
18                  that persons

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

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

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

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

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

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

- 1 (7) be provided necessary treatment as close to the person's home as possible;  
2 (8) be informed of and allowed to participate in planning their own treatment as  
3 much as possible.

4 \* Sec. 29. AS 47.30.530 is amended by adding a new subsection to read:

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

7 \* Sec. 30. AS 47.30.540(b) is amended to read:

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

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

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

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

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

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

31 (6) furnish the authority and the department [EACH YEAR A] satisfactory

1 needs assessments for the population and area it serves and an annual update of a long-range  
2 planning and budget statement that describes program goals for the coming year, the steps and  
3 resources necessary to implement the goals, the projected means by which these resources will  
4 be secured, and the procedures necessary to evaluate the program.

5 \* Sec. 31. AS 47.30.545 is repealed and reenacted to read:

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

9 \* Sec. 32. AS 47.30.547 is amended to read

10 Sec. 47.30.547. STANDARDS FOR COMMUNITY MENTAL HEALTH SERVICES.

11 An entity that provides community mental health services shall

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

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

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

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

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

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

25 \* Sec. 33. AS 47.30.590 is amended to read:

26 Sec. 47.30.590. PATIENT RIGHTS AND THE CONFIDENTIAL NATURE OF  
27 RECORDS AND INFORMATION. The department shall adopt regulations to assure patient  
28 rights and to safeguard the confidential nature of records and information about the recipients of  
29 services provided under this chapter [AS 47.30.520 - 47.30.620]. The regulations must require  
30 that [LOCAL COMMUNITY] entities identified in AS 47.30.540(b) develop and include in any  
31 plan submitted for approval adequate provisions for safeguarding confidential information. The

1 [DEPARTMENT'S] regulations must provide for disclosure of confidential information to  
2 parents or guardians, to mental health professionals providing services to a recipient, and to  
3 other appropriate service agencies when it is in the defined best interests of the patient.

4 \* Sec. 34. AS 47.30.610 is repealed and reenacted to read:

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

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

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

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

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

12 \* Sec. 35. AS 47.30.660 is amended to read:

13 Sec. 47.30.660. POWERS AND DUTIES OF DEPARTMENT. (a) The department  
14 shall

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

18 (A) be made in conjunction with the Alaska Mental Health Trust

19 Authority;

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

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

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

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

31 (1) administer a comprehensive program of services for persons with mental

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*K SFC Am*

*5/18  
Chenoweth  
or  
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*Am #5*

*Am #5*

disorders, for the prevention of mental illness, and the care and treatment of persons with mental disorders [THE MENTALLY ILL], including inpatient and outpatient care and treatment and the procurement of services of specialists or other persons on a contractual or other basis;

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

(3) administer AS 47.30.660 - 47.30.915;

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

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

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

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

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

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

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

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

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

1 a patient;

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

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

7 (15) provide technical assistance and training to providers of mental health  
8 services.

9 \* Sec. 36. AS 47.30.662 is repealed and reenacted to read:

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

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

16 (c) The board members

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

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

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

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

28 \* Sec. 37. AS 47.30.664(b) is amended to read:

29 (b) The board shall have a paid staff provided by the department, including, but not  
30 limited to, an executive director who shall be selected by the board [FROM CANDIDATES  
31 PROVIDED BY THE DEPARTMENT]. The executive director is in the partially exempt service.

1 [and shall be compensated at no less than range 21 of the pay plan for state employees under  
2 AS 39.27.011(a)] The executive director may hire additional employees in the classified service  
3 of the state. The department shall provide for the assignment of personnel to the board to  
4 ensure the board has the capacity to fulfill its responsibilities. The executive director [AND  
5 THE STAFF] of the board shall be directly responsible to the board in the performance of the  
6 director's [THEIR] duties.

7 \* Sec. 38. AS 47.30.666 is repealed and reenacted to read:

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

12 (1) prepare and maintain a comprehensive plan of treatment and rehabilitation  
13 services;

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

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

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

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

23 (A) development of necessary services for diagnosis, treatment, and  
24 rehabilitation;

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

27 (C) legal processes that affect screening, diagnosis, treatment, and  
28 rehabilitation;

29 (6) provide to the Alaska Mental Health Trust Authority for its review and  
30 consideration recommendations concerning the integrated comprehensive mental health program  
31 for those persons who are described in AS 47.30.056(b)(1) and (4) and the use of money in the

1 mental health trust income account in a manner consistent with regulations adopted under  
2 AS 47.30.031; and

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

5 \* Sec. 39. AS 47.30 is amended by adding a new section to read:

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

10 \* Sec. 40. AS 47.30.910(d) is amended to read:

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

14 \* Sec. 41. AS 47.30.910(g) is amended to read:

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

20 \* Sec. 42. AS 47.30.915 is amended by adding a new paragraph to read:

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

22 \* Sec. 43. AS 47.37.040(10) is repealed and reenacted to read:

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

25 \* Sec. 44. AS 47.37 is amended by adding a new section to read:

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

29 \* Sec. 45. AS 47.80.070(b) is amended to read:

30 (b) The council shall have a paid staff provided by the department, including an  
31 executive director selected by the council. The executive director is in the partially exempt

1 service, and shall be compensated at no less than range 21 of the pay plan for state  
2 employees under AS 39.27.011(a)]. The executive director may hire additional employees  
3 in the classified service of the state. The department shall provide for the assignment of

4 personnel to the council to ensure that the council has the capacity to fulfill its responsibilities.

5 The personnel shall be directly responsible to the council for performance of their duties.

6 \* Sec. 46. AS 47.80.090 is amended by adding a new paragraph to read:

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

12 \* Sec. 47. AS 47.80.110 is amended to read:

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

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

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

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

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

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

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

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

29 \* Sec. 49. TRANSITIONAL PROVISIONS: DEVELOPMENT OF TRUST INCOME ACCOUNT  
30 DISTRIBUTION MECHANISM. Not later than January 1, 1993, the Board of Trustees of the Alaska  
31 Mental Health Trust Authority, after consulting with organizations and persons affected by this Act, shall

1 (1) consistent with AS 47.30.056(h), added by sec. 25 of this Act, adopt regulations  
2 regarding persons who are to receive services funded by money in the mental health trust income  
3 account under AS 37.14.036, as added by sec. 11 of this Act;

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

6 (3) consistent with AS 47.30.056(j), added by sec. 25 of this Act, adopt regulations  
7 regarding the services and facilities upon which expenditures are to be made from money in the mental  
8 health trust income account under AS 37.14.036, as added by sec. 11 of this Act;

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

13 \* **Sec. 50. INITIAL APPOINTMENT OF MEMBERS TO THE BOARD OF TRUSTEES.**

14 Notwithstanding AS 47.30.016 and 47.30.021, added by sec. 25 of this Act,

15 (1) the initial appointments of the members of the Board of Trustees of the Alaska  
16 Mental Health Trust Authority added by sec. 25 of this Act, shall be made by the governor after  
17 considering a list of candidates submitted to the governor by the Alaska Mental Health Board;

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

22 \* **Sec. 51. TRANSITIONAL PROVISIONS: MEMBERS OF ADVISORY BOARD ON**  
23 **ALCOHOLISM AND DRUG ABUSE.** Notwithstanding AS 44.29.110 and 44.29.115, as amended by  
24 secs. 18 and 19 of this Act, the members of the Advisory Board on Alcoholism and Drug Abuse who  
25 are serving on the effective date of this Act continue to serve their unexpired terms. Vacancies on the  
26 advisory board occurring after the effective date of this Act shall be filled by the governor under the  
27 provisions of AS 44.29.115, as amended by sec. 19 of this Act.

