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AK. MENTAL
HEALTH
TRUST
AUTHORITY

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advisory boards and state agencies develop strategic plans and funding proposals in each focus area for approval by The Trust at its annual budget meeting. The approved proposals, along with other Trust funding priorities form the basis for recommendations for funding of the Comprehensive Integrated Mental Health Program.

Propose the budget for the state's Comprehensive Integrated Mental Health Program. The Trust recommends expenditures from the state's general fund to meet the operating and capital expenses of the Comprehensive Integrated Mental Health Program. The budget also includes the Trustees' recommendations about how to use funds from the Mental Health Trust Income Account for additional operating and capital expenses of the Comprehensive Integrated Mental Health Program. Finally, the budget includes expenditures The Trust intends to make as part of the state's Comprehensive Integrated Mental Health Program.

Report to the legislature, governor, and the public.

Each year, The Trust provides a report of its activities during the previous fiscal year and informs the governor, legislature, and public about the status of the assets, earnings, and expenditures of The Trust.



Trustees

John Pugh — Juneau
Chair

Comprehensive Integrated Mental Health Plan Chair

Caren Robinson — Juneau
Vice Chair

Legislative Affairs Committee Chair

Nelson Page — Anchorage
Secretary/Treasurer

Finance Committee Chair

William Doolittle, M.D. — Fairbanks

Tom Hawkins — Anchorage
Regional Management Center Trust Chair

John Malone — Bethel
Program and Planning Committee Chair

Public Outreach Committee Chair

Phil Younker, Sr. — Fairbanks

Trust Authority Staff

Jeff Jessee

Chief Executive Officer

Russell Webb

President Officer

Delisa Culpepper

Chief Operating Officer

Marilyn McMillan

Administrative Manager

Betty Sorensen

Director of HR

Lucas Lind

Director of IT

Bill Herman

Public Affairs

Erika Wolter

Regional Management Center Trust

Nancy Burke

Human Resources

Yvette Miller

Administrative Manager

The TRUST

The Alaska Mental Health Trust Authority

550 W 7th Avenue, Suite 1820 • Anchorage, Alaska 99501
Tel 907.269.7960 • Fax 907.269.7966 • www.mhitrust.org

September 2004

The TRUST

The Alaska Mental Health Trust Authority

About The Trust

550 W 7th Avenue • Anchorage, Alaska 99501
Tel 907.269.7960 • Fax 907.269.7966

We analyze and change and improve



Vision and Mission

The Alaska Mental Health Trust Authority administers the Mental Health Trust. Trustees have a fiduciary responsibility to enhance and protect The Trust's financial assets. Trustees also ensure the planning, implementation and funding of a comprehensive integrated mental health program to improve the lives of Trust beneficiaries.

Beneficiary Groups

Trust beneficiaries include people with mental illness, people with developmental disabilities, people with chronic alcoholism and people with Alzheimer's disease or related disorders.

Advisors

The commissioners of Health and Social Services, Natural Resources, Revenue, and Corrections by statute are important advisors to the Trustees. Trustees also work closely with four advocacy boards that represent Trust beneficiaries. They are the Advisory Board on Alcoholism and Drug Abuse, Alaska Commission on Aging, Alaska Mental Health Board, and Governor's Council on Disabilities and Special Education.

Background

Prior to statehood, there were no services available in the Territory of Alaska for individuals who experienced mental illness or developmental disabilities. Instead, these individuals were sent by the federal government to live in an institution in Portland, Oregon. During Alaska's transition to a state, Congress passed the Alaska Mental Health Enabling Act of 1956 to help bring these individuals home. This act transferred the responsibility for providing mental health services from the federal government to the Territory of Alaska and ultimately the State of Alaska, by creating the Alaska Mental Health Trust. To fund the Trust, the state selected one million prime acres of land that would be managed to generate income for a comprehensive integrated mental health program.

Although the state legislature held a fiduciary responsibility to manage the land on behalf of Alaskans with disabilities, it did not do so. Instead, by 1982, only about 45 percent of the land remained in state ownership. The majority of the land had been transferred to individuals or municipalities, or designated by the legislature as forest, parks or wildlife areas.

In 1982, Vern Weiss filed a lawsuit on behalf of his son, who required mental health services that were not available in Alaska. Other beneficiary groups joined *Weiss v. State of Alaska* in a class action suit. The case was ruled on in 1984 by the State Supreme Court, which ordered that the original trust be restored. Ten years later, in 1994, a final settlement reconstructed The Trust with 500,000 acres of original Trust land, 500,000 acres of replacement land and \$200 million. The settlement established an independent Board of Trustees appointed by the governor and confirmed by the legislature. Each year, the Trustees spend Trust income and recommend expenditures of state funds to pay for a comprehensive integrated mental health program for Trust beneficiaries.

Duties of The Trust

Enhance and protect The Trust. Trustees have a fiduciary obligation to ensure that The Trust's assets are managed in a way that will ensure future funds and maximize current income for services for beneficiaries. The Trust contracts with the Mental Health Trust Land Office within the Alaska Department of Natural Resources to manage its land and land assets such as timber, minerals, and coal, oil and gas development.

The Trust contracts with the Alaska Permanent Fund Corporation and the **Treasury Division**, Alaska Department of Revenue to manage Trust cash assets. The Permanent Fund Corporation invests the principal, budget reserve and re-invests a portion of The Trust's income to offset the effects of inflation. The Treasury Division holds and manages on a medium term basis one half of the Budget Reserve and on a short term basis the revenue generated by the Trust Land Office and Trust income allocated by the Trustees to meet the spending policy as outlined in the Asset Management Policy Statement.

Income from the Trust's land and financial investments is used to pay for services described in the Comprehensive Integrated Mental Health Plan, to exert on the purchasing power of the principal of the Trust, and to pay for the cost of managing the Trust's assets and the Trust.

Provide leadership in advocacy, planning, implementing, and funding of a comprehensive integrated mental health program. The Trust provides leadership in many ways. Trustees consider recommendations for funding services to

beneficiaries from Trust income, and in recommending the state's annual General Fund/Mental Health budget.

Trustees and staff work with the four advisory boards and partner state agencies in developing a comprehensive mental health program plan and to advocate on issues related to beneficiaries. The Trust works with agencies that administer funds and with service providers to assure that funds are spent in ways that assist consumers most effectively. The Trust also partners with other funding sources to ensure the most effective and efficient use of funds on behalf of those who use the services provided by the Comprehensive Integrated Mental Health Program.

Comprehensive Integrated Mental Health Program

The Department of Health and Social Services in conjunction with The Trust is responsible for writing a plan that describes the Comprehensive Integrated Mental Health Program. The program addresses more than traditional mental health services. It also includes public programs and services for people who have mental illness, community mental health services, services for people with developmental disabilities, services that address alcoholism, and services for children, youth, adults, and elders with mental disorders.

The service system includes an array of services, including 24-hour emergency services, screening and evaluation services for involuntary commitment, inpatient care, crisis stabilization, case management, daily structure and support, residential services, vocational services, outpatient screening, prevention and education services, and administrative costs of providing services.

Coordinate with state agencies about programs that affect beneficiaries. The Trust coordinates with state agencies involved with programs affecting people who need services provided through the Comprehensive Integrated Mental Health Program.

Review funding proposals prepared during the Budget Recommendation Proposal Process. The Trust, with the input of stakeholders, selects focus areas that will have broad and long-term impacts on the systems that serve beneficiaries. Workgroups of major stakeholders that include the four Trust



John F. Malone

*Rural Outreach Committee Chair,
Program & Planning Committee Chair*

John is the Land Use and Planning Administrator for the City of Bethel. He has had extensive experience in the mental health community in Alaska, having served as a member of the Alaska Mental Health Board and as State President of the Alaska Alliance for the Mentally Ill. John was chair of the Federal Region X State Presidents Council of the National Alliance for the Mentally Ill and co-chaired the Mental Health Quality Improvement Task Force. He is a former Executive Director of Bethel Community Services, Inc.

Completed March 2011



Phil A. Younker, Sr.

Phil is a financial planner and licensed insurance and securities agent. He is vice president of Phil A. Younker & Assoc. Ltd., a fee managed investment firm and vice president of Younker Keyes & Assoc. Inc., which specializes in both employer and employee retirement plans and investments. Phil is a graduate of University of Alaska with a B.A. in education. Phil's experience includes teaching at the elementary level, commercial fishing in Western Alaska and working as a carpenter. His community service includes 11 years on the Fairbanks North Star Borough Assembly, 8 years as a member of the Alaska Municipal League Board of Directors, 1 year as a member of the City Council of the City of King Cove, Trustee of University Alaska Foundation, and a board member and chairman of the Alaska Municipal League Joint Insurance Association.

Beneficiary Groups

Beneficiaries of The Trust include people with mental illness, people with developmental disabilities, people with chronic alcoholism and people with Alzheimer's disease or related disorders.

Advisors

The commissioners of Health and Social Services, Natural Resources, Revenue, and Corrections by statute are important advisors to the Trustees. Trustees also work closely with four advocacy boards that represent Trust beneficiaries. They are the Advisory Board on Alcoholism and Drug Abuse, Alaska Commission on Aging, Alaska Mental Health Board, and Governor's Council on Disabilities and Special Education.

