

SB

297

HOUSE COMMITTEE REPORT

(7)

Date Referred to Committee: March 15, 2002

FURTHER REFERRALS:

Date of Committee Action: 21 MAR 02

The STATE AFFAIRS Committee considered:

SB 297

SENATE BILL NO. 297

MENTAL HEALTH TRUST LAND UNIT EMPLOYEES

"An Act moving employees of the Alaska mental health trust land unit of the Department of Natural Resources from the partially exempt service to the exempt service."

Recommends it be replaced with CS () [] Same Title [] New Title
 For Senate Bills with new title: [] Technical Title [] New Title: HCR

- [] attach amendments
- [] add new referral to _____ Committee
- [] Letter of Intent _____ Committee

List of Abbrev. for Depts.:
 ADM
 CED
 COR
 CRT
 EED
 DEC
 DFG
 GOV
 HSS
 LAA
 LAW
 LWF
 MVA
 DNR
 DPS
 REV
 DOT
 UA

<u>NEW FISCAL NOTES</u>				
*For Chief Clerk's Office Use Only				
List by Dept(s):	*FN#	Fiscal	Indet.	Zero
DNR				✓

<u>PREVIOUS FISCAL NOTES</u>				
List by Dept(s):	FN#	Fiscal	Indet.	Zero

<u>Signing with recommendations</u>	Printed Last Name	DP	DNP	NR	AM
<i>Sharon Crawford</i>	CRAWFORD	/			
<i>Janette James</i>	JAMES	X			
<i>Eric Hoge</i>	Hoge			✓	
<i>Joe [unclear]</i>	[unclear]	✓			
Chair: <i>John [unclear]</i>	[unclear]	✓			
Chair: <i>John [unclear]</i>	[unclear]				

GARY WILKEN

SENATOR
West Fairbanks

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Tel: (907) 451-1347
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Alaska State Legislature

Senate

During Session:
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Juneau, Alaska 99801-1182
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Website: www.garywilken.com
E-Mail: Senator_Gary_Wilken@legis.state.ak.us

MEMORANDUM

DATE: March 14, 2002

TO: Representative John Coghill, Chair
House State Affairs Committee

FROM: Gary Wilken
Senator, West Fairbanks

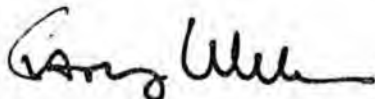
RE: Hearing Request for SB 297

I'm writing to respectfully request that Senate Bill 297 be scheduled for a hearing before the House State Affairs committee, pending its referral, as soon as conveniently possible.

SB 297, "An Act moving employees of the Alaska mental health trust land unit of the Department of Natural Resources from the partially exempt service to the exempt service." is submitted at the request of the Alaska Mental Health Trust Authority. It will improve AMHT's ability to attract and retain key staff in their lands management unit.

Please help the AMHT see this beneficial legislation continue onward through the Legislative process.

Thank you for your consideration.



GARY WILKEN

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Senate Bill 297

Sponsor Statement

“An Act moving employees of the Alaska Mental Health Trust land unit of the Department of Natural Resources from the partially exempt service to the exempt service.”

Senate Bill 297 was introduced at the request of the Mental Health Trust Authority. It places employees of the Mental Health Trust Authority lands unit into exempt service.

The Mental Health Trust Land Unit is located in the Department of Natural Resources. Its sole purpose is to manage Alaska Mental Health Trust land on behalf of the Alaska Mental Health Trust Authority. Its operating costs are funded entirely by income generated from the cash and land assets of the Trust, not by general funds.

The Unit maintains a core operating staff of nine. This legislation will provide the MHTA with the means of retaining trained staff that are being solicited by, and relocating to, other agencies offering better compensation packages not afforded by the current “partially exempt” status of MHTA lands unit employees. Additionally, it will align the Unit with the management framework of the Trust Authority staff, which was converted to fully exempt status for similar reasons last year.

Please support this legislation and thereby allow the AMHTA to more efficiently manage their personnel structure, to reward performance, and establish a long-term fix for their efforts to recruit, train, and retain key staff.

A handwritten signature in black ink, appearing to read "Gary Wilken", is located at the bottom left of the page.