28 \* **Sec. 52. TRANSITIONAL PROVISIONS: MEMBERS OF THE ALASKA MENTAL HEALTH**  
29 **BOARD.** Notwithstanding AS 47.30.662, as amended by sec. 36 of this Act, the members of the Alaska  
30 Mental Health Board who are serving on the effective date of this Act continue to serve their unexpired  
31 terms. Vacancies on the board occurring after the effective date of this Act, and new positions created

1 by this Act, shall be filled by the governor under the provisions of AS 47.30.662, as amended by sec. 36  
2 of this Act. When making appointments to new positions on the board, the governor shall ensure that  
3 the initial terms of new members maintain the staggered term requirement of AS 47.30.663.

4 \* **Sec. 53. TRUST CORPUS RECONSTITUTED.** For the purpose of reconstituting the mental health  
5 trust established under the Alaska Mental Health Enabling Act, P.L. 84-830, 70 Stat. 709 (1936), and  
6 after public notice as provided under AS 38.05.945(b) and (c), the commissioner of natural resources  
7 shall convey to the mental health trust authority established under AS 47.30.011, the following land in  
8 trust:

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

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

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

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

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

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

29 (7) additional land to be conveyed to the authority under sec. 54 of this Act.

30 \* **Sec. 54. COMPENSATION TO TRUST FOR ORIGINAL MENTAL HEALTH LAND NOT**  
31 **RETURNED TO TRUST CORPUS.** (a) The commissioner of natural resources shall convey to the

1 Alaska Mental Health Trust Authority established under AS 47.30.011, added by sec. 25 of this Act,  
2 state land in trust in exchange for the original mental health land and interest therein not returned to the  
3 corpus under sec. 53(1) - (6) of this Act. *Am #6*

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

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

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

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

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

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

31 (f) Exchanges under this section shall be negotiated by the plaintiffs in Weiss v. State of Alaska,

1 4FA-82-2208 Civil, and the commissioner of natural resources.

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

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

9 \* **Sec. 55. SECURITY FOR COMPENSATION TO TRUST.** (a) To secure the reconstitution of  
10 the trust as provided in secs. 53 and 54 of this Act, the land listed in "Lands Hypothecated to the Mental  
11 Health Trust, May 1991" located in the office of the director of the division of lands, Department of  
12 Natural Resources, in Anchorage, Alaska, is hypothecated to the mental health trust.

13 (b) Title to the land specified in (a) of this section remains with the state, and any income from  
14 that land shall be deposited in the general fund and considered unrestricted general funds of the state,  
15 subject to the reconstitution of the trust as provided in this Act.

16 (c) As the trust is reconstituted, and upon request, the hypothecated land shall be released on  
17 a pro rata basis.

18 \* **Sec 56. JURISDICTION ASSIGNED TO THE ALASKA SUPREME COURT.** (a)  
19 Notwithstanding any other provision of law, the Alaska Supreme Court has original and exclusive  
20 jurisdiction to hear and determine any dispute arising under secs. 53 - 55 of this Act.

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

24 (c) The Alaska Supreme Court or the Superior Court may refer the proceedings under this  
25 section to a special master.

26 \* **Sec. 57.** This Act takes effect upon entry of a final order dismissing Weiss v. State of Alaska, 4FA-  
27 82-2208 Civil, and the expiration of any time for appeal. The superior court shall advise the lieutenant  
28 governor and the revisor of statutes when the final settlement and order of Weiss v. State of Alaska has  
29 been approved.



# Alaska Center for the Environment

519 West 8th Avenue, Suite 201 • Anchorage, Alaska 99501 • (907) 274-3621

## MEMORANDUM

TO: Senators <sup>HCE</sup>  
 FROM: Cliff Eames and Alan Phipps <sup>AP</sup>  
 RE: Mental Health Lands Proposal - HB 79  
 DATE: May 17, 1991

After quickly reviewing the portion of the proposed legislation dealing with the reconstitution of the trust, we have at least two major concerns.

1. We oppose the inclusion in the trust of the mental health lands within the Tanana Valley and Haines state forests.

2. The absence of any public process to add lands to the trust over time (that is, pursuant to Sec. 54 - Compensation to Trust for Original Mental Health Land Not Returned to Trust Corpus). As we understand it, the commissioner of DNR would have total control, in negotiation with the plaintiffs, over the public lands that would be transferred to the trust under Section 54. There would be no opportunity for public or legislative review and oversight. Valuable public lands like the controversial timber lands in the Su Valley, for example, could be lost to public ownership. The public never has veto power over decisions like these; we would like, however, and believe we deserve, the opportunity to attempt to influence these important decisions. Additionally, we wonder whether the proposed process, which deprives the public and the legislature of all influence or control, is constitutional.

We would like to offer two alternative suggestions for rectifying this problem:

a. The first, and our preferred, is to delete subsection (g) of Section 54. That subsection eliminates the normal process set out in AS 38.50 for the public review of proposed land exchanges. That process should be retained.

b. An alternative proposal would be to provide a bare minimum opportunity for public review. It would add to subsection (g) the following: "However, notice shall be given to the public in the manner provided for in AS 38.05.945, and the public shall have 60 days within which to submit written comments."

Thank you for considering these thoughts.



217 Second Street, Suite 200 ■ Juneau, Alaska 99801 ■ Tel (907) 586-1325, Fax (907) 463-5480

May 17, 1991

TO: All Legislators  
FROM: Scott A. Burgess, Executive Director  
SUBJECT: Mental Health Lands Trust Settlement

The Alaska Municipal League endorses the negotiated settlement between the administration and the attorneys for the plaintiffs in the mental health lands litigation. The League urges the 17th Legislature to pass legislation (HB 79/SB 65) that incorporates the settlement without major amendments this year. The settlement now incorporated in legislation reflects a delicate compromise to meet the directives of the Alaska Supreme Court to reconstitute the Mental Health Trust and to settle the dispute on a bilateral basis, meeting the major concerns of the plaintiffs, the state, municipalities, and other third parties in the best interests of all the people of Alaska.

Resolution of the Mental Health Trust dispute is a top legislative priority of the Alaska Municipal League for 1991. Municipal officials are concerned as representatives of Alaska's communities, where the potential beneficiaries live and work and receive services. Municipal officials also represent the other Alaskans who, along with the potential beneficiaries, depend on all the services provided by local tax dollars and revenues from the state. Municipalities, which are entitled to land for revenue generation and community expansion, are also affected third parties, along with the others who live in our communities whose land or interest in land has been clouded as a result of the litigation.

