

Overview

Mental H.

Trust Auth.

1/18/96

Alaska Mental Health Trust Authority

**Presentation to
House and Senate HESS Committees**

January 18, 1996

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Background

- Litigation ongoing for 13 years
- State would have been required to reconstitute the old Trust
- Millions of dollars in litigation costs
- Millions in lost development opportunities
- Paralyzed and fractured mental health community

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Key Terms of Settlement

- Mental Health Trust Lands and associated state lands released for development
- Trust Authority free to use Trust resources to act as a catalyst for change
- Trust Authority funding recommendations considered in a single appropriation bill
- Trust Authority to aid in comprehensive planning for mental health

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Accomplishments This Year

- Trust Authority up and running
- Planning functions begun
- Active management of Trust natural resources
- Budget proposals submitted
- Trust Fund management principles adopted

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Present Challenges

- Assure beneficiaries that they will get the benefit of their bargain
- Work with legislature to make the process succeed
- Encourage innovation and improvements for Alaska's mental health system
- Avoid reinstating the litigation

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FY97 Operating Recommendations

GF/MH Base funding	\$110.000 million
GF/MH Increments and decrements	\$4.997 million
Trust Income Account spending	\$1.945 million

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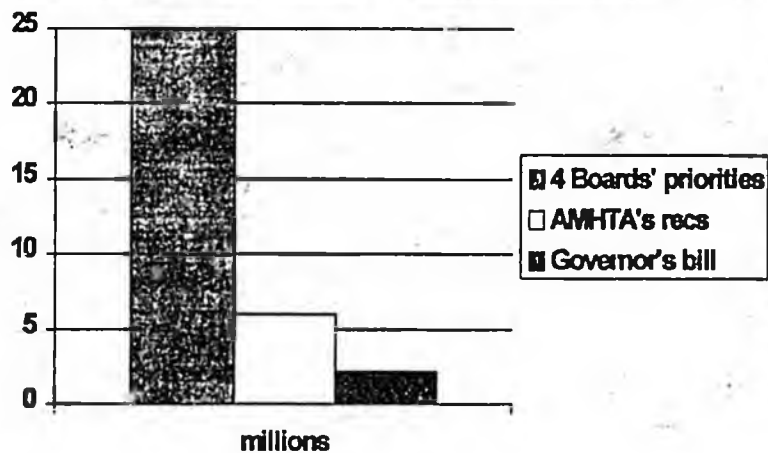
Priorities for funding

- Close Harborview Developmental Center
- Increasing service capacity
- Outcome-oriented programs
- Integrated data collection

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Recommendations from beneficiary boards



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Governor's budget differs from Trust recommendations

- Failed to fully fund the \$4.9 million AMHTA recommendations
- Includes salary maintenance of effort for state employees, but not for providers
- Includes a reduction of \$585,000 from Harborview which is not transferred to beneficiary services

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Comprehensive Integrated Mental Health Program

- Close work with Commissioner Perdue
- Helping the four boards to work together
- Coordinated services
- Funding parity

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State's Mental Health Program & AMHTA's implementation plan

- CIMHP is a global, long range plan.
- DHSS writes CIMHP.
- Describes service system.
- Not tied to a budget in the law.
- Implementation plan is shorter term.
- AMHTA writes the implementation plan.
- Describes AMHTA's recommendations based on the CIMHP.
- Implementation plan links CIMHP to budget.

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Coming recommendations to fund services differently

- Developing outcome measures and data integration
- Increasing funding for effective and cost-efficient programs
- Decreasing funding for ineffective or unnecessary programs or other costs
- Needs-based funding for services

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Trust Corpus Account

Transferred to Permanent
Fund Corporation 7/3/95 \$200,000,000

FY95 Inflation Proofing
Amount \$3,533,000

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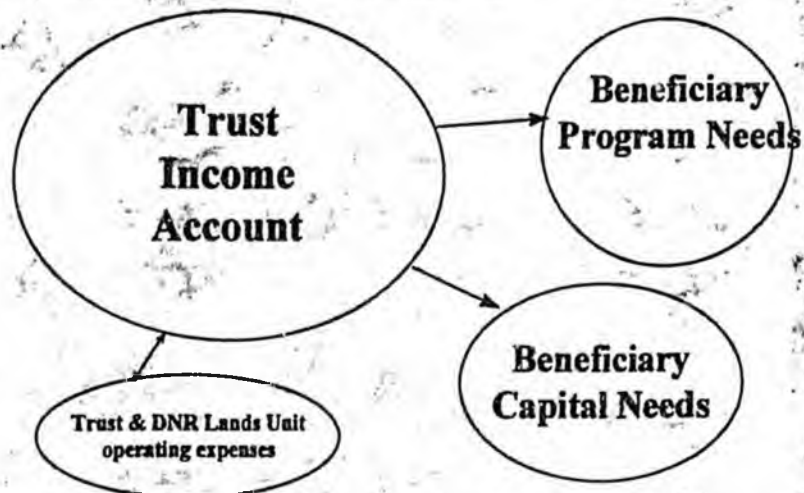
AMHTA Income Account

- Sources of funds
 - Transfers from AK Permanent Fund
 - Transfers from DNR on land income
 - interest earned from Income Account
- Uses of funds
 - Income spending on beneficiaries:
operating & capital
 - based on recommendations from 4 beneficiary boards
 - Operating expense for the Trust & DNR Lands Unit

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Where the funds go



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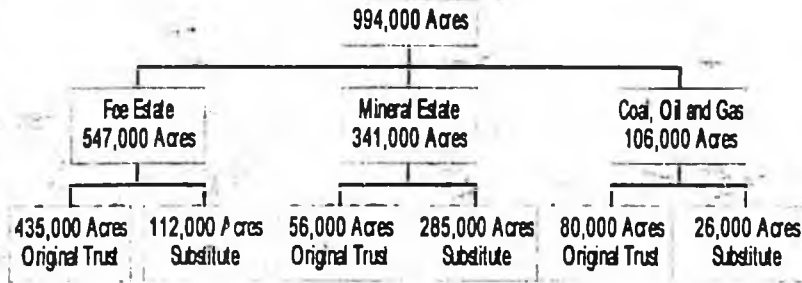
Trust Fund Assumptions

- Estimated payout over 10 years for Trust beneficiaries \$71,487,403
- Value of principal in year 10 \$313,454,996
- Inflation adjusted principal \$222,214,144
- Assumptions
 - Inflation 3.5%
 - Rate of return 8.0%
 - Payout rate 3.0%

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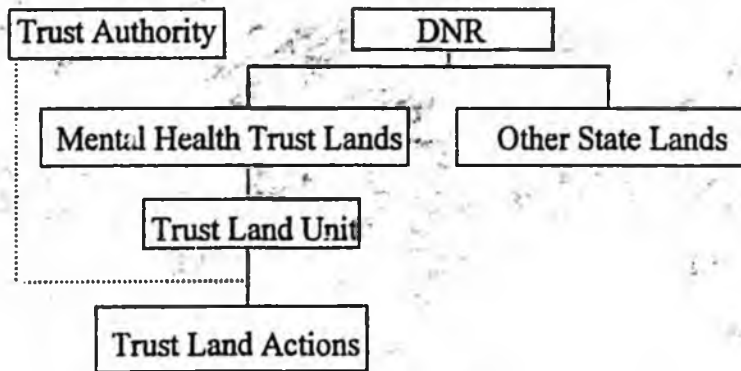
Land and Resources



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Trust Land Management Framework



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