Trust Authority Staff

- | | |
|---|--|
| Jeff Jessee
<i>Chief Executive Officer</i> | Russell Webb
<i>Executive Director</i> |
| Delisa Culpepper
<i>Chief Financial Officer</i> | Marilyn McMillan
<i>Assistant Executive Director</i> |
| Betty Sorensen
<i>Executive Director</i> | Lucas Lind
<i>Executive Director</i> |
| Bill Herman
<i>Executive Director</i> | Erika Wolter
<i>Executive Director</i> |
| Nancy Burke
<i>Executive Director</i> | Yvette Miller
<i>Executive Director</i> |

The TRUST

The Alaska Mental Health Trust Authority

About the Trustees

The TRUST

The Alaska Mental Health Trust Authority

550 W. 7th Avenue, Suite 1820 • Anchorage, Alaska 99501
Tel: 907.269.7965 • Fax: 907.269.7966 • www.thetrust.org



Alaska Mental Health Trust Board of Trustees

A seven-member Board of Trustees oversees the Alaska Mental Health Trust. Trustees have a fiduciary responsibility to Trust beneficiaries to enhance and protect the Trust's financial assets. Trustees also ensure the planning, implementation and funding of a comprehensive integrated mental health program to improve the lives of Trust beneficiaries.

Trustees are appointed by the governor and confirmed by the legislature for five-year terms.



John Pugh

Chair

Co-Chairman, Alaska Mental Health Trust

John is Chancellor of the University of Alaska Southeast in Juneau. He is the former Commissioner of the State Department of Health and Social Services and Director of the Division of Family and Youth Services. John serves on various boards and commissions related to higher education in Alaska and the Northwest, including chairing the Northwest Regional Education Laboratory.



Caren Robinson

Trustee

Director, Alaska Mental Health Trust

Caren has been engaged in public health policy in Alaska since 1977. She was founder and director of AWARE, a Juneau women's shelter program,

and has served as a citizen lobbyist, Special Assistant to Gov. Steve Cowper, and Staff Assistant to State Sen. Bettye Davis. She also served on the Juneau Borough Assembly and as one of Juneau's state legislators. She owns several small family businesses and provides lobbying, reporting and consultation services regarding public policy matters to many non-profit organizations. President Reagan, Rotary International and the U.S. Department of Human Services have honored Caren. She was also chosen as a Fleming Fellow for her work as a state legislator.



Nelson G. Page

Secretary, Trustee

Finance Committee Chair

Nelson is a shareholder in the Anchorage law firm of Burr, Pease and Kurtz. He is a member of the Alaska Bar Association Ethics Committee, a past member of the bar association's Board of Bar Examiners Area Discipline Committee and the Alaska Supreme Court's Standing Committee on Civil Rules. His past community service includes the Alaska Mental Health Board, the Anchorage Transportation Commission, and the Board of Directors of the Suicide Prevention and Crisis Intervention Center. Nelson is a graduate of Portland State University and the Georgetown University Law Center.



William Doolittle, M.D.

Bill is a retired physician who serves as a medical consultant to the Social Security Administration and the Alaska Division of Vocational Rehabilitation. He retired from the day-to-day practice of medicine in 1997, but maintains his

medical certification and is licensed in Alaska. His 43-year career included serving five terms as chief of staff at Fairbanks Memorial Hospital, medical director of the North Pole Fire Department EMS Service, director of the Arctic Medical Research Laboratory and chief of medicine for Bassett Army Hospital at Ft. Wainwright. He began his medical training and career in the Army and retired with the rank of lieutenant colonel. He graduated from the University of Vermont with degrees in science and medicine. Currently he serves on the Fairbanks Memorial Hospital Foundation Board of Trustees and the Fairbanks Chronic Inebriate Program Task Group. The task group is a community partnership with representatives from health care, law enforcement and the judicial system who are attempting to improve the lives of people dealing with chronic alcoholism.



Tom Hawkins

Reserve Member of Finance Committee

Tom is Chief Operating Officer for Bristol Bay Native Corporation, an ANCSA regional corporation in western Alaska with 7,500 shareholders. He previously served as Deputy Commissioner of the State Department of Natural Resources, Director of State Division of Lands, and General Manager for Chogging Limited in Dillingham. Tom is a past member of the Alaska Wilderness Recreation and Tourism Association board, the Alaska Land Managers Forum and the Bureau of Land Management's statewide Resource Advisory Council.

The **TRUST**

The Alaska Mental Health
Trust Authority

Jeff Jessee

Tel: 907-261-1234
Fax: 907-261-1234
1000 W. 12th Ave.
Anchorage, AK 99501

www.alaska.gov
www.mentalhealthtrust.org

The Alaska Mental Health Trust Authority

The Trust coordinates planning for a comprehensive mental health program, makes recommendations to fund the program and advocates for funding and policies that support the systems serving its beneficiaries. Trust beneficiaries include people with mental illness, developmental disabilities, chronic alcoholism and Alzheimer's disease and related disorders. Along with its partner advisory boards, the AMHTA works to help Alaskans understand:

Advisors

Trustees work closely with four advocacy boards that represent Trust beneficiaries. They are the Advisory Board on Alcoholism and Drug Abuse, Alaska Commission on Aging, Alaska Mental Health Board, and Governor's Council on Disabilities and Special Education. The commissioners of health and social services, natural resources, revenue, and corrections are also important advisors to the Trustees.

Our beneficiaries are families, friends, and neighbors –

They are Alaskans in our schools, churches and workplaces. They deserve the quality of care and level of service that will allow them to live as independently as possible. Healthy people are Alaska's most important natural resource.

Services make a difference –

An individual who receives appropriate services can live a fuller, more dignified life. We have made great strides in understanding the challenges facing Trust beneficiaries and how to better help them. Adequate services allow beneficiaries to become more self-sufficient, improving the quality of life for them, their families and communities.

Investment produces dividends –

Wisely investing resources today in early intervention and prevention helps people build healthy lives and decreases the prospect of more costly services in the future. Individuals, families, communities, and the state reap the dividends.

Background

Prior to statehood, there were no services available in the Territory of Alaska for individuals who experienced mental illness or developmental disabilities. Instead, these individuals were sent by the federal government to live in an institution in Portland, Oregon. During Alaska's transition to a state, Congress passed the Alaska Mental Health Enabling Act of 1956 to help bring these individuals home. This act transferred the responsibility for providing mental health services from the federal government to the Territory of Alaska and ultimately the State of Alaska, by creating the Alaska Mental Health Trust. To fund The Trust, the state selected one million prime acres of land that would be managed to generate income that would pay for a comprehensive integrated mental health program.

Although the state legislature held a fiduciary responsibility to manage the land on behalf of Alaskans with disabilities, it did not do so. Instead, by 1982, only about 35 percent of the land remained in state ownership. The majority of the land had been transferred to individuals or municipalities, or designated by the legislature as forests, parks or wildlife areas.

In 1982, Vern Weiss filed a lawsuit on behalf of his son, who required mental health services that were not available in Alaska. Other beneficiary groups joined *Weiss v State of Alaska* in a class action suit. The case was ruled on in 1984 by the State Supreme Court, which ordered that the original trust be restored. Ten years later, in 1994, a final settlement reconstructed The Trust with 500,000 acres of original Trust land, 500,000 acres of replacement land and \$200 million. The settlement established an independent Board of Trustees appointed by the governor and confirmed by the legislature. Each year, the Trustees spend Trust income and recommend expenditures of state funds to pay for a comprehensive integrated mental health program for Trust beneficiaries.

For more information, call or check these websites

Alaska Mental Health Trust Authority
Advisory Board on Alcoholism and Drug Abuse
Alaska Commission on Aging
Alaska Mental Health Board
Governor's Council on Disabilities and Special Education

907-269-7960 -- www.mhtrust.org
888-464-8920 -- www.hss.state.ak.us/abada
907-465-3250 -- www.alaskaaging.org
907-465-3071 -- www.ambh.org
907-289-8990 -- www.hss.state.ak.us/gcds9

Duties of The Trust

Enhance and protect The Trust. Trustees have a fiduciary obligation to ensure that The Trust's assets are managed in a way that will ensure future funds and maximize current income for services for beneficiaries. The Trust contracts with the Mental Health Trust Land Office within the Alaska Department of Natural Resources to manage its land and land assets such as timber, minerals, and coal, oil and gas development. The Trust contracts with the Alaska Permanent Fund Corporation and the Treasury Division, Alaska Department of Revenue to manage Trust cash assets. The Permanent Fund Corporation invests the principal, principal reserve and re-invests a portion of The Trust's income to offset the effects of inflation. The Treasury Division holds and manages on a medium term basis one half of the Principal Reserve and on a short term basis the revenue generated by the Trust Land Office and Trust income allocated by the Trustees to meet the spending policy as outlined in the Asset Management Policy Statement.

Income from The Trust's land and financial investments is used to pay for services described in the Comprehensive Integrated Mental Health Plan, to adjust the principal of The Trust for inflation, and to pay for the cost of managing The Trust's assets and The Trust.

Provide leadership in advocacy, planning, implementing, and funding of a comprehensive integrated mental health program. The Trust provides leadership in many ways. Trustees consider recommendations for funding services to beneficiaries from Trust income, and in recommending the state's annual General Fund Mental Health budget.

Trustees and staff work with the four advisory boards and partner state agencies in developing a comprehensive mental health program plan and to advocate on issues related to beneficiaries. The Trust works with agencies that administer funds and with service providers to assure that funds are spent in ways that assist consumers most effectively. The Trust also partners with other funding sources to ensure the most effective and efficient use of funds on behalf of those who use the services provided by the Comprehensive Integrated Mental Health Program.