The recent negotiations, which are embodied in CS SS HB 79 (Finance) and proposed CS SS SB 65 (Judiciary), resolve these issues in a fair and equitable manner. The Alaska Municipal League urges passage this year of the legislation incorporating the negotiated settlement between the administration and the plaintiffs' attorneys without major amendments to preserve the delicate compromise reached and necessary for final agreement before the Court.

cc: AML Board of Directors

C/MENHEAL.517

5/17/91 SFC  
Read into the record  
by Sen Collins for  
Sen Menard  
(WHILE IN SESSION)

# State of Alaska



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(907) 485-3727

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P.O. Box 53  
Palmer, Alaska 99645  
(907) 745-3828

## Legislative Budget and Audit Committee

May 16, 1991

Harold C. Heinze  
Commissioner  
400 Willoughby Ave.  
Juneau, Alaska 99801

Dear Commissioner:

I would appreciate some clarification regarding Section 53 of Work Draft CS For Sponsor Substitute for HB 79 (Finance).

Subsection 2 states that land, subject to certain types of leases or contracts, shall be conveyed to the mental health trust authority. My question is: do the terms of the lease travel with the the lease?

Thank you for your prompt reply.

Sincerely,

*Ron Larson*  
Ron Larson

The trust authority will abide by all terms and conditions included in the existing coal leases, oil and gas leases and timber sale contracts.

*David T. Walker*  
*Harold C. Heinze*

5/17/91  
 Heinze  
 SFC/Jud

CURRENT MENTAL HEALTH LAND STATUS, May 16, 1991

1 million acres

		Compensate/Exch. Negot. - Sec.54	Return to Trust - Sec.53
Unencumbered			341,275
Encumbered			
coal leases	54,600 acres		
oil and gas leases	40 acres		
timber sales	28,000 acres		
(Sec. 53 (2)) Subtotal	82,640 acres		82,640
land leases	6,585 acres		
ILMA's	4,500 acres		
material sales	1,900 acres		
mining claims	60,000 acres		
Subtotal	72,985 acres	72,985	
Conveyed			
sold	46,000 acres		
condemmed	5,000 acres		
municipal conveyances	43,000 acres		
Native corporation	36,000 acres		
university	3,000 acres		
Subtotal	133,000 acres	133,000	
Legislatively Designated areas			
(Sec.53 (5))			
Tanana Forest (total forest is 1,786,000)			32,062
Haines Forest (total forest is 247,000)			81,227
(Sec.54 (b))			
Parks, Refuges, critical habitats, etc.		254,711	
Total		460,696	537,204
(Total acreage represented here - 997,900)			

5/17/91  
Hering  
SFC/Jud

## REPLACEMENT LAND POOL

The Department of Natural Resources is working with representatives of the plaintiffs to assemble a pool of general grant state land to fulfill the requirements of Sec. 55 of HB 79 and SB 65. Entitled "Lands Hypothecated to the Mental Health Trust: May, 1991," this pool will include, to the extent possible, state land similar in terrain, use, location, development potential and accessibility to the original mental health trust to be replaced. The pool is expected to include the following land types.

- surveyed subdivision lots; including lots available over-the-counter and future land disposal offerings scheduled for FY 92-97. Includes land in Southeast, Southcentral, and Northern regions.
- commercial and industrial lease tracts in the railbelt; such as the MAPCO refinery at North Pole
- large tracts of contiguous state land near existing mental health land; including Beluga coal and timber lands, the Willow Capitol site, Kenai timber tracts
- blocks of commercial timber land, including Fredrick Point near Petersburg, Thorne Bay, Mat-Su tracts
- agricultural tracts in Mat-Su, Delta, Nenana, etc.

These areas were identified primarily through examination of the department's adopted area plans, focusing on lands designated for settlement, forestry and minerals. Therefore, most of these lands have already received at least one round of public notice and review. It is intended that there be more land in the pool than will be ultimately needed to reconstitute the trust in accord with the legislation.

FISCAL NOTE

5-13-91 3(Jud)  
 Fix

STATE OF ALASKA  
 1991 LEGISLATIVE SESSION

BILL NO. CS SS SB 65

Revision Date: May 6, 1991  
 Title: An Act establishing the Ak. Mental Health Trust  
 Authority and defining its powers and duties..."  
 Sponsor: Duncan  
 Requestor: \_\_\_\_\_

Department Affected: Revenue  
 BRU: Treasury  
 Component: \_\_\_\_\_

Component Serial No.

--	--	--	--

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	0	0	0	0	0	0

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

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

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>	0	0	0	0	0	0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year impact: \_\_\_\_\_

**ANALYSIS:** See attached bill analysis.

Prepared by: Brian C. Andrews  
 Division: Treasury  
 Approved by Commissioner: \_\_\_\_\_  
 Agency: Revenue

Phone: 465-2350  
 Date: May 6, 1991

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

5865

Bill Analysis  
SB\_65

The Department of Revenue views the investment management of the assets of the Alaska Mental Health Trust as the responsibility of the State's Treasury. The statutory purpose of the Permanent Fund Corporation (37.13.030) is to manage and invest the assets allocated by law (37.13.010) to the Alaska Permanent Fund. The purpose of the State's Treasury is to manage all other investment and trust funds for the State. Currently, there are nine funds under Treasury's investment management which total more than six billion dollars. Of these nine funds there are two, the Public School Investment Trust Fund and the University of Alaska Investment Trust Fund, which are managed as endowment trust funds for which the corpus or principal is invested for perpetuity.

The Treasury has investment management expertise equal to the Permanent Fund Corporation. Simply stated, the State's Treasury has a track record which is competitive in all areas of investment management such as operational costs, investment performance, accounting, auditing etc. The State has a Treasury which is governed by laws and regulations that are based on the prudent-investor rule.

The State's Treasury is the proper organizational entity from either a statutory or competitive perspective. The Department of Revenue believes that the State's Treasury is the proper entity to carry out the investment management functions of the assets of the Alaska Mental Health Trust.

**FISCAL NOTE**

3-14-91  
0(145) Jud  
Fin

**STATE OF ALASKA**  
**1991 LEGISLATIVE SESSION**

**BILL NO. SB 65**

Revision Date: March 12, 1991

Department Affected: Revenue

Title: An act establishing the Alaska Mental Health Trust Authority

BRU: Treasury

Component: \_\_\_\_\_

Sponsor: Duncan

Component Serial No. 

	1	2	1
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Requestor: HESS

**Expenditures/Revenues: (Thousands of Dollars)**

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS	3,589	3,589	3,589	3,589	3,589	3,589
<b>TOTAL OPERATING</b>	<b>3,589</b>	<b>3,589</b>	<b>3,589</b>	<b>3,589</b>	<b>3,589</b>	<b>3,589</b>

<b>CAPITAL</b>						
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<b>REVENUE</b>						
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**FUNDING: (Thousands of Dollars)**

GENERAL FUND						
FEDERAL FUNDS						
OTHER	3,589	3,589	3,589	3,589	3,589	3,589
<b>TOTAL</b>	<b>3,589</b>	<b>3,589</b>	<b>3,589</b>	<b>3,589</b>	<b>3,589</b>	<b>3,589</b>

**POSITIONS:**

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year impact: \_\_\_\_\_

**ANALYSIS:** This fiscal note is limited to the investment management, accounting and custodial costs associated with the corpus and income accounts of the Mental Health Land Trust (Trust). Treasury's cost experience on a fully diversified security portfolio of \$2 billion is around 16 basis points (0.16 per cent). If the Trust was fully reconstituted at \$2.243 billion, Treasury's costs would be \$3.589 million annually for the first year and probably higher each succeeding year.

