

**HB**

**76**

**SFIN**

**FILE**

# SENATE FINANCE COMMITTEE REPORT

REPORTED OUT  
 APR 25 2003  
 SENATE FINANCE  
 COMMITTEE

DATE: 4/11/03

FURTHER:

DATE TURNED  
 IN TO OFFICE: 25 April 2003

Finance Committee considered CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 76(FIN)

HB 76 APPROP:MENTAL HEALTH BUDGET

"An Act making appropriations for the operating and capital expenses of the state's integrated comprehensive mental health program; and providing for an effective date."

and recommends:

- be replaced with S CS 551/B 76 ( FIN )
- adopt previous \_\_\_\_\_ CS \_\_\_\_\_ ( \_\_\_\_\_ )
- attached amendment(s)
- adopt Letter of Intent by \_\_\_\_\_ Committee
- further referral to \_\_\_\_\_ Committee

**Senate Bill:**

- same title
- new title

**House Bill:**

- same title
- technical title
- new: SCR # \_\_\_\_\_

**NEW FISCAL NOTE(S):**

Department	Date	Fiscal	Zero	FN#

**PREVIOUS FISCAL NOTE(S):**

Department	Date	Fiscal	Zero	FN#

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	Do PASS	Do NOT PASS	NO REC	AMEND
<i>Adrian Taylor</i>			✓	
<i>Ben Stump</i>	✓			
<i>[Signature]</i>			✓	
<i>[Signature]</i>			✓	
<i>[Signature]</i>	✓			
COCHAIR: <i>Gary White</i>	✓			
COCHAIR: <i>Lynne Orr</i>	✓			

CS "U"

Missing

It was adopted as  
working document  
on 4/25/13

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SIGNATURES AND RECOMMENDATIONS:	DO PASS	DO NOT PASS	NO REC	AMEND
<i>Adrian Taylor</i>			<input checked="" type="checkbox"/>	
<i>Ben Stumpf</i>	<input checked="" type="checkbox"/>			
<i>John H. ...</i>			<input checked="" type="checkbox"/>	
<i>...</i>			<input checked="" type="checkbox"/>	
COCHAIR: <i>Gary ...</i>	<input checked="" type="checkbox"/>			
COCHAIR: <i>Lynne ...</i>	<input checked="" type="checkbox"/>			

# STATE OF ALASKA

## OFFICE OF THE GOVERNOR

OFFICE OF MANAGEMENT AND BUDGET

55 HB 76

FRANK H. MURKOWSKI, GOVERNOR

P.O. BOX 110020  
JUNEAU ALASKA 99811-0020  
PHONE (907) 465-4660  
FAX (907) 465-3008

March 5, 2003

Mr. Phil Younker, Sr., Chair  
Members of the Board of Trustees  
Mr. Jeff Jessee, Executive Director  
Alaska Mental Health Trust Authority  
550 W. 7<sup>th</sup> Avenue, Suite 1820  
Anchorage, AK 99501

Dear Mr. Younker, Members of the Board of Trustees and Mr. Jessee:

Thank you for your continued efforts and dedication to the goals of the Mental Health Trust. The Governor and I appreciate the work you do to better serve the beneficiaries of the Trust.

Attached is a detailed summary of the Governor's actions on the Trustees' recommendations. The "apparent reduction" of \$28.5 million general fund/mental health funding is largely the result of the State's cost containment effort: \$9.9 million is shifted from general fund/mental health to Alcohol Tax receipts; and approximately \$14.0 million is refinanced through the Medicaid program. Neither shift in fund source will affect the level of service being provided to beneficiaries. The Alcohol Tax will be used to fund substance abuse treatment including \$7.1 million for treatment of juveniles in rural Alaska and other family preservation activities. One million dollars of Alcohol Tax money goes to support activities within government including therapeutic courts, the Corrections treatment program and third party evaluation. In the capital budget, the Alcohol Tax will provide \$1.0 million for transitional housing, \$1.0 million for the Fairbanks detoxification unit expansion and renovation, and \$500 thousand for substance abuse treatment facilities for women and children.

As mentioned in last year's mental health budget transmittal letter, inclusion of MHTAAR program funded projects in the FY 2003 budget could not guarantee future GF/MH funding. This year, following a systematic review of all state services, the Governor has submitted a general operating and capital budget that calls for reduced agency spending throughout state government.

Mr. Phil Younker, Sr.  
March 5, 2003  
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The various Mental Health Trust Authority sponsored programs' share in that statewide reduction is \$7.7 million. However, Mental Health Trust program beneficiaries have an advantage other state programs do not have - a dedicated land and financial assets trust that can be aggressively managed to produce annually increasing amounts of income for mental health programs. As income from the Trust increases, you may be called upon to replace additional general fund support with Trust income.

We appreciate your work on results based budgeting, coupled with the innovative trial of biennial budgeting. On the program side, your on-going work to replace the Alaska Psychiatric Institute and continued effort on the API Mental Health Community plan are of great value to beneficiaries of the Trust.

We look forward to working with you on securing passage of this separate mental health bill.

Sincerely yours,

A handwritten signature in cursive script that reads "Cheryl Frasca".

Cheryl Frasca  
Director

Attachment

FRANK H. MURKOWSKI  
GOVERNOR

GOVERNOR@GOV.STATE.AK.US



STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU

SSHB 76  
P.O. Box 110001  
JUNEAU, ALASKA 99811-0001  
(907) 465-3500  
FAX (907) 465-3532  
WWW.GOV.STATE.AK.US

March 5, 2003

The Honorable Pete Kott  
Speaker of the House  
Alaska State Legislature  
State Capitol  
Juneau, AK 99801-1182

Dear Speaker Kott:

The comprehensive mental health budget bill delivered today contains my proposal for the 2004 fiscal year.

This Administration has gone through an extensive process to evaluate state programs in order to prepare the state budget. Given our current financial situation, many programs are held at current levels, some are reduced, and a few are eliminated. A copy of the report to the Mental Health Trust Authority is attached.

I look forward to working closely with this Legislature to jointly craft a responsive state budget that efficiently provides Alaska residents essential state services at a cost that the state can afford over the long-term.

Sincerely yours,

A handwritten signature in cursive script that reads "Frank H. Murkowski".

Frank H. Murkowski  
Governor