Comprehensive Integrated Mental Health Program

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more than traditional mental health services. It also includes public programs and services for people who have mental illnesses, community mental health services, services for people with developmental disabilities, services that address alcoholism, and services for children, youth, adults, and seniors with mental disorders.

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Coordinate with state agencies about programs that affect beneficiaries. The Trust coordinates with state agencies involved with programs affecting people who need services provided through the Comprehensive Integrated Mental Health Program.

Review funding proposals prepared during the Budget Recommendation Proposal Process. The Trust, with the input of stakeholders, selects focus areas that will have broad and long-term impacts on the systems that serve beneficiaries. Workgroups of major stakeholders that include the four Trust advisory boards and state agencies develop strategic plans and funding proposals in each focus area for approval by The Trust at its annual budget meeting. The approved proposals, along with other Trust funding priorities form the basis for recommendations for funding of the comprehensive mental health program.

Propose the budget for the state's Comprehensive Mental Health Program. The Trust recommends expenditures from the state's general fund to meet the operating and capital expenses of the Comprehensive Integrated Mental Health Program. The budget also includes the Trustees' recommendations about how to use funds from the Mental Health Trust Income Account for additional operating and capital expenses of the Comprehensive Integrated Mental Health Program. Finally, the budget includes expenditures The Trust intends to make as part of the state's Comprehensive Integrated Mental Health Program.

Report to the legislature, governor, and the public. Each year, The Trust provides a written report of its activities during the previous fiscal year and informs the governor, legislature, and public about the status of the assets, earnings, and expenditures of The Trust.

Alaska Commission on Aging

Alaska's Seniors – a resource and a responsibility.

Alaska is home to 40,155 people age 65 and older, and a total of 61,974 Alaskans are currently age 60 and older. Alaska's senior population is, proportionately, the second most rapidly growing senior population compared to the rest of the nation. We experienced more than a 50% increase in the 60 and older population from 1990 to 2000.

Alaska's rapidly growing senior population brings with it both challenges and benefits. The network of services for seniors will need to be strengthened and its capacity significantly expanded. Many of these services will need to be publicly funded, at least in part.

However, the new senior population will also create a wide range of economic and business opportunities. An influx of additional retirement and other income, along with medical payments, will create billions of dollars in economic impacts statewide.

Alaska Commission on Aging

The mission of the Alaska Commission on Aging is to ensure dignity and independence for Alaska's seniors and to assist them, through planning, advocacy and interagency coordination, to lead useful and meaningful lives. In 2004 the Legislature and Governor approved legislation that extends the Commission on Aging until June 30, 2008.

What are the major challenges?

Alaska's population, aged 65 and older, is expected to triple in just two decades, along with the number of persons affected by Alzheimer's Disease and Related disorders (ADRD). While 80% of caregiving is provided at home by family members, it is essential that community networks include government, churches, nonprofit agencies, business and volunteer groups to create effective systems

In addition, Alaska seniors are faced with challenging economic circumstances:

- Half of senior households live below HUD low-income levels for Alaska
- Seniors 85 and over are the poorest group, with approximately 40% living below HUD very-low-income guidelines
- Alaskans are twice as likely as seniors nationally to receive public assistance.

State and municipally-funded programs are an important part of the current economic resources of many senior households. However, they by no means constitute a "safety net" for seniors.

How has the Commission addressed these challenges?

Increased support and education are essential to reduce caregiver stress and delay placement in long-term care facilities. Support is provided through services such as respite, adult day, ADRD support and education. Providing education to family caregivers and in-home providers can help improve the quality of life for people with ADRD and assist them to remain at home longer.

The Commission also is advocating for:

- Assessment of the impact of changing eligibility criteria for Medicaid waiver services to include cognitive and functional impairment.
- Amending the Older Alaskans Waiver, add a category for companion services; add alternative Level of Care definitions to include not only skilled nursing but intermediate care facility levels of care.
- Expanding the Alzheimer's Demonstration Project model statewide.

The Alaska Commission on Aging is an official advisor to the
Alaska Mental Health Trust Authority on Trust beneficiary issues.
For help in your community go to www.alaskaaging.org or call 907-465-3250

The Alaska Mental Health Trust Authority

The Trust coordinates planning for a comprehensive mental health program, makes recommendations to fund the program and advocates for funding and policies that support the systems serving its beneficiaries. Trust beneficiaries include people with mental illness, developmental disabilities, chronic alcoholism and Alzheimer's Disease and related disorders. Along with its partner advisory boards, the AMHTA works to help Alaskans understand:

Our beneficiaries are families, friends, and neighbors –

They are Alaskans in our schools, churches and workplaces. They deserve the quality of care and level of service that will allow them to live as independently as possible. Healthy people are Alaska's most important natural resource.

Services make a difference –

An individual who receives appropriate services can live a fuller, more dignified life. We have made great strides in understanding the challenges facing Trust beneficiaries and how to better help them. Adequate services allow beneficiaries to become more self-sufficient, improving the quality of life for them, their families and communities.

Investment produces dividends –

Wisely investing resources today in early intervention and prevention helps people build healthy lives and decreases the prospect of more costly services in the future. Individuals, families, communities, and the state reap the dividends.

Commission Legislative Issues – how you can help us serve our beneficiaries

The Commission will be advocating for:

- Increased funding for the Senior Grant Program for direct services that includes Alzheimer's Disease and related disorders (ARD) support services.
- Extending and or expanding the SeniorCare Program.
- Expanding the Adult Protective Services program by hiring more employees to meet current demand for services, conduct more outreach, and provide services in rural Alaska.
- The development of a long-range financial plan, and revenue solutions that consider several options, including Permanent Fund earnings and or a broad-based tax. We do not believe the fiscal gap should continue to be addressed entirely by budget reductions that would eliminate or severely reduce services and endanger the health and well-being of Alaskans.

For more information on AMHTA or its advisory boards, call or check these websites

Alaska Mental Health Trust Authority
Advisory Board on Alcoholism and Drug Abuse
Alaska Commission on Aging
Alaska Mental Health Board
Governor's Council on Disabilities and Special Education

907-269-7960 -- www.mhttrust.org
888-464-8920 -- www.abada.com
907-465-3250 -- www.alaskaaging.org
907-465-3071 -- www.amhb.org
907-269-8990 -- www.hcs.state.ak.us/guide

Advisory Board on Alcoholism and Drug Abuse

Alcohol and Drug Abuse Take a Toll – But Can Be Treated

Alaska leads the nation in alcohol abuse. Our rate of dependence and abuse is nearly 14%, compared to about 7% nationally. Most crime in Alaska is alcohol related. But our children are the real victims of alcohol abuse. More than 80% of all reports of mistreatment against Alaska children involve substance abuse. Children in alcohol-abusing families are ten times more likely to be neglected than children in families with no alcohol problems.

But this isn't a hopeless situation. We can do better. With effective intervention and proper treatment, people suffering from alcohol or drug abuse can live productive lives. Their families can become stronger and their children can be safe.

Advisory Board on Alcoholism and Drug Abuse

In partnership with the public, the ABADA plans and advocates for policies, programs and services that help Alaskans achieve healthy and productive lives, free from the devastating effects of the abuse of alcohol and other substances.

What are the major challenges?

We need to help the public and policy makers understand that alcoholism is a disease that can be treated, given adequate resources. A recent study on Alaska treatment shows that 56% of outpatients and 42% of inpatients abstained from alcohol for a year after treatment. People

who are unable to avoid relapse are showing progress with a combination of the drug naltrexone and treatment.

Nearly 80% of Alaska's newly incarcerated inmates were actively abusing or dependent on a substance in the year before their incarceration. The Alaska Department of Corrections estimates that incarcerating an individual for one year costs the state \$40,840. By comparison, the Anchorage Felony Drug Court which requires treatment for offenders is estimated to cost just under \$17,000 per year per participant.

An ADABA study shows that substance abuse, the vast majority from alcohol, cost our economy \$614 million in 1999. Not only does treatment work, it saves money.

Investing for Results

- Treatment – focusing on parents at risk of abusing or neglecting children, criminals who have served time and are ready to re-enter the community, and improved services in Rural Alaska
- Intervention – including enhanced detox facilities and therapeutic courts to strongly and effectively address substance abuse problems
- Prevention – focusing on tougher enforcement of underage drinking laws and programs to discourage youth substance abuse

ABADA is an official advisor to the Alaska Mental Health Trust Authority on Trust beneficiary issues.
For help in your community, go to <http://www.hss.state.ak.us/abada> or call 888-464-8920

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Advisory Board on Alcohol and Drug Abuse legislative issues – how you can help us serve our beneficiaries

- ***No Wrong Door*** – We support a system in which individuals will be identified, assessed and treated no matter how they enter the realm of services.
- ***Invest for Results*** – We support revenue development and allocation that ensures adequate service delivery to support healthy families and communities.
- ***Commit to Quality*** – We support accountability in service delivery, including a reliance on positive outcomes as a measurement of success.
- ***Regulatory Policies and Access*** – We support public policies and regulations that reduce overall consumption of alcohol, tobacco and other drugs, thereby helping to eliminate the negative consequences of abuse in our communities.
- ***Prevention and Intervention*** – We work to foster community norms and standards that promote healthy lifestyles for all Alaskans

For more information, call or check these websites

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Advisory Board on Alcoholism and Drug Abuse
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907-269-7560 -- www.mhtrust.org
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907-465-3071 -- www.amhb.org
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Alaska Mental Health Board

Mental Illness is Real – Common – So is Recovery.