Prepared by: Brian C. Andrews

Phone: 465-2350

Division: Treasury

Date: March 12, 1991

Approved by Commissioner:

Agency: Revenue

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).



STATE OF ALASKA  
OFFICE OF THE GOVERNOR

**BILL ANALYSIS**

DEPARTMENT Revenue	DIVISION Treasury	BILL NUMBER SB 65	SPONSOR Duncan
SHORT TITLE OF BILL An act establishing the Alaskan Health Trust Authority			
DEPARTMENT POSITION Neutral			
PREPARED BY Brian C. Andrews <i>[Signature]</i>	DATE 3-12-91	COMMISSIONER'S SIGNATURE <i>[Signature]</i>	DATE 3-12-91

**SUMMARY**

OTHER AGENCIES AFFECTED BY BILL	CONSTITUENT GROUP(S) AFFECTED BY BILL
ORGANIZATIONAL SUPPORT FOR BILL	ORGANIZATIONAL OPPOSITION TO BILL

FISCAL IMPACT:  NONE  FISCAL NOTE ATTACHED

BACKGROUND/LEGISLATIVE INTENT

Provide for the creation of a trust and the placement of certain assets within this trust to fulfill the State's obligation as trustee as required by the Alaska Mental Health Enabling Act of 1956, P.L. 84-830, 70 Stat. 709.

ANALYSIS OF BILL/PROGRAM EFFECTS

Provide for the beneficiaries of the Mental Health Trust a continuous source of income to support various mental health programs.

AMENDMENTS PROPOSED

Section 37.14.006 (a)(1) provides for an investment standard of care of a prudent-person exercising the judgement and care under the circumstances then prevailing that of an institutional investor of ordinary prudence, discretion, and intelligence of the management of large investments entrusted to it not in regard to speculation but in regard to the permanent disposition of funds. This language should be changed to include the regard to speculation so that imprudent risks would be minimized, e.g. ... investments entrusted to it in regard to speculation risk and in regard.... Investment items, such as limited or unlimited partnerships, joint ventures, certain foreign obligations and notes of any nature under Section 37.14.041 which may lend themselves to investment risk levels beyond normal prudent trust standards should be eliminated.

PLEASE ATTACH A SEPARATE SHEET FOR ADDITIONAL COMMENTS OR ANALYSIS.

FISCAL NOTE

STATE OF ALASKA  
1991 LEGISLATIVE SESSION

BILL NO. CSSB #65 (HES)

Revision Date: \_\_\_\_\_ Department Affected: AK Permanent Fund Corporation  
 Title: An Act establishing the Alaska Mental Health Trust Authority BRU: AK Permanent Fund Corporation  
 Component: #109 AK Permanent Fund Corporation  
 Sponsor: Senators Duncan, Zharoff  
 Requestor: \_\_\_\_\_ COMPONENT SERIAL NO. 

0	1	0	9
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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS. CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	\$?	\$?	\$?	\$?	\$?	\$?

CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
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REVENUE	-0-	-0-	-0-	-0-	-0-	-0-
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FUNDING: (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS	-0-	-0-	-0-	-0-	-0-	-0-
OTHER	\$?	\$?	\$?	\$?	\$?	\$?
TOTAL	\$?	\$?	\$?	\$?	\$?	\$?

POSITIONS:

FULL-TIME	?	?	?	?	?	?
PART-TIME	-0-	-0-	-0-	-0-	-0-	-0-
TEMPORARY	-0-	-0-	-0-	-0-	-0-	-0-

Estimate of current year impact: \$?

ANALYSIS: (Attach a separate page if necessary.)

(See Attached)

Prepared By: Jim Kelly, Research & Liaison Officer Phone: 907/465-2047

Division: AK Permanent Fund Corporation Date: 5/6/91

Approved by Commissioner: *A Scott Miller*

Agency: Alaska Permanent Fund Corporation Date: 5/6/91

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

**Prepared by the Alaska Permanent Fund Corporation, May 6, 1991**

The chart below indicates how much it would cost for the Alaska Permanent Fund Corporation to manage the cash assets of the Alaska Mental Health Trust Authority. The actual amount of the cash assets is unknown at this time; however, regardless of the amount, the basic cost for management by the Alaska Permanent Fund Corporation of any additional money is 15 basis points per dollar invested – or \$1.5 million per \$1 billion. Included in that cost would be authorization for two additional personnel per \$1 billion. All costs (including personnel) would be borne by deducting them from the gross revenues earned by the Corporation on the investment of the cash assets of the Trust prior to computing the Trust's net income.

As in the case of the money currently managed by the Corporation for the Alaska Science and Technology Foundation, the assets of the Trust would be commingled with the assets of the Fund for investment purposes, but would be accounted for separately. Actual costs would be prorated depending on the actual amount of Trust dollars under management by the Corporation.

<b>Amount of Funds Managed (In \$)</b>	<b>Management Expenses (In \$)</b>	<b>Additional Personnel</b>
500,000,000	750,000	1
1,000,000,000	1,500,000	2
1,500,000,000	2,250,000	3
2,000,000,000	3,000,000	4
2,500,000,000	3,750,000	5
3,000,000,000	4,500,000	6

5-10-91  
5 (Jud)  
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**STATE OF ALASKA  
1991 LEGISLATIVE SESSION**

BILL NO. CSSSSB 65

Revision Date: \_\_\_\_\_ Department Affected: Natural Resources  
 Title: Mental Health Trust BRU: Management & Administration  
 Land Administration \_\_\_\_\_ Components: Commissioner's Office  
 Sponsor: Senator Duncan  
 Requestor: Senate HESS COMPONENT SERIAL NO. 423

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES	358.8	381.8				
TRAVEL	3.5	4.0				
CONTRACTUAL	1,073.0	2,000.0				
SUPPLIES	18.0	16.0				
EQUIPMENT	18.5					
LAND&STRUCTURES						
GRANTS,CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	1,471.8	2,401.8	0.0	0.0	0.0	0.0

CAPITAL						
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REVENUE						
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FUNDING: (Thousands of Dollars)

GENERAL FUND	1,471.8	2,401.8				
FEDERAL FUNDS						
OTHER						
TOTAL	1,471.8	2,401.8	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME	8.0	8.0				
PART-TIME						
TEMPORARY						

Estimate of Current year impact:

ANALYSIS: (Attach a separate page if necessary)  
  
See Attached

Prepared by: Carol Wilson Phone: 465-2400  
 Division: Commissioner's Office Date: 6-May-91  
 Approved by Commissioner: Harold Heinze Date: 6-May-91  
 Agency: Department of Natural Resources

Distribution (by preparer) : Legislative Finance, legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

5865

SB 65 Fiscal Note, Continued

Division of Land and Water:

This bill will require the review of over 7200 parcels of land to determine which parcels are unencumbered as well as their value. Case files of less than fee title interest (rights of way, mining claims, etc.) will also require review to determine whether the interest is still valid. Public access along and to public waters must also be identified before land is conveyed to the trust. Inadequately surveyed land will need to be surveyed before it is conveyed. During the interim period before conveyance, an agreement should be reached on management of the lands to be conveyed. We assume that land encumbered with land sale contracts will not be conveyed. If this land is to be conveyed, additional funding will be required.