Senate Bill 297

An Act moving employees of the Alaska mental health trust land unit of the Department of Natural Resources from the partially exempt service to the exempt service.

SECTIONAL ANALYSIS

Prepared by Tim Lamkin, staff to Senator Gary Wilken
For the precise impact of the bill, please refer to the actual bill text.

Section	Statute	Existing	Changes
1	AS 39.25.110 (37) Exempt Service	Paragraphs (1) to (36) list positions of state service that are exempt from the provisions of the State Personnel Act.	Adds a new exemption as paragraph (37), employees of the Alaska mental health land unit established under AS 44.37.050
2	AS 44.37.050 Duties of department with respect to management of mental health trust land	(1994) Established a separate unit within DNR with sole responsibility of managing Mental Health land.	Establishes that employees of this unit are exempt under AS 39.25.110
3	AS 39.25.120(c)(17) Partially Exempt Service	Includes employees of MHT land unit as partially exempt from the provisions of the State Personnel Act.	Repeals that employees of this unit are partially exempt.

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

Fiscal Note Number: 1
 Bill Version: SB 297
 (S) Publish Date: 3/1/02
 Dept. Affected: Natural Resources
 BRU: Resource Development
 Component: Mental Health Lands Admin
 Componer. Number: 1635

Revision Date/Time (Note if correction): _____
 Title: Mental Health Trust Land Unit Employees
 Sponsor: Senator Wilken
 Requester: (S) STA

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY 2003	FY 2004	FY2005	FY 2006	FY 2007	FY 2008
Personal Services	0.0	0.0	0.0	0.0	0.0	0.0
Travel	0.0	0.0	0.0	0.0	0.0	0.0
Contractual	0.0	0.0	0.0	0.0	0.0	0.0
Supplies	0.0	0.0	0.0	0.0	0.0	0.0
Equipment	0.0	0.0	0.0	0.0	0.0	0.0
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
CHANGE IN REVENUES ()						

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
1092 Mental Health Trust Auth Author Rec	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2002) cost: none
 Check this box (X) if funding for this bill is included in the Governor's FY2003 budget proposal:

POSITIONS

Full-time					
Part-time					
Temporary					

ANALYSIS: (Attach a separate page if necessary)
 Any additional costs that result from implementation of this legislation will be absorbed in the existing budget.

Prepared by: Stephen C. Planchon, Executive Director Phone 907-269-8656
 Division: Mental Health Trust Land Office Date/Time 25-Feb-02
 Approved by: Pat Pourchot Date 27-Feb-02
 Agency: Natural Resources

RATIONALE USED LAST YEAR

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Anchorage, AK 99501
Main line: (907) 269-7960
FAX: (907) 269-7966
Internet:
mhta@mhta.revenue.state.ak.us

The TRUST

The Alaska Mental Health Trust Authority

February 27, 2001

Senator Lyda Green, Chair
Senate Health, Education and Social Services Committee
State Capitol
Juneau, Alaska 99801-1182

Re: SB 112

Dear Senator Green,

This letter is in support of SB 112 that would place the employees of the Alaska Mental Health Trust Authority in the exempt service and establish a minimum salary for the Long Term Care Ombudsman.

Through oversight, the legislation creating the Alaska Mental Health Trust Authority (the Trust) made no provision regarding the category of service of either the Executive Director of the Authority or the staff. Therefore, all positions were deemed to be in the classified service by default. This has created a number of problems for the Trust and continues to be a barrier to the efficient operation of the agency.

At the time the initial Board of Trustees was appointed in 1995, it was forced to petition the State Personnel Board to have the Executive Director position established as partially exempt. Without this action, the Trustees would have been seriously restricted in their ability to hire an appropriate person for this critical position. Subsequently, due to the large assets of the Trust (over \$300 million and 1,000,000 acres of land) and the fiduciary duty owed to the beneficiaries, the Trust was forced to budget for a State Investment Officer position, which is already exempt by law, as a means of securing the services of someone they could be assured over time would adequately monitor the management of Trust assets by the Permanent Fund Corporation and the Department of Natural Resources. The remaining four staff are still in the classified service. This eclectic mix of employee positions in such a small office has been cumbersome and confusing at best.