Mental or emotional disorders affect one in five Alaskans in a given year. Serious disorders that significantly affect ability to function in school, at work, as a family member, or in the community affect over 45,000 Alaskans each year. Chances are you or someone you know will be affected. Unfortunately, only about half of adults and about one-third of the children with serious mental illnesses receive help.

One of the major reasons so many do not get help is the stigma of mental illness. Many people don't know that if properly treated mental illness can be cured or managed. The Alaska Mental Health Board is dedicated to reducing stigma and encouraging people to seek help. *Recovery is a realistic goal and common outcome.*

Alaska Mental Health Board

The AMHB was a key element of the Alaska Mental Health Trust litigation settlement. The board is charged with developing strategic plans and evaluating mental health services. It also provides advocacy for clients of the state mental health program and for beneficiaries of the Alaska Mental Health Trust who experience mental illness.

What are the major challenges?

In addition to fighting the stigma of mental illness, the AMHB has identified the following issues where improved service is a priority:

- Alaska has inadequate community programs for young people, many are sent to costly out of state facilities.

- Too many Alaskans with serious mental illnesses are sent to jail as a result of their illness rather than to appropriate community treatment programs.
- Alaska must achieve "no wrong door" access to effective behavioral health services.
- Housing options for Alaskans with mental illnesses are limited.
- Alaskans in small or isolated communities have limited access to mental health services.

How has the AMHB addressed these challenges?

- The AMHB, state agencies, and other partners are developing the in-state care continuum for Alaska's children.
- The AMHB and partners have developed programs to divert non-violent misdemeanor offenders from jail into more appropriate community treatment alternatives.
- The AMHB and partners initiated development of dual diagnosis capacity for all behavioral health care providers.
- The AMHB spearheaded development of system performance measures and quality assurance processes.
- Specialized state resources to develop innovative housing programs have been launched.
- The AMHB supports innovations as tele-psychiatry and on call emergency service teams to support rural services.

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For help in your community go to www.amhb.org or call 907-405-3071.

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The Trust coordinates planning for a comprehensive mental health program, makes recommendations to fund the program, and advocates for funding and policies that support the systems serving its beneficiaries. Trust beneficiaries include people with mental illness, developmental disabilities, chronic alcoholism and Alzheimer's disease and related disorders. Along with its partner advisory boards, the AMHTA works to help Alaskans understand:

Our beneficiaries are families, friends, and neighbors –

They are Alaskans in our schools, churches and workplaces. They deserve the quality of care and level of service that will allow them to live as independently as possible. Healthy people are Alaska's most important natural resource.

Services make a difference –

An individual who receives appropriate services can live a fuller, more dignified life. We have made great strides in understanding the challenges facing Trust beneficiaries and how to better help them. Adequate services allow beneficiaries to become more self-sufficient, improving the quality of life for them, their families and communities.

Investment produces dividends –

Wisely investing resources today in early intervention and prevention helps people build healthy lives and decreases the prospect of more costly services in the future. Individuals, families, communities, and the state reap the dividends.

AMHB Legislative Issues – how you can help us serve our beneficiaries

- Maintain service capacity and promote service quality, while working toward "no wrong door" service access for behavioral health
- Restore Fiscal Year 2005 reductions to community mental health grants and adequately fund Medicaid behavioral health services
- Support community-based care needed to complete transition to a smaller Alaska Psychiatric Institute
- Provide the resources to implement the Bring the Kids Home project
- Support for parity with other illnesses in health insurance coverage for mental health and substance use disorders
- Maintain the integrity of the Alaska Mental Health Trust framework while evaluating possible changes to serve Trust beneficiaries' best interests
- Revise statutes to permit individuals to retain their dignity, rather than submit to involuntary commitment, in cases in which transportation to another community to receive a mental health evaluation is necessary

For more information, call or check these websites

Alaska Mental Health Trust Authority
Advisory Board on Alcoholism and Drug Abuse
Alaska Commission on Aging
Alaska Mental Health Board
Governor's Council on Disabilities and Special Education

907-269-7960 -- www.mhttrust.org
888-364-8920 -- www.abarda.com
907-465-3250 -- www.alaskaaging.org
907-465-3071 -- www.amhb.org
907-269-8000 -- www.hgs.state.ak.us/gcde

Governor's Council on Disabilities and Special Education
*Creating Change that Improves the Lives of People with Disabilities
And Students Receiving Special Education Services*

The more than 12,000 children and adults in Alaska with developmental disabilities are as varied as any group of people. They go to school or work...have families and friends...hopes and dreams...expectations and potential. These individuals and their families, like all of us, want to determine their own lifestyles and be valued, participating members of their communities.

Alaska is a better place than it used to be for people with developmental disabilities. We have more accessible, affordable housing, better transportation and family support systems. But we also have long waiting lists for available services. And in many communities, services aren't available at all.

Large gaps exist between adults with developmental disabilities and other adults in employment, education, income and other important standards of living. Many public buildings still aren't accessible. And lack of affordable health care is a major barrier to independent living.

For students with disabilities, getting an appropriate education is challenging. Education issues rank second in the number of complaints with the Disability Law Center. Successful transitions throughout the educational process are inconsistent statewide. Very few Alaskans with developmental disabilities receive any post-secondary education, which limits their employment options and opportunities for career advancement.

Governor's Council on Disabilities and Special Education

Alaskans with developmental disabilities use a variety of services throughout their lives. Effective management of any large, complex

system requires access to data, strategic planning and continuous quality improvement. The Council provides these systems with a constructive process that links the public with policymakers to ensure the thoughtful development of efficient and effective service delivery systems.

Our major areas of focus:

Self-Determination – Individuals and their families want more control over their own supports and services. They want to choose which services they receive and who provides them. They want control over funding through voucher systems. They want to learn and practice skills that enhance their abilities for self-determination.

Health and Safety Quality Assurance – As more people receive services, more attention needs to be given to assuring their health and safety. Resources need to be committed to recruiting and retaining high quality staff. Wait lists need to be eliminated. And we must give more attention to people with complex needs, as well as those in remote areas of the state.

How we address these issues:

The Council uses planning, evaluation, capacity building, and advocacy to create change. We analyze trends and study population characteristics. To influence attitudes we conduct public awareness campaigns. We strive to coordinate services through interagency working groups. We develop coalitions to bring about change through legislation and regulation. And we provide information that assists individuals and families in accessing services and advocating on their own behalf.

The Governor's Council on Disabilities and Special Education is an official advisor to the
Alaska Mental Health Trust Authority on Trust beneficiary issues.

For help in your community go to www.hhs.state.ak.us/qadso or call 907-269-8990

The Alaska Mental Health Trust Authority

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Our beneficiaries are families, friends, and neighbors –

They are Alaskans in our schools, churches and workplaces. They deserve the quality of care and level of service that will allow them to live as independently as possible. Healthy people are Alaska's most important natural resource.

Services make a difference –

An individual who receives appropriate services can live a fuller, more dignified life. We have made great strides in understanding the challenges facing Trust beneficiaries and how to better help them. Adequate services allow beneficiaries to become more self-sufficient, improving the quality of life for them, their families and communities.

Investment produces dividends –

Wisely investing resources today in early intervention and prevention helps people build healthy lives and decreases the prospect of more costly services in the future. Individuals, families, communities, and the state reap the dividends.

Council Legislative Issues – how you can help us serve our beneficiaries

- Advocate for public policies that:
 - promote consumer choice, flexibility and control
 - enable people with disabilities to go to work
 - promote health programs that meet the needs of people with disabilities
 - provide funds for educational services
 - improve statewide availability and accessibility of adequate transportation
 - increase the availability of accessible housing options
- Promote ways for people with disabilities and their families to communicate with policy makers
- Encourage policy makers to:
 - promote community participation by people with disabilities
 - increase the knowledge of people with disabilities regarding consumer rights and responsibilities, self-determination, self-advocacy and systems navigation
 - develop strategies to significantly increase career opportunities for people with disabilities
 - develop strategies to ensure the health and safety of people receiving supported living and other residential services

For more information, call or check these websites

Alaska Mental Health Trust Authority
Advisory Board on Alcoholism and Drug Abuse
Alaska Commission on Aging
Alaska Mental Health Board
Governor's Council on Disabilities and Special Education

907-269-7960 -- www.mhtrust.org
888-464-8920 -- www.abada.com
907-465-3250 -- www.alaskaaging.org
907-465-3071 -- www.amhb.org
907-269-8990 -- www.hhs.state.ak.us/gcdiso

2004

ANNUAL REPORT

Leadership in Changing Times

The TRUST

The Alaska Mental Health Trust Authority

FRANK H. MURKOWSKI
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

February 1, 2005

Dear Alaskan.

This is an exciting time for the Alaska Mental Health Trust as we work together on our shared vision. The Fiscal Year 2004 report reflects the progress we've made on behalf of stakeholders throughout Alaska.

My Bring the Kids Home initiative will provide needed mental health services to young Alaskans in state—closer to their families and loved ones. We are also working on other focus areas, including beneficiary home ownership and improving access to support services. The Justice for Persons with Disabilities focus shows progress in improving treatment for those who are incarcerated, victims' rights, and transition periods following incarceration. We are also partnering to create more family-oriented support programs and continuing support for consumer-run programs.

As Governor, I want every Alaskan to have the best quality of life that our state can offer. I am committed to making this happen and I thank all Alaskans who have worked hard on behalf of the Trust's stakeholders.