The following funds are estimated to be necessary for the Division of Land and Water to perform the actions required under this bill:

	FY 92	FY 93
100 Personal Services 1 NRO II, 2 NRO I, 1 Clerk 1 Appraiser (Range 18)	\$ 220.8	\$ 235.8
200 Travel (for survey)	3.5	4.0
300 Contractual Appraisals - opinion of value panel (50.0) Survey (1000.0, 2000.0)	1050.0	2000.0
400 Supplies	8.0	8.0
500 Equipment (computer/printer)	6.5	
<b>Division of Land and Water Total</b>	<b>\$1288.8</b>	<b>\$2247.8</b>

Division of Management:

The Division of Management, Land Records Information Section, will provide computer support for DNR actions under this bill including, extracting computerized data, providing geographic maps at various scales and complexities, and noting the final disposition of land to computer records.

The following funds are estimated to be necessary for the Division of Management to support department actions under this bill:

	FY 92	FY 93
100 Personal Services Drafting Tech III (48.0, 51.0) Analyst/Prog. III (56.0, 59.0)	\$ 138.0	\$ 146.0

	Doc. Processor II (34.0, 36.0)		
300	Contractual	23.0	
	2 DOA Mainframe IDs (3.0, 3.0)		
	Doa Chargeback (20.0, 20.0)		
400	Supplies (software, etc.)	10.0	8.0
500	Equipment	12.0	
	Workstation for Prog. (6.0)		
	Network terminal (3.0)		
	3 Desks and Chairs (3.0)		
	<b>Division of Management Total</b>	<b>\$ 183.0</b>	<b>\$ 154.0</b>

4-22-91  
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STATE OF ALASKA  
1991 LEGISLATIVE SESSION

BILL NO. SSSB 65

Revision Date: \_\_\_\_\_ Department Affected: Natural Resources  
 Title: Mental Health Trust BRU: Management & Administration  
 Land Administration \_\_\_\_\_ Components: Commissioner's Office  
 Sponsor: Senator Duncan  
 Requestor: Senate HESS COMPONENT SERIAL NO. 423

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES	358.8	381.8				
TRAVEL	3.5	4.0				
CONTRACTUAL	1,073.0	2,000.0				
SUPPLIES	18.0	16.0				
EQUIPMENT	18.5					
LAND&STRUCTURES						
GRANTS,CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	1,471.8	2,401.8	0.0	0.0	0.0	0.0

CAPITAL						
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REVENUE						
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FUNDING: (Thousands of Dollars)

GENERAL FUND	1,471.8	2,401.8				
FEDERAL FUNDS						
OTHER						
TOTAL	1,471.8	2,401.8	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME	8.0	8.0				
PART-TIME						
TEMPORARY						

Estimate of Current year impact:

ANALYSIS: (Attach a separate page if necessary)

See Attached

Prepared by: Carol Wilson Phone: 465-2400  
 Division: Commissioner's Office Date: 17-Apr-91  
 Approved by Commissioner: H. J. Justafson / for Date: 17-Apr-91  
 Agency: Department of Natural Resources

Distribution (by preparer) : Legislative Finance, legislative Sponsor, Requestor, OMB,  
& Impacted Agency(ies).

5865

3-13-91  
 5 (Hes)  
 (Jud)  
 (Fin)

STATE OF ALASKA  
 1991 LEGISLATIVE SESSION

BILL NO. SB 65

Revision Date: 28-Feb-91 Department Affected: Natural Resources  
 Title: Mental Health Trust BRU: Management & Administration  
 Land Administration Components: Commissioner's Office  
 Sponsor: Senator Duncan  
 Requestor: Senate HESS COMPONENT SERIAL NO. 423

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES	358.8	381.8				
TRAVEL	3.5	4.0				
CONTRACTUAL	1,073.0	2,000.0				
SUPPLIES	18.0	16.0				
EQUIPMENT	18.5					
LAND&STRUCTURES						
GRANTS,CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	1,471.8	2,401.8	0.0	0.0	0.0	0.0

CAPITAL						
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REVENUE						
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FUNDING: (Thousands of Dollars)

GENERAL FUND	1,471.8	2,401.8				
FEDERAL FUNDS						
OTHER						
TOTAL	1,471.8	2,401.8	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME	8.0	8.0				
PART-TIME						
TEMPORARY						

Estimate of Current year impact:

ANALYSIS: (Attach a separate page if necessary)

See Attached

Prepared by: Carol Wilson Phone: 465-2400  
 Division: Commissioner's Office Date: 28-Feb-91

Approved by Commissioner: HB Harold Heinze Date: 28-Feb-91  
 Agency: Department of Natural Resources

Distribution (by preparer) : Legislative Finance, legislative Sponsor, Requestor, OMB,  
 & Impacted Agency(ies).

5865

SB 65 Fiscal Note, Continued

Division of Land and Water:

This bill will require the review of over 7200 parcels of land to determine which parcels are unencumbered as well as their value. Case files of less than fee title interest (rights of way, mining claims, etc.) will also require review to determine whether the interest is still valid. Public access along and to public waters must also be identified before land is conveyed to the trust. Inadequately surveyed land will need to be surveyed before it is conveyed. During the interim period before conveyance, an agreement should be reached on management of the lands to be conveyed. We assume that land encumbered with land sale contracts will not be conveyed. If this land is to be conveyed, additional funding will be required.

The following funds are estimated to be necessary for the Division of Land and Water to perform the actions required under this bill:

	FY 92	FY 93
100 Personal Services 1 NRO II, 2 NRO I, 1 Clerk 1 Appraiser (Range 18)	\$ 220.8	\$ 235.8
200 Travel (for survey)	3.5	4.0
300 Contractual Appraisals - opinion of value panel (50.0) Survey (1000.0, 2000.0)	1050.0	2000.0
400 Supplies	8.0	8.0
500 Equipment (computer/printer)	6.5	
 Division of Land and Water Total	 \$1288.8	 \$2247.8

Division of Management:

The Division of Management, Land Records Information Section, will provide computer support for DNR actions under this bill including, extracting computerized data, providing geographic maps at various scales and complexities, and noting the final disposition of land to computer records.

The following funds are estimated to be necessary for the Division of Management to support department actions under this bill:

	FY 92	FY 93
100 Personal Services Drafting Tech III (48.0, 51.0) Analyst/Prog. III (56.0, 59.0)	\$ 138.0	\$ 146.0

	Doc. Processor II (34.0, 36.0)		
300	Contractual	23.0	
	2 DOA Mainframe IDs (3.0, 3.0)		
	Doa Chargeback (20.0, 20.0)		
400	Supplies (software, etc.)	10.0	8.0
500	Equipment	12.0	
	Workstation for Prog. (6.0)		
	Network terminal (3.0)		
	3 Desks and Chairs (3.0)		
	Division of Management Total	\$ 183.0	\$ 154.0

STATE OF ALASKA  
1991 LEGISLATIVE SESSION

BILL NO. SSSB 65

Revision Date: \_\_\_\_\_ Department Affected: \_\_\_\_\_  
 Title: \_\_\_\_\_ BRU: Alcoholism & Drug Abuse  
 Component: Advisory Board on Alcoholism & Drug Abuse  
 Sponsor: \_\_\_\_\_  
 Requestor: \_\_\_\_\_ COMPONENT SERIAL NO. 