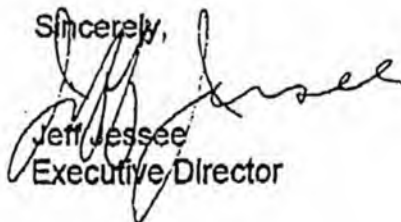
The Trust is a state corporation similar in nature and function to the other boards, commissions and authorities whose employees are in the exempt service under AS 39.25.110 (11). These include, the Alaska Industrial Development and Export Authority, the Alaska Permanent Fund Corporation, the Alaska Aerospace Development Corporation, the Alaska Commission on Postsecondary Education and the Alaska Commercial Fisheries Entry Commission. The function of the Trust in developing a plan for the state and granting endowment income is extremely similar to that of the Alaska Science and Technology Foundation which is also in the exempt service under AS 39.25.110 (25). Finally, the fiduciary duty owed to the beneficiaries by the Trust requires that employees perform at the highest levels of competency and that any action that jeopardizes the assets or management of the Trust can be immediately addressed

The Trustees have agreed to accept responsibility for administering the Office of the Long Term Care Ombudsman. The Long Term Care Ombudsman is responsible for protecting the welfare of some of our most vulnerable Alaskans. Residents in the Pioneer Homes, nursing homes and community based assisted living homes often cannot speak for themselves. To mediate disputes and protect these individuals, the Long Term Care Ombudsman has extraordinary powers including the authority to subpoena confidential records and pursue legal actions if necessary. The Trustees believe that establishing a minimum salary for the Long Term Care Ombudsman is essential to ensure that a qualified individual can be found for this vitally important position. This position, as well as all others in the office, would remain in the classified service to protect them from any political pressure.

NOT
GERMANE
TO SB 297

On behalf of the Trustees and the beneficiaries, thank you for considering SB 112. Please let me know if I can be of any further assistance.

Sincerely,



Jeff Jessee
Executive Director

Cc: Board of Trustees

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Hess Bill
SB 112
PASSED
28 APRIL 01

aska Mental
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bodily injury to a person or accidental damage to or destruction of property if the board member, agent, or employee, at the time of the occurrence, was acting under the direction of the authority within the course or scope of the duties of the board member, agent, or employee;

(5) shall exercise the powers granted to it under AS 37.14.041, subject to the limitations imposed by AS 37.14.045; and

(6) shall administer the office of the long term care ombudsman established in AS 47.62.010.

(d) The provisions of AS 44.62.330 — 44.62.630 do not apply to the Alaska Mental Health Trust Authority. (§ 26 ch 66 SLA 1991; am § 23 ch 5 FSSLA 1994; am E.O. No. 102 §§ 6, 7 (2001))

Effect of amendments. — The 2001 amendment, effective March 10, 2001, added the language beginning "and to administer" to the end of subsection (b); and added paragraph (c)(6) and made related stylistic changes.

Sec. 47.30.026. Officers and staff. (a) The board shall annually elect a presiding officer and other officers it considers necessary from among its membership.

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

(1) hire additional employees;

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

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

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

(d) The chief executive officer and employees hired under this section are in the exempt service under AS 39.25.110. (§ 26 ch 66 SLA 1991; am § 2 ch 15 SLA 2001)

Effect of amendments. — The 2001 amendment, effective April 28, 2001, added subsection (d).

Article 5. Community Mental Health Services Act.

Section

540. Eligible local community entities

590. Patient rights and the confidential nature of records and information

Sec. 47.30.540. Eligible local community entities. (a) A city or borough government or other political subdivision of the state, a nonprofit corporation, or a combination of these, is eligible to receive funds and administer local programs under AS 47.30.520 — 47.30.620. In order to ensure equitable access to funds and programs through the state, the department shall determine appropriate geographical areas to be served by local programs in consultation with representatives of the geographical areas in question.