Sincerely yours,

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

Frank H. Murkowski
Governor

Message from the FY2004 Chair

DEMONSTRATING LEADERSHIP IN CHANGING TIMES

To Governor Murkowski, Members of the Alaska Legislature and the Alaska Public:



As Trustees, we take seriously our obligation to provide leadership and to advocate on behalf of Trust beneficiaries. Being leaders takes considerable vision and the capacity to turn that vision into reality. This can be an especially daunting task in times of change or uncertainty. In FY2004, Alaska was in a transition period during which state agencies, health-care providers, beneficiaries, their advisory boards and The Trust were adjusting to many changes. Trustees and staff rose to the occasion by proposing a dramatically new method for developing their funding recommendations for the comprehensive integrated mental health program, including expenditures of Trust income.

The new budgeting method, the Budget Recommendation Planning Process (BRPP), will guide our decision-making and funding processes for the next five to ten years. The BRPP enhances collaboration between all the Trust's stakeholders by involving them in crafting our recommendations for the state's comprehensive integrated mental health program. The plan is to allocate larger amounts of funds to four or five focus areas so they can be more effective in accomplishing results and system change, rather than spreading funding out thinly over a wide spectrum of programs. We believe this new process will be a wise use of state funds and Trust resources because it concentrates our efforts and assets, and those of our partners, where we can have the most long-term, lasting impact.

The BRPP was launched in January 2003 and in April 2004 the Trustees approved four focus areas for the FY06-07 budget cycle. The Trust's goal and vision behind this new process is to affect significant system changes in the selected focus areas. Over the summer, Trustees and staff worked closely with our many stakeholders to develop goal, strategies, objectives and funding recommendations for the following four focus areas:

- *Improving the Health of the Homeless*, which will focus on household stability, reduced homelessness, and sufficient income to meet the needs of homeless individuals and better access to supportive services.
- *Improving the Health of the Elderly*, which will focus on reforming the shelter care and health system in Anchorage to make the task of caring for our most vulnerable residents more humane and community based service, building on the capacity and developing relationships and mechanisms to support a continuum of care.
- *Improving the Health of the Youth*, which will focus on prevention and diversion, mental health care for the most serious treatment programs, which are critical to helping to meet our current and future needs.
- *Improving the Health of the Family*, which will focus on training and consumer and family-run support programs, increasing access to housing, and developing court appointments, guardianship, provider-managed programs and other consumer provided services, including 24-hour crisis services, and providing other funding for consumer directed services.

We appreciate all the hard work that went into the shaping of these four focus areas and applaud all our stakeholders for their collaboration efforts. We also must thank those stakeholders who worked hard this year to provide leadership in other program areas. We have chosen "Leadership in Changing Times" as the theme of this year's annual report in honor of all those who strive to make a difference in the lives of Trust beneficiaries during FY2004. Their vision and efforts to turn that vision into reality have made a tremendous difference, one which we want to recognize and celebrate publicly.

Warmest regards,

Phil Younkman
Phil Younkman
FY2004 Chair

FY2004: A Year In Review

This year's annual report theme, Leadership in Changing Times, highlights the efforts by Trustees and staff of the Alaska Mental Health Trust Authority to advocate on behalf of Trust beneficiaries at all levels within the service delivery system. A key example of one program that has set a model for others to follow is The Trust's annual Rural Outreach Trip, which opened the eyes of many to the specific needs and challenges faced in rural Alaska by beneficiaries and those who care for them.

The annual trips were developed at the urging of Trustee Susan LaBelle, whose term expired in March 2004, having served on the board since 1997. It was her vision that Trustees, Trust staff, members of the four advisory boards, and state agency staff members would benefit from seeing first-hand what issues and barriers exist and what programs function well or need work in rural and remote communities.

The Trust committed to funding the annual trip over a five-year period that ended in FY2004 with a visit by 33 individuals to six communities along the Aleutian Chain. Other communities and regions visited over the past five years include the Bristol Bay and Bethel regions, Yukon Flats region, Nome area and Copper River Delta.

The Trust also provided support each year by funding a rural technical assistance contractor to work with rural communities and service providers in seeking funding and other support. According to the Trust rural technical assistance contractor and agency contacts in the regions visited, funding several times the targeted amount of \$200,000 annually has been generated or leveraged, either directly or indirectly, as a result of the visits.

directly benefiting Trust beneficiaries. One such grant awarded in FY2004 went to Morning Star Ranch of Fairbanks, which received \$8,813 to purchase equipment for a weekly equestrian program for developmentally delayed individuals.

The mission of Morning Star Ranch is simple: to use its farm/ranch setting to enhance the quality of life for all abilities through education, activity programs and work experience. The ranch operates year-round, working with volunteers, parents, athletes and board members from the local 4-H and Tanana Valley Special Olympics. Morning Star used its Trust small projects grant to purchase equipment for the weekly therapeutic riding sessions given to children and adults with disabilities who qualify for Special Olympics. The training sessions benefited 30 riders throughout the year. Many participants went on to compete in regional and state Special Olympics competitions.

SUNSHINE CLINIC

The \$5 million Sunshine Clinic was dedicated in February 2004, becoming the first of what those in the behavioral health field hope is a model for service delivery for other communities around the state. Behavioral health care and primary care are merged at the Sunshine Clinic, with physician assistants and other medical staff trained to recognize and, in some cases, treat behavioral health issues. The 12,000 square foot facility was funded with financial assistance from a host of state and federal agencies and non-profit organizations, including \$20,000 from The Trust.

The new clinic replaces an older, smaller facility that had been straining to meet the need of residents in Talkeetna, Sunshine and surrounding areas who sometimes had to travel to Palmer or Wasilla for care. Health care providers are hoping that by co-locating primary care and behavioral health treatment, patients' behavioral health problems will be diagnosed and treated sooner and that some of the stigma associated with such issues and treatment will be reduced or eliminated.



MORNING STAR RANCH

Each year The Trust budgets \$250,000 in grant award for new and innovative small projects

DONATED DENTAL SERVICES

Many disabled and elderly Alaskans suffer from neglected dental problems because they cannot afford treatment. Furthermore, government programs, such as Medicare and Medicaid, have little or no dental coverage. The Alaska Dental Society and the national Foundation of Dentistry for the Handicapped developed a statewide Donated Dental Services project in 1994 to help these people. The Trust first began funding the program in 1998 and contributed \$25,000 in FY2004.

There were 76 dentists participating in FY2004 and 18 dental laboratories. During the year, volunteer dentists donated \$123,069 worth of treatment for 34 people and local dental labs contributed \$8,986 worth of fabrications. In addition, 36 other patients were referred to dentists and had begun receiving treatment at the close of the fiscal year.

Since the inception of the program, 224 Alaskans with disabilities have received \$574,787 worth of treatment from 74 volunteer dentists and 19 donating laboratories.



Safety

THERAPEUTIC COURTS

Alaska's courts, like those of other states, deal each day with a disproportionate number of cases involving persons with mental disabilities. This is reflected in Alaska's jails and prisons, which also hold a disproportionate number of persons with mental disorders — 37 percent on a snapshot day in 1997 studied by Alaska's Department of Corrections, compared to 16 percent nationally.

Most of those with mental disorder who become involved with the criminal justice system, both nationally and in Alaska, have not committed a serious crime. Most are arrested for a minor offense like trespass or disorderly conduct that is a direct behavioral result of their untreated or under-treated mental disorder. Sometimes they have committed no crime at all and are jailed because there is no alternative

mechanism in the community to respond to an emergency situation.

Cases in Alaska involving individuals with mental disorders, beneficiaries of the Trust, can present some of the most complex and troubling issues faced by the justice system and by individual judges. Because of their disorders, individuals with mental disabilities are at greater likelihood of becoming involved in the criminal justice system. Once involved, they are at greater risk of repeated cycling through a system that is not structured to be either accessible to them or well equipped to deal effectively with the disorders that prevent them from fully understanding the processes and complying with orders and requirements of the justice system.

The Trust and Alaska Court System began a significant partnership in FY2004 to help make Alaska's Courts more capable of providing an accessible forum for justly resolving cases involving Trust beneficiaries and better equipped to achieve the positive outcomes for the beneficiaries and the communities.

Building on the Trust's long-standing support for Anchorage's innovative Mental Health Court, The Trust and Alaska Court System developed a partnership to sustain and expand Alaska's therapeutic courts and to provide all of Alaska's judges with information and tools that will help them incorporate therapeutic principles and practices into their court proceedings.

At the request of the Court System, the Trust began providing financial support in FY2004 for several elements of a long-term Court System strategy. These elements included:

- Training focused on providing judges with information about substance abuse, addiction, assessment, treatment and recovery and practical ways of using that information in their daily work.
- A Therapeutic Court Coordinator position to coordinate policy, planning, implementation and evaluation of therapeutic courts and therapeutic justice practices; provide technical

assistance to judges and communities in developing and sustaining therapeutic court efforts, and develop funding sources to permanently sustain therapeutic court efforts.

- Development of a planning guide to assist judges and communities in planning and implementing therapeutic courts and incorporating therapeutic practices into regular court processes.

As a further step in the partnership, Alaska's Chief Justice appointed an Advisory Committee on Therapeutic Courts to help in assessing existing therapeutic court programs, coordinating therapeutic programs with the court system's more traditional functions, and evaluating proposals to implement new therapeutic courts.

A key success of The Trust and Court System partnership was its ability to work with Sen. Lyda Green who, spurred by interests of her constituents and her visit to the Anchorage Mental Health Court, championed an effort to permanently fund the Anchorage Mental Health Court - Alaska's landmark therapeutic court - during the 2004 legislative session. By permanently assuring support for the Mental Health Court in Anchorage, Sen. Green made it possible for The Trust to fund a new mental health court project in Palmer, in partnership with the Court System and the community, in FY2005.