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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES	169.1 / 109.6	177.5	177.5	177.5	177.5	177.5
TRAVEL	90.0 / 56.0	94.5	99.2	104.2	109.4	114.9
CONTRACTUAL	47.5	49.9	52.4	55.0	57.8	60.7
SUPPLIES	5.8	6.0	6.3	6.6	6.9	7.2
EQUIPMENT	20.0 / 14.0	0	0	0	0	0
LAND & STRUCTURES						
GRANTS & CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	332.4 / 232.9	327.9	335.4	343.3	351.6	360.3

CAPITAL						
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REVENUE	332.4	327.9	335.4	343.3	351.6	360.3
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FUNDING: (Thousands of Dollars)

GENERAL FUND	232.9					
FEDERAL FUNDS	332.4	327.9	335.4	343.3	351.6	360.3
OTHER						
TOTAL						

POSITIONS:

FULL-TIME	3.0	3.0	3.0	3.0	3.0	3.0
PART-TIME						
TEMPORARY						

Estimate of current year impact: 0

ANALYSIS: (Attach a separate page if necessary.)

See Attached

*Revised by SFC 5/17/91*

Prepared By: Ray Jensen Phone: 586-6201  
 Division: Alcoholism & Drug Abuse Date: 5/15/91  
 Approved by Commissioner: Theodore Mala, M.D., MPH  
 Agency: \_\_\_\_\_ Date: 5/16/91

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

*See Revised FN*

State of Alaska  
Department of Health & Social Services  
Division of Alcoholism & Drug Abuse

SSSB 65 Analysis

The following budget is comprised of three positions and associated costs comparable to the Alaska Mental Health Board.

Personal Services:

Executive Director, Range 21	72.4
Secretary I, Range 10	37.2
Research Analyst III, Range 18	59.5
	-----
Total	169.1

Travel:

Statewide travel by professional staff	49.0
Three additional board members	11.0
Per Diem	30.0
	-----
Total	90.0

Contractual:

Communication	15.0
Advertising, Printing & Binding	15.0
Minor Repair & Maintenance	.5
Space Rental	10.0
Rental Machinery	7.0
	-----
Total	47.5

Commodities:

Office Supplies	5.8
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Equipment (one-time only)

Workstations for 3 employees	18.0
Computer Software	2.0
	-----
Total	20.0

Grand Total for FY 92

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332.4  
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STATE OF ALASKA  
1991 LEGISLATIVE SESSION

Bill No. CS SSSB 65 (Judiciary)

Revision Date: \_\_\_\_\_ Department Affected: Alaska Court System  
 Title: An Act establishing the Alaska BRU: Appellate Courts  
Mental Health Trust Authority... Components: \_\_\_\_\_  
 Sponsor: \_\_\_\_\_  
 Requestor: Duncan COMPONENT SERIAL NO. 000 | 000 000 | 768

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES	19.5	39.0	39.0	39.0	39.0	39.0
TRAVEL	7.5	15.0	15.0	15.0	15.0	15.0
CONTRACTUAL	148.8	297.5	297.5	297.5	297.5	297.5
SUPPLIES	1.5	3.0	3.0	3.0	3.0	3.0
EQUIPMENT	18.0					
LAND & STRUCTURES						
GRANTS & CLAIMS	156.25					
TOTAL OPERATING	195.3	354.5	354.5	354.5	354.5	354.5
	156.3					
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUNDS	195.3	354.5	354.5	354.5	354.5	354.5
FEDERAL FUNDS						
OTHER						
TOTAL	195.3	354.5	354.5	354.5	354.5	354.5

POSITIONS:

FULL-TIME	1.0	1.0	1.0	1.0	1.0	1.0
PART-TIME						
TEMPORARY						

Estimate of current year impact: \_\_\_\_\_

ANALYSIS: (Attach a separate page if necessary)

See attached analysis

*Revised by JFC 5/17/91*

Prepared by: C. S. Christensen III, Staff Counsel *CS* Phone: 264-8228  
 Division: Alaska Court System Date: 05/16/91

Approved by: Arthur H. Snowden, II, Administrative Director *AHS*  
 Agency: Alaska Court System Date: 05/16/91

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

*See Revised FN*

Alaska Court System

Fiscal Analysis  
CS SSSB 65 (Judiciary)

Personal Services

	<u>Salary</u>	<u>Full-year Cost</u> <u>Benefits</u>	<u>Total</u>	<u>1/2-year</u> <u>FY 92</u> <u>Cost</u>
In-Court Clerk, 12B, Anchorage, permanent full-time	\$26,592	\$12,408	\$39,000	\$19,500

Travel

Travel by special master to view parcels and conduct hearings and investigations			15,000	7,500
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Contractual Services

Professional services - special master for 1,500 hours at \$125 an hour			187,500	
Professional services - paralegal assistant, full-time position			45,000	
Professional services - secretary, full-time position			35,000	
Office rental - 1,000 square feet at \$2.50 a foot			30,000	
			<hr/>	
	Total		297,500	148,750

Supplies

Office supplies			3,000	1,500
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Equipment

Desks, chairs, computers, typewriters, filing cabinets, printer, statutes and reference materials			13,000	18,000
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			<hr/>	
	Total Cost (full-year and 1/2-year)		\$372,500	\$195,250

STATE OF ALASKA  
1991 LEGISLATIVE SESSION

BILL NO. SSSB 65

Revision Date: \_\_\_\_\_ Department Affected: Health & Social Services  
 Title: \_\_\_\_\_ BRU: Administrative Services  
 Component: Alaska Mental Health Board  
 Sponsor: \_\_\_\_\_  
 Requestor: \_\_\_\_\_ COMPONENT SERIAL NO. 

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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES	48.4	50.8	53.3	56.0	58.8	61.7
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS/CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	48.4	50.8	53.3	56.0	58.8	61.7
CAPITAL						
REVENUE	48.4	50.8	53.3	56.0	58.8	61.7

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER MHT/GF	48.4	50.8	53.3	56.0	58.8	61.7
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year impact: 0

ANALYSIS: (Attach a separate page if necessary.)  
 \$4,400/yr. average cost per Board member X 11 = 48.4  
 Inflation projected @ 5%/yr.  
*Revised by SFC 5/19/91*

Prepared By: Ray Jensen Phone: 586-6201  
 Division: Alcoholism & Drug Abuse Date: 5/15/91  
 Approved by Commissioner: Theodore Mala, M.D., MPH  
 Agency: \_\_\_\_\_ Date: 5/16/91

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

*See Revised FN*

STATE OF ALASKA  
1991 LEGISLATIVE SESSION

BILL NO. CSSSSB 65 (Jud)

Revision Date: 16-May-91 Department Affected: Natural Resources  
 Title: Mental Health Trust BRU: Management & Administration  
Land Administration Components: Commissioner's Office - M.H. Lands  
 Sponsor: Senator Duncan  
 Requestor: Senate Judiciary COMPONENT SERIAL NO. 423