(b) An entity designated by the department to receive money under AS 47.30.520 — 47.30.620 shall ensure a broad base of community support as evidenced by a governing board reasonably representative of the professional, civic, and citizen groups in the community and including persons with mental disorders or family members of persons with mental disorders. No more than two members, or 40 percent of the membership, whichever is greater, may be providers of services under the program. ... order to receive money under AS 47.30.520 — 47.30.620, a local community entity shall agree

(1) to give priority to mental health programs and services consistent with the priorities set out in AS 47.30.056 and that provide the maximum services for the least expenditure of money from the mental health trust settlement income account;



ALASKA MENTAL HEALTH TRUST

TRUST LAND OFFICE

Mental Health Trust Land Disposals:

Year 2001 Land Sale
Years 1999 and 2000 Land Sale

Year 2001 Cook Inlet
Oil & Gas Lease Offering

THE TRUST

The Alaska Mental Health Trust was established by Congress in 1956. The 1956 law included a grant of one million acres of land to be used to generate revenues to meet the expenses of mental health programs in Alaska. In the mid-1980s, a citizen lawsuit was filed, claiming mismanagement of these lands. In 1994, the Alaska Superior Court and Alaska Legislature took actions which effectively settled the litigation. The settlement created the Alaska Mental Health Trust Authority, whose responsibility is to ensure the creation of a comprehensive, integrated mental health program for Alaska.

TRUST BENEFICIARIES

Alaska Mental Health Trust beneficiaries include Alaskans with mental retardation or similar disabilities, mental illness, chronic alcoholism with psychosis, and Alzheimer's disease or related dementia.

TRUST LAND OFFICE

The 1994 settlement reconstituted the Alaska Mental Health Trust, and the related legislation transferred nearly one million acres of land to the Alaska Mental Health Trust Authority. It also required the creation of a separate unit within the Department of Natural Resources, the Trust Land Office. This office was established to manage the lands under contract to the Alaska

Mental Health Trust Authority. Trust Land Office activities are funded from Alaska Mental Health Trust income, not the General Fund.

TRUST LAND OFFICE MISSION

The mission of the TLO is twofold: (1) to protect and enhance the value of Alaska Mental Health Trust Lands; and (2) to maximize revenues from Trust Lands over time. Revenues generated from Trust Lands are used by the Alaska Mental Health Trust Authority to improve the lives and circumstances of Alaska Mental Health Trust beneficiaries.

TRUST LAND MANAGEMENT GUIDING PRINCIPLES

Trust Lands are managed solely in the best interest of the Alaska Mental Health Trust and its beneficiaries, recognizing the significant relationship of Trust land management to Alaskan communities.

Trust land management is conducted in accordance with the following principles:

- loyalty to the Trust and its beneficiaries;
- maximization of long-term revenue from Trust Land;
- protection and enhancement of Trust assets;
- encouragement of a diversity of revenue-generating activities on Trust Land; and
- accountability to the Trust and its beneficiaries.

TRUST LAND OPPORTUNITIES

- a wealth of natural resources including: commercial timber, hard rock minerals, coal, oil and natural gas;
- real estate opportunities uniquely situated for residential and commercial activities, including opportunities for development related to recreation and tourism;
- an enthusiastic Trust Land Office staff, dedicated to generating revenues from Mental Health Trust Land;
- a flexible, business-oriented decision making process that encourages creative and sensible projects;
- the knowledge that revenues generated from Mental Health Trust Lands go to improving the lives and circumstances of Trust beneficiaries.

INFORMATION

Maps and answers to general Mental Health Trust Land questions can be found at the Division of Land Public Information Offices of the Department of Natural Resources.

Public Information Offices:

- ✦ Northern Region, Fairbanks (907) 451-2705
- ✦ Southcentral Region, Anchorage (907) 269-8400
- ✦ Southeast Region, Juneau (907) 465-3400

- ✦ Trust Land Management Regulations: 11.AAC 99

Mental Health Trust Land Disposals

<u>Year 2001 Land Sale</u> <u>Years 1999 and 2000 Land Sale</u>	<u>Year 2001 Cook Inlet</u> <u>Oil & Gas Lease Offering</u>
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Trust Land Office:

Robert B. Atwood Building
550 West 7th Avenue, Suite 1430
Anchorage, AK 99501
Tel: (907) 269-8658
Fax: (907) 269-8905

Questions about the use of revenues should be directed to the Alaska Mental Health Trust Authority office at (907) 269-7960.



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