SAFE HARBOR INN

Alaska's only nonprofit motel, Safe Harbor Inn, celebrated the opening of a new 26-unit addition in March 2004, nearly doubling the motel's capacity. The motel offers safe, comfortable and affordable transitional housing for homeless families and people with disabilities who are referred to the motel by 46 partner agencies.

The expansion project was ahead of schedule and under budget, requiring only six months to complete from groundbreaking to move-in. The new 3-story addition increased the number of units to 55. It included a large common area, a playroom for children, a meeting room and a kitchen. With

the expansion, 10 more units were reserved for Trust beneficiaries for a total of 20; plus five more handicapped accessible units were added for a total of 10.

In November 2004, Safe Harbor Inn celebrated its third anniversary, having provided 65,000 safe and secure bed nights during that period with 37 percent to individuals who have mental disabilities. More than 130 people are on the motel's waiting list on any given day, with an average wait of four to five months. Of the 928 guests who stayed at the facility during its first three years, 70 percent have moved to permanent housing.



Economic Security

INDIVIDUAL DEVELOPMENT ACCOUNTS

Two programs were launched in FY2004 to improve savings behavior, increase financial literacy and increase asset ownership among low-income Alaskans as a means of expanding access to economic independence and self-sufficiency. Each program encourages participants to save money in individual development accounts or IDAs to obtain an asset like a home, business or education, or as part of an asset building strategy like a computer or car. Deposits by participants are matched with funds from public or private sources.

Armed with more than \$1.2 million in grant money, Cook Inlet Tribal Council, Inc. launched a pilot IDA project in 2004 targeting Alaska Natives and American Indians in Anchorage. Funding for the program consists of a five-year, \$625,000 grant from the federal Administration for Children and Families with a matching grant from The Trust. At the close of FY2004, CTC had enrolled 16 participants who were required as part of the program to attend a 6-part financial literacy training course covering topics that range from budgeting to banking and repairing credit. Individual participants are allowed to contribute up to \$800 to an IDA and households may contribute up to \$1,000 each. Account holders receive a 5% match for their deposits.

The Trust and the Rasmuson Foundation collaborated on funding for an initiative by United Way of Anchorage that serves as an IDA program incubator, encouraging development of programs through start-up grants. At the close of FY2004, the Asset Building Initiative of Alaska awarded four grants of \$13,000 each to pilot projects developed by Bristol Bay Economic Development Corporation in Dillingham and 17 rural villages; Child Care Connection in Anchorage and the Mat-Su Valley; Lutheran Social Services in Anchorage, and Tlingit-Haida Regional Housing Authority in Juneau. Each pilot project has five enrollees. All four programs provide 1:1:1 match with each dollar saved by the account holder: matched by ABLA and the grantee. The maximum match is \$2,000.

MICRO ENTERPRISE DEVELOPMENT PROJECT

Many people with disabilities find the options for employment and opportunities for professional growth and development are limited. The choices are fewer for individuals with disabilities who are interested in working for themselves because they often lack the capital resources needed to get a small business established and operational. When given economic support, people with disabilities that start their own business not only reap the financial rewards of business ownership, but also enjoy the sense of worth and value that comes from being self-reliant.

Several projects and programs throughout Alaska are now offering assistance to people with disabilities backed by financial support from The Trust totaling \$157,500 over two years and an \$82,500 match from the state Division of Vocational Rehabilitation. In late FY2003, \$134,500 of available grant funds were awarded through the Department of Health and Social Services to six agencies for developing micro enterprise businesses.

The single largest grant went to the YWCA Anchorage, which received \$102,500 to fund a Micro Enterprise Program. With matching

federal funds and other donations, the program is expected to assist, over a three-year period, 35 individuals in developing a talent, service, product or other creative expression into a viable financial venture that will provide them with income. Participants will receive grants for equipment, working capital, furnishings or other assets to start a business.

The Micro Enterprise Development Project at the University of Alaska Anchorage Center for Human Development received a \$20,000 grant to provide technical and financial assistance to budding entrepreneurs who have disabilities. Applicants receive technical assistance and advice on developing and starting a micro business, plus benefit analysis and planning assistance. Applicants are required to develop a business plan and must be able to match dollar-for-dollar any funds received through the project. Joe Spillane was the first applicant to receive funding through the CHD for his business, Northern Lights Seasonal Services. Joe does lawn maintenance, hauling, and miscellaneous chores in the summer, and snow removal and maintenance during the winter.

The Anchorage School District received a \$10,000 grant that was used to assist Mariah Codes in establishing an eBay business in which she sells used wedding dresses, formal gowns and accessories. Her short-term goal is to establish the business in her home, then move to her own shop and eventually to offer wedding planning services.

Bethel Community Services received \$4,000 that was used to assist five beneficiary clients develop businesses that include a private mail delivery service, a small custodial business and a custom sewing and quilting business.

Another five beneficiaries received funds through Ionia, Inc. to purchase equipment to start a farm. A beneficiary who received \$10,000 through Peters Creek Christian Center started a construction business that is expected to employ from 10 to 20 beneficiaries.



Living with Dignity

OXFORD HOUSE

Recovery from alcoholism and drug addiction frequently requires a lifestyle change for those involved. Many times they are homeless or have recently been released from jail. All too often, their previous behavior has caused family or friends to sever ties with them and they are not welcome at home or they know that if they return home they will be unable to resist sliding back into their old habits. That is why it is especially important for them to have a place to live that is supportive, safe, and affordable where they can focus on their recovery.

One such program is Oxford House Inc., a self-run, self-supported housing program that offers participants an alcohol and drug free living environment. Individual houses are democratically run, with participants electing officers and voting on who to accept into the group or whether to expel someone who has relapsed. There are more than 1,000 Oxford Houses in cities across the country. The program does not rely on government subsidy, but instead requires residents to share equally in the rent and cost of living in the home as a means of teaching them responsibility and self-reliance.

In Alaska there were seven Oxford Houses operating in FY2004, providing accommodations for about 70 people in Anchorage and Fairbanks. Nearly 70 percent of the residents previously had been homeless and 98 percent had served jail time. Now they are sharing living expenses and rent with up to eight individuals per house who have similar experiences and goals. Because many of the residents came to the program with very few personal possessions or furnishings, the Trust contributed \$10,000 to furnish the houses and to provide an outreach worker who visited the various homes to assist residents with any issues or problems. The Trust also provided \$24,500 for a vehicle to help residents when moving.

At the close of FY2004 nearly 60 percent of the residents in the Anchorage and Fairbanks houses

were employed and attending some sort of counseling for their addictions. Plus, two more houses were scheduled to open in FY2005, including one in Wasilla.

ALASKA MOBILITY COALITION

Several Trust beneficiary groups pooled their efforts with Alaska's congressional delegation in 2004 to seek capital funding for transportation projects that would assist beneficiaries around the state. The Alaska Mobility Coalition, working with the state Department of Transportation, funded such purchases as mini vans, pickup trucks with snowplows, and other vehicles for use by programs that serve seniors, individuals with special needs, and individuals with disabilities. The funds also were used to support coordinated transportation services such as CARTS on the Kenai Peninsula, MASCOT, in the Mat-Su Valley and KATS in Kodiak. Money for these purchases and programs came from a variety of sources, such as the Ramson Foundation and the U.S. Transit Administration via Alaska's congressional delegation, plus \$296,962 from The Trust's FY2004 capital budget.



Workforce Development

UNIVERSITY OF ALASKA ANCHORAGE DISTANCE-DELIVERED MSW PROGRAM

Since 1995, The Trust and the University of Alaska Anchorage College of Health and Social Welfare have collaborated to develop a master's degree program that addresses the shortage in Alaska of those with advanced degrees in social work. The latest component of the program available to students is a part-time, distance-delivered MSW program. It was funded with \$250,000 from The Trust and is an extension of the on-site, part-time MSW program already offered at UAA. The distance-delivered program is open to all Alaska residents and in FY2004 there were 15 students enrolled in 12 communities. This first group of students will graduate in May 2007.

Distance-delivered MSW required courses are offered through intensive classroom sessions presented in short time blocks followed by periodic class meetings available by teleconference and Internet. There are two courses taught each semester and classes are available year-round. Students are also required to fulfill two field practicum placements at either a state agency or a non-profit organization and must be supervised by a person with a master's degree in social work.

There are many advantages to the distance-delivered program for students, with perhaps the most significant being the opportunity to earn a degree in place so they can continue working and remain in their home communities. The program also helps students build a strong network of peers around the state, which will be beneficial after graduation because many will be sole providers in their home communities.

ALASKA GERIATRIC EDUCATION TRAINING CENTER

Alaskans are getting older in record numbers. U.S. census data ranks Alaska second only to Nevada in the increase of individuals over age 65. While this is a small percentage of the total Alaska population, the number is expected to mushroom in the coming decade. The graying of Alaska adds another wrinkle to the challenges already faced by the state's health care delivery system because of the shortage of health care workers, the state's size, the distance between communities, and transportation issues.

In an effort to respond to the health care needs of Alaska's aging population, the University of Alaska Anchorage, University of Alaska Fairbanks, and University of Alaska Sitka have formed the Alaska Geriatric Education Center to train and prepare health profession faculty, health care providers, and current and aspiring health care professionals. The center provides multicultural, interdisciplinary, and discipline specific geriatric education.

The center was funded through a five-year, \$2.3 million grant from the U.S. Department of

Health and Human Services, Bureau of Health Professions, Health Resources and Service Administration.

The Trust provided \$50,000 through the Alaska Commission on Aging in FY2004 to sponsor 12 gerontology training workshops presented by the center statewide. There were 569 participants, most of whom were social workers, medical assistants and nurses. The training addressed such issues as elder care, recognizing and treating Alzheimer's disease and related disorders, and medication management.

LEADERSHIP INSTITUTE

The Governor's Council on Disabilities and Special Education and The Trust partnered again in FY2004 to fund the second session of the Leadership Institute. The training program was created to increase the skills and competencies of front-line supervisors who oversee direct service employees working with Trust beneficiaries.

The Institute uses a comprehensive, multi-faceted approach that includes a three-day skills training workshop, mentoring, guided practice, distance-delivered discussion opportunities, and a competency evaluation. The University of Alaska Anchorage Center for Human Development conducts the program.

In FY2004, the Institute provided 17 front-line supervisors a rigorous, time-intensive, and competency-based curriculum designed to develop their leadership and management skills. Each participant was paired with a seasoned supervisor who also attended the skills training workshop and served as a mentor for six months. In addition to the workshop and mentoring support, audio conference discussions were conducted to help participants use their new skills. To complete the course, participants were required to submit a portfolio that demonstrated leadership and skill competencies.

Nine participants received certificates of completion in FY2004. Another institute is scheduled in April 2005.



Infrastructure Development

BEHAVIORAL HEALTH INTEGRATION

In June 2000, Alaska began a multi-year planning effort to improve the integration of mental health and substance abuse treatment for individuals with co-occurring disorders. This effort was based on the recognition that individuals with both mental health and substance disorders are an expectation rather than an exception and can be treated best when they have access to both services in tandem.

The first step in this process occurred when Gov. Frank Murkowski took office in 2003 and mandated the creation of a new integrated division within the Department of Health and Social Services to address these issues directly. The new Division of Behavioral Health was tasked with changing and improving the Alaska behavioral health service delivery system.

With its integrated infrastructure in place, the newly created division selected a clinical service delivery model to guide its system design and wrote an implementation plan to organize the process. By the close of FY2004, the division was developing a plan to operationalize the integration on a clinical and an administrative level with providers statewide. It is hoped this will benefit service recipients by providing a continuous and comprehensive service array while streamlining agencies so their administrative components are less redundant.

A significant piece of the integration process involves working with communities to find local service and administrative solutions. This effort was funded with \$300,000 from The Trust and \$50,000 from the state. Additionally the Division of Behavioral Health, The Trust, and the University of Alaska pooled funding and expertise to create training and educational opportunities to help reduce the workforce shortage in the behavioral health field. The state also committed to a collaborative arrangement between The Trust, the Alaska Mental Health Board and the Advisory Board on Alcoholism and Drug Abuse that will

encourage merged data collection and sharing, and coordinated efforts to address key policy issues.

In FY2004, The Trust teamed with the Division of Behavioral Health to convene the Alaska Behavioral Health Integration External Stakeholder Committee. Funded with \$45,000 from The Trust and \$25,000 from the state, this group developed a consensus vision of what a comprehensive, well-integrated community-based behavioral health system should look like in Alaska. The group also developed a strategic plan to articulate the vision, goals and actions needed to develop a sound behavioral health system and the framework for integrating that system statewide.

ALZHEIMER'S DISEASE RESOURCE AGENCY OF ALASKA

A major challenge for many non-profit agencies is finding the money to buy or lease adequate space in which to work and hold meetings. Frequently, funding organizations will not contribute money for agencies to pay off debt, instead preferring to fund programming that is of direct service to agency beneficiaries. One Alaska non-profit has found a unique way to overcome this problem and is now comfortably working in a new headquarters.

The Alzheimer's Disease Resource Agency of Alaska was running out of room in 2002 and had no money to lease or purchase a new office. Knowing they would find little support from traditional funding sources, the resource agency turned to two couples that were long-time supporters. The two couples formed a corporation and bought a building that they then leased to the agency with an option to buy. That gave the agency time to mount a capital campaign while providing a much-needed new headquarters.

In FY2003 and FY2004, the agency concentrated on raising \$1.3 million and was successful in obtaining several major grants including \$50,000 from The Trust, plus individual contributions from about 1,000 community donors. By the beginning of FY2005, the agency was able to buy the property without a mortgage and now has enough space to lease a portion as a source of income.

2004 Financial Report

TRUST FINANCIAL HOLDINGS STABILIZE IN FY2004

MANAGEMENT OF TRUST ASSETS

Cash and non-cash assets of The Trust are called the corpus of the Trust Fund. The majority of the cash assets are managed by the Alaska Permanent Fund Corporation (APFC) on behalf of The Trust. The Trust Land Office, a special unit within the Department of Natural Resources, manages The Trust's non-cash assets, which include land, buildings, minerals, timber, and other resources that generate income through sales, leases and rent. The Treasury Division of the Department of Revenue manages the mental health budget disbursement (payout), half of the budget reserve, and current revenue generated by the Trust Land Office and the interest generated from these holdings.

The cash assets of The Trust consist of the original settlement, inflation proofing, interest and revenues generated from non-cash resources. The cash is maintained at the APFC and the Treasury Division of the Department of Revenue in several accounts. These are the Principal, Budget Reserve and Income accounts. The Principal consists of the original settlement, inflation proofing and allocated revenues from resource management. The Budget Reserve consists of 400 percent of the prior fiscal year's disbursement (payout) and is set

aside to provide a steady stream of funding during downturns in investment markets. The Income account holds the disbursement (payout) amount for funding the current mental health program, any current allocated revenues generated from non-cash resources, and the current interest on the funds in these accounts.

The Trust routinely coordinates with the APFC, the Treasury Division, and the Trust Land Office on financial management matters. The Trust Land Office routinely coordinates with Trust staff, the Trust Resource Management Committee and the Board of Trustees on resource management and development matters.

KEY FINANCIAL OUTCOMES OF THE TRUST FUND

In FY2004, to maintain stability in the Budget Reserve and to protect it during fluctuations in the market, the Trustees split the Reserve account, transferring half to the Department of Revenue Treasury Division for investment in its securities lending program. The remainder was invested by the APFC. As a result of this strategy, the financial holdings of the Trust Fund experienced a 14.2 percent gain and, at the FY2004 closeout, the Budget Reserve contained 400 percent of the prior year's disbursement as required, or \$54,928,379. For the first time since FY2000, after having losses for several years due to the volatile market, The Trust was able to add approximately \$15 million to the Principal account for inflation proofing, confirming the Trustee's asset management model is a sound

TRUST CASH ASSETS AT END OF FY2004



Settlement	58%	\$200,000,000
Inflation	14.5%	\$50,093,085
■ Budget Reserve	15.9%	\$54,928,379
■ Land Revenue	11.6%	\$40,081,638

TRUST PROGRAM AREA EXPENDITURES FY2004



■ Health	27%
■ Safety	29%
■ Economic Security	5%
■ Living with Dignity	18%
■ Infrastructure	18%
■ Workforce Development	3%

Note: The total expenditures for program areas \$1,370,161 for FY2004. This does not include Trust Authority Admin or Trust Land Office costs.

method for sustaining The Trust as a perpetual fund for future beneficiaries.

The Trust Land Office also experienced a successful year in FY2004, generating a total of \$11.3 million. In FY2004, the Trustees approved spending \$1,495,000 from the Principal account for enhancement of the resources portfolio to renovate the 718 L Street property in Anchorage (Trust Land Office space), to construct a road through Tract E in Anchorage, and to purchase land for the Fairbanks Detox Facility site.

The Trust's disbursement or payout rate, which is used to determine the disbursement or payout for the mental health budget, remained at 3.5 percent for FY2004. This rate is applied to the amount of the Trust Fund (Principal and Budget Reserve) plus 100 percent of the revenues allocated as income from resource management, interest on the financial holdings at the Treasury Division, and any lapsed funding from prior-year projects.

Reacting to the improving market, the Trustees decided at the end of FY2004 to increase the payout to 3.75 percent beginning with the FY2006 budget.

The following performance for FY2004 is available for funding the FY2005 mental health budget:

- Disbursement (payout) rate remained at 3.5 percent for a payout of \$12,398,992.59 — a 12.3 percent increase over FY2003
- Resource management revenue allocated as income was \$2,623,100.74

- Interest on the Income Account at Treasury Division was \$1,067,566.33
- Lapsed funds from prior fiscal years was \$4,731,268.87
- Total funding available for the mental health trust budget in FY2005 is \$20,821,928.53 — an increase of 11.7 percent over FY2004.