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES	358.8	381.8				
TRAVEL	3.5	4.0				
CONTRACTUAL	1,073.0	2,000.0				
SUPPLIES	18.0	16.0				
EQUIPMENT	18.5					
LAND&STRUCTURES						
GRANTS,CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	1,471.8	2,401.8	0.0	0.0	0.0	0.0

CAPITAL						
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REVENUE *)						
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FUNDING: (Thousands of Dollars)

GENERAL FUND	1,471.8	2,401.8				
FEDERAL FUNDS						
OTHER						
TOTAL	1,471.8	2,401.8	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME	8.0	8.0				
PART-TIME						
TEMPORARY						

Estimate of Current year impact:

ANALYSIS: (Attach a separate page if necessary)  
*Revised by SFC 5/17/91*  
 See Attached  
 \*) The MHT will receive the following percentages of the unrestricted revenues:  
 FY 92/93 6%, FY 94/95 5%, FY 96/97 4%, FY 98/99 3%, FY 2000/01 2%, FY 02/03 1%, and 0% thereafter.

Prepared by: Carol Wilson Phone: 465-2400  
 Division: Commissioner's Office Date: 16-May-91  
 Approved by Commissioner: Harold Heinze Date: 16-May-91  
 Agency: Department of Natural Resources

Distribution (by preparer) : Legislative Finance, legislative Sponsor, Requestor, OMB,  
& Impacted Agency(ies).

CSSSSB 65 (Jud)Fiscal Note, Continued

Division of Land and Water:

This bill will require the review of over 7200 parcels of land to determine which parcels are unencumbered as well as their value. Case files of less than fee title interest (rights of way, mining claims, etc.) will also require review to determine whether the interest is still valid. Public access along and to public waters must also be identified before land is conveyed to the trust. Inadequately surveyed land will need to be surveyed before it is conveyed.

The following funds are estimated to be necessary for the Division of Land and Water to perform the actions required under this bill:

	FY 92	FY 93
100 Personal Services 1 NRO II, 2 NRO I, 1 Clerk 1 Appraiser (Range 18)	\$ 220.8	\$ 235.8
200 Travel (for survey)	3.5	4.0
300 Contractual Appraisals - opinion of value panel (50.0) Survey (1000.0, 2000.0)	1050.0	2000.0
400 Supplies	8.0	8.0
500 Equipment (computer/printer)	6.5	
<b>Division of Land and Water Total</b>	<b>\$1288.8</b>	<b>\$2247.8</b>

Division of Management:

The Division of Management, Land Records Information Section, will provide computer support for DNR actions under this bill including, extracting computerized data, providing geographic maps at various scales and complexities, and noting the final disposition of land to computer records.

The following funds are estimated to be necessary for the Division of Management to support department actions under this bill:

	FY 92	FY 93
100 Personal Services Drafting Tech III (48.0, 51.0) Analyst/Prog. III (56.0, 59.0) Doc. Processor II (34.0, 36.0)	\$ 138.0	\$ 146.0
300 Contractual 2 DOA Mainframe IDs (3.0, 3.0)	23.0	

	Doa Chargeback (20.0, 20.0)		
400	Supplies (software, etc.)	10.0	8.0
500	Equipment	12.0	
	Workstation for Prog. (6.0)		
	Network terminal (3.0)		
	3 Desks and Chairs (3.0)		
	Division of Management Total	\$ 183.0	\$ 154.0

FISCAL NOTE

STATE OF ALASKA  
1991 LEGISLATIVE SESSION

BILL NO. CSSSSB 65 (Jud)

Revision Date: \_\_\_\_\_ Department Affected: Department of Law

Title: "...establishing the Alaska Mental Health Trust Authority...powers & duties..." BRU: Legal Services

Health Trust Authority...powers & duties... Component: Operations

Sponsor: Senator Duncan

Requestor: Senate Judiciary COMPONENT SERIAL NO. 

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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES	240.8	240.8	240.8	118.5	-0-	-0-
TRAVEL	9.0	9.0	9.0	3.0	-0-	-0-
CONTRACTUAL	336.0	336.0	232.5	173.5	-0-	-0-
SUPPLIES	12.3	12.3	12.3	6.0	-0-	-0-
EQUIPMENT	28.5					
LAND & STRUCTURES						
GRANTS, CLAIMS	1,000.0	1,000.0	800.0	500.0	-0-	-0-
MISCELLANEOUS						
TOTAL OPERATING	1,626.6	1,598.1	1,298.1	801.0	-0-	-0-

CAPITAL						
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REVENUE						
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FUNDING: (Thousands of Dollars)

GENERAL FUND	626.6 <sup>reduce</sup>	598.1	494.6	301.0	-0-	-0-
FEDERAL FUNDS						
OTHER MNTIA/GF	1,000.0	1,000.0	800.0	500.0	-0-	-0-
TOTAL	1,626.6	1,598.1	1,298.1	801.0	-0-	-0-

POSITIONS:

FULL-TIME	4.0 <sup>3</sup>	4.0	4.0	2.0	-0-	-0-
PART-TIME						
TEMPORARY						

The Department of Law has already expended \$25,000 from a reimbursable account which must be returned from the general fund.

ANALYSIS: (Attach a separate page if necessary.)

Please see the attached analysis.

**Revised by SFC 5/17/91**

*Richard I. Pegues*

Prepared By: Richard I. Pegues, Director Phone: 465-3672

Division: Administrative Services Date: May 15, 1991

Approved by Commissioner: Charles E. Cole, Attorney General

Agency: Department of Law Date: May 15, 1991

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

*See Revised FN Reduced by 248.0*

## CONTINUATION of FISCAL NOTE ANALYSIS

For Bill/Resolution No. CSSSSB 65 (Jud)

The Senate Judiciary Committee substitute for SB 65 provides a mechanism to resolve the long-standing mental health trust lands dispute, arising from Weiss v. State. This fiscal note request addresses those parts of the bill that will have an impact on the Department of Law, as well as the impact that will be felt by the plaintiffs.

The bill authorizes reconstitution of the land trust. To the extent possible, original trust lands will be reconstituted, and additional selections from other state lands will be used to reconstitute the trust. About 10,000 original mental health trust land parcels are involved. Of this number, at least 6,500 parcels will involve trades for new lands, and some part of the remaining original 3,500 parcels may also involve trades.

An analysis of all individual land trades will be required to determine values between the original trust parcels and newly selected substitute parcels. Any disputes arising from the 6,500+ transactions would be settled by a special master under the jurisdiction of the state's supreme court. Any particular transaction could cause a dispute between the plaintiffs and the state involving value, comparable characteristics, or best interest of the public findings of the Commissioner of Natural Resources.

It is anticipated that the trust will be fully reconstituted by December 31, 1993, or slightly more than two and one-half years from now. In order to make this process work, it will be necessary to hire four new Department of Law employees to handle all necessary legal work involved in the analysis and dispute resolution process. These include two attorneys, one paralegal, and one legal secretary. It will also be necessary to provide expert witness consultants in mineral and land appraisal, and to provide for some expert legal advice. It is anticipated that a majority of the work will be completed by December 31, 1993, but some of the disputes may not be completely resolved within a year or two from that date. For this reason, fiscal note costs have been shown as decreasing sharply after FY94. The Department of Law's costs should be funded from the state's general fund account.

Plaintiffs' costs, which are also included in this request, include the same kind of expenses for determining land values and processing land transactions and disputes. Plaintiffs' costs should be funded from the Mental Health Trust Interagency/General Fund Account.

Resolution of Weiss v. State, as contemplated in this bill, will be an ambitious undertaking. The funds being requested in this fiscal note request are the minimum amount necessary to insure that the trust will be reconstituted within an acceptable period of time, and to insure that this dispute, which has been ongoing for nearly nine years, is satisfactorily concluded.

FISCAL ANALYSIS - CSSSB 65 (Fin)

	<u>Attorney IV</u>	<u>Attorney III</u>	<u>Paralegal Asst II</u>	<u>Legal Secretary I</u>	<u>Total</u>
Personal Services	82.2	73.0	49.3	36.3	240.8
Travel	3.0	3.0	3.0		9.0
Contractual					
In-house	7.5	7.5	6.6	4.4	26.0
Experts	125.0	125.0			250.0
O/S Counsel	30.0	30.0			60.0
Supplies	3.3	3.3	3.3	2.4	12.3
Equipment	6.5	6.5	6.5	9.0	28.5
	—	—	—	—	—
TOTAL	257.5	248.3	68.7	52.1	626.6
Plaintiffs' Costs	1,000.0				1,000.0
TOTAL COSTS	1,275.5	248.3	68.7	52.1	1,626.6

Position Title		Attorney IV		No. of Positions	1	Range / Step	24 A	Barg. Unit	PX						
Time Status	PFT	Staff Months	12	Location		AWA - Juneau									
				Election District		4									
TYPE OF EXPENDITURE			Amount	<b>Justification</b>  This is one of two attorney positions needed to handle the legal work that will be required to implement the mental health trust authority legislation. An accelerated timetable is required so that the trust is reconstituted by December 31, 1993. This is the lead position for the state's legal effort to settle the dispute, allocation to Attorney IV is therefore requested. Position costs include \$125,000 for expert minerals and land appraisal consultants, and \$30,000 for expert legal advice.											
Salary			61,000												
Benefits			21,200												
Premium Pay															
Other															
Total Personal Services			82,200												
Travel			3,000												
Contractual			162,500												
Commodities			3,300												
Equipment			6,500												
Other															
Total Cost			257,500												
FUNDING SOURCE FOR TOTAL COST															
Federal Receipts			1002												
G.F. Match			1003												
General Fund			1004	257,500											
I-A Receipts			1007												
CIP Receipts			1061												
Other															

**Request For  
New Position**

AGENCY Department of Law  
BRU Legal Services  
COMPONENT Operations

**FY** 92

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Revised Date: \_\_\_\_\_

Position Title		Attorney III		No. of Positions	1	Range / Step	22 A	Barg. Unit	PY
Time Status	PFT	Staff Months	12	Location	AWA - Juneau		Election District	4	
TYPE OF EXPENDITURE			Amount	Justification  This is the second of two attorney positions needed to implement the mental health trust authority legislation. An accelerated timetable is required so that the trust is reconstituted by December 31, 1993. This involves evaluating more than 6,500 land trade transactions and resolving any dispute arising therefrom, before a special master appointed by the supreme court. This position will assist the lead attorney in this effort, and allocation to the Attorney III level is therefore appropriate. Position costs include \$125,000 for expert minerals and land appraisal consultants and \$30,000 for expert legal advice.					
Salary			53,300						
Benefits			19,700						
Premium Pay									
Other									
Total Personal Services			73,000						
Travel			3,000						
Contractual			162,500						
Commodities			3,300						
Equipment			6,500						
Other									
Total Cost			248,300						
FUNDING SOURCE FOR TOTAL COST									
Federal Receipts 1002									
G.F. Match 1003									
General Fund 1004			248,300						
I-A Receipts 1007									
CIP Receipts 1061									
Other									

**Request For  
New Position**

AGENCY Department of Law  
 BRU Legal Services  
 COMPONENT Operations

**FY** 92

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 Revised Date: \_\_\_\_\_

Position Title <b>Paralegal Assistant II</b>		No. of Positions <b>1</b>	Range / Step <b>16 A</b>	Barg. Unit <b>GG</b>
Time Status <b>PFT</b>	Staff Months <b>12</b>	Location <b>AWA - Juneau</b>		Election District <b>4</b>
<b>TYPE OF EXPENDITURE</b>		<b>Amount</b>	<b>Justification</b>  The position is needed to handle the documentation needs for the two attorneys who will handle the legal work required to implement the Mental Health Trust Authority legislation. This work will involve more than 6,500 land trade transactions and substantial document preparation and organization of evidence will occur. Allocation to the Paralegal Assistant II classification is requested.	
Salary		<b>35,200</b>		
Benefits		<b>14,100</b>		
Premium Pay				
Other				
Total Personal Services		<b>49,300</b>		
Travel		<b>3,000</b>		
Contractual		<b>6,600</b>		
Commodities		<b>3,300</b>		
Equipment		<b>6,500</b>		
Other				
Total Cost		<b>68,700</b>		
<b>FUNDING SOURCE FOR TOTAL COST</b>				
Federal Receipts	1002			
G.F. Match	1003			
General Fund	1004	<b>68,700</b>		
I-A Receipts	1007			
CIP Receipts	1061			
Other				

**Request For  
New Position**

AGENCY Department of Law  
BRU Legal Services  
COMPONENT Operations

**FY** 92

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Revised Date: \_\_\_\_\_

Position Title		Legal Secretary I		No. of Positions	1	Range / Step	10 B	Barg. Unit	GG	
Time Status	PFT	Staff Months	12	Location	AWA - Juneau		Election District	4		
TYPE OF EXPENDITURE			Amount	<b>Justification</b>  This position is needed to handle the office activities of the two attorneys and one paralegal involved in implementing the Mental Health Trust Authority legislation. This work will generate a huge number of legal documents and require the full-time services of a legal secretary. Most of this work must be completed in a relatively short timeframe. Allocation to the Legal Secretary I classification is therefore recommended.						
Salary			24,600							
Benefits			11,700							
Premium Pay										
Other										
Total Personal Services			36,300							
Travel										
Contractual			4,400							
Commodities			2,400							
Equipment			9,000							
Other										
Total Cost			52,100							
FUNDING SOURCE FOR TOTAL COST										
Federal Receipts 1002										
G.F. Match 1003										
General Fund 1004			52,100							
I-A Receipts 1007										
CIP Receipts 1061										
Other										

**Request For  
New Position**

AGENCY Department of Law  
BRU Legal Services  
COMPONENT Operations

**FY** 92

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Revised Date: \_\_\_\_\_

Dokaw  
Fiscal Note 5B 65  
Reductions and new figures:

personal services	£ 167.8	
travel	6.0	
Contractual	173.5	
Supplies	9.0	
equipment	<u>22.0</u>	
	378.3	total gen. funds

Note: Reduction effected a 48% decrease  
Contractual for FY94  
Shows an approx 30% decrease  
Took an additional 18%  
for reduced position to achieve  
a new total of £190.6