KEY FINANCIAL OUTCOMES OF THE TRUST LAND OFFICE

The Trust Land Office (TLO) exceeded its FY2004 gross revenue goal by about 66 percent, with final revenues equalling about \$11.3 million, including \$2.6 million in Spendable Income. Of the total revenue, \$8.7 million was from the sale of Trust Land assets and was deposited in the Principal Account, with the remaining \$2.6 million being fees and rents and thereby Spendable Income. Much of the revenue was attributable to multi-year transactions, which were not guaranteed to close in FY2004 and were, therefore, not included in the FY2004 gross revenue projections. Core and supplemental operating costs for the year equaled about \$1.8 million. Other highlights included:

- The Real Estate Program accounted for over 55 percent (6.3 of \$6.3 million) of gross revenue. Successful efforts included selling about 2,300 acres in Petersburg (Petersburg Creek) to the U.S. Forest Service for \$2.5 million, completing a significant commercial development transaction in the University-Medical District in Anchorage (\$224,000 annual lease), and creating two new subdivisions (Westlake

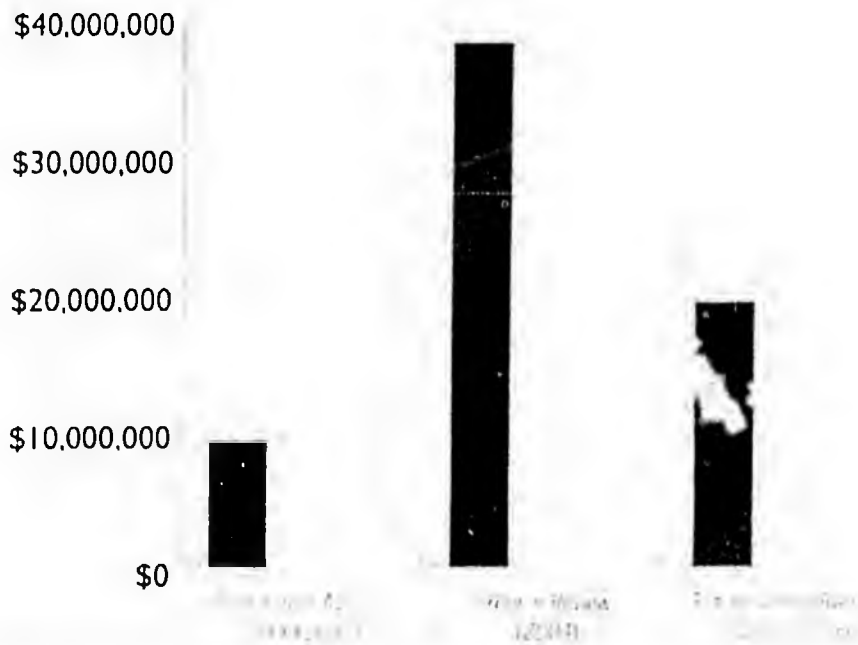
Shores and Twin Island Lake). At the sixth annual land sale 58 parcels were sold through a competitive sealed bid process with a sale value of over \$2,607,000.

- Timber harvest revenue accounted for about 36 percent (about \$4 million) of gross revenue, with sales in Thorne Bay, North Kenai and Tyonek.
- Acreage leased for oil and gas exploration increased by 24,000 acres with most of the new leases located on the Kenai Peninsula. By year-end, the TLO had a total of about 100,000 acres under lease. The Trust also began receiving oil and gas royalty payments from production in the Beluga River Unit.

- The mineral and materials program ended the year with about \$445,000 in revenue including the first royalty payment from the Fort Knox Mine of about \$102,000.
- The TLO successfully remodeled and relocated to one of three Trust owned facilities at 7th & L Street in Anchorage. The two smaller facilities located at the same site provided the TLO with a new revenue-producing arena in property management.

A detailed description of the Trust Land Office's financial status for FY2004 is available in the TLO Year-End Report available online at www.mhtrustland.org or by calling (907) 252-8658.

TRUST FUND PERFORMANCE



Trust Fund Performance	\$9,091,320	\$37,990,300	\$19,086,600
Trust Income Available	\$16,955,020	\$18,725,000	\$19,515,380
Trust Funded Projects	\$12,966,240	\$13,993,800	\$18,312,340

Note:

The Trust Fund Performance is calculated as Trust Income Available less Trust Funded Projects. Trust Income Available is calculated as Total Trust Income less Administrative Expenses. Total Trust Income is calculated as Timber Revenue plus Mineral and Materials Revenue plus Royalty Revenue plus Other Revenue. Administrative Expenses are calculated as Personnel Expenses plus Travel Expenses plus Other Administrative Expenses. Trust Funded Projects are calculated as Capital Expenses plus Operating Expenses. The Trust Fund Performance is reported in the TLO Year-End Report.

The FY2004 Board of Trustees



(L to R): Tom Hawkins, William Doolittle, M.D., Phil A. Younker, Sr., Caren Robinson, Nelson G. Page, John Pugh, John F. Malone

Phil Younker, Sr.

Chair

Caren Robinson

Yearly Open and Legislative Ad Hoc Committee Chair

Susan LaBelle

*Secretary/Treasurer or Tribal Outreach Committee
2003-2004*

William Doolittle, M.D.

Secretary 2003-2004

Tom Hawkins

Resource Management Committee Chair

John F. Malone

Programs and Planning Committee Chair

Nelson G. Page

Tribal Outreach Committee Chair

John Pugh

Comprehensive Integrated Mental Health Plan Chair

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The Alaska Mental Health Trust Authority

FY2004 ANNUAL REPORT

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The TRUST

The Alaska Mental Health Trust Authority

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The Alaska Mental Health Trust Authority

Fiduciary Responsibility

Trustees believe it is essential to have a long term plan by which the assets of the Trust be maintained and enhanced through prudent management.

Trust Asset Management Policy

The Alaska Mental Health Trust Authority

The Asset Management Policy Statement (AMPS)

The Trustees adopted the AMPS as the management plan for these assets.

The AMPS document specifically delineates the asset management philosophy and practices of the Board of Trustees of the Alaska Mental Health Trust Authority. (the full document is available on request)

Trust Asset Management Policy

The Alaska Mental Health Trust Authority

The Corpus of The Trust

- Cash Assets
Funds in the Alaska Permanent Fund Corp.

- Non Cash Assets
Trust property and resources managed
by The Trust Land Office

Trust Asset Management Policy

The Alaska Mental Health Trust Authority

Cash Management Objectives:

- Preserve purchasing power of the Trust's principal
- Enhance the income generating capacity of
the Trust's natural resource portfolio
- Maximize return with reasonable and
prudent levels of risk
- Provide a steady reliable payout stream year to year to
ensure Trust funded projects
- To ensure The Trust's ability to meet its spending goals in
difficult market environments and ensure liquidity in future
years

Trust Asset Management Policy

The Alaska Mental Health Trust Authority

Our Cash Assets Objectives

- Principal: Long Term Growth
100% Invested Alaska Permanent Fund
- Budget Reserve: Intermediate Growth
50% Invested Alaska Permanent Fund
50% Invested Dept. of Revenue, Treasury
- Current Year Budget: Cash
100% Invested Dept. of Revenue, Treasury



Trust Asset Management Policy

The Alaska Mental Health Trust Authority

Property & Resources Management Objectives:

- To protect and enhance the value and productivity of Trust natural resources
- To maximize revenues from Trust natural resources over time
- To encourage a diversity of revenue producing uses of Trust natural resources
- To manage Trust natural resources prudently, efficiently, and with accountability to the Trust and its beneficiaries

Trust Asset Management Policy

The Alaska Mental Health Trust Authority

Our Property & Resource Assets

Managed by the Trust Land Office:

Land

Improvements

Minerals

Gas/Oil/Coal

Timber

Materials



Trust Asset Management Policy

The Alaska Mental Health Trust Authority

Our General Expectations of Natural Resource Revenues

- | | |
|-----------------------|-----------------------------|
| ➤ Leases | 8% of appraised value |
| ➤ Competitive Sales | best offer over minimum bid |
| ➤ Negotiated Sales | 12.0% of appraised value |
| ➤ Coal Royalty | 5% of Gross Sales |
| ➤ Mineral Royalty | Market Rate Royalty |
| ➤ Oil & Gas Royalty | 12.5% of Gross Revenue |
| ➤ Material Sales | Market rate per yard ton |
| ➤ Improved Properties | Market Rate |

Note: in some cases the rates may vary depending on circumstances, the TLO has complete rate information

Trust Asset Management Policy

The Alaska Mental Health Trust Authority

Sources of Land Management Revenue that go to Principal

- Proceeds from land sales
- Royalties from sale of oil, gas, coal and minerals
- 85% of the proceeds from timber sales

Trust Asset Management Policy

The Alaska Mental Health Trust Authority

Trust Principal

- Revenue from Trust Land Management
- Cash assets at the Alaska Permanent Fund allocated to principal
- Cannot be Spent

Trust Asset Management Policy

The Alaska Mental Health Trust Authority

Budget Reserve

- Mitigates the effects of short-term market volatility on spending to maintain constant funding to ensure program stability.
- Permits the Trustees to fund multi year projects
- Is capped at 400% of the targeted annual disbursement amount
- Excess over 400% flows to the Principal Account

Trust Asset Management Policy

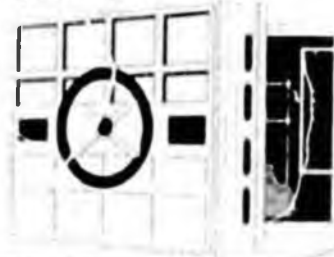
The Alaska Mental Health Trust Authority

All Earnings flow to Budget Reserve

At 400% earnings
flow on to
Principal



Principal



Quarterly distributions to the
Trustees



Trust Asset Management Policy

The Alaska Mental Health Trust Authority

Sources of Income for Annual Spending

- 3.75% (for FY 06) of Net Asset Value of Trust Funds Corpus (Principal) Invested in Alaska Permanent Fund Budget Reserve (Invested 50% A.P.F. & 50% D.O.R.)
- Lapsed Funds from prior year
- Income from D.O.R. Treasury Account (expenditure income)
- Income from rents, fees, purchase contract interest and 15% of timber sales from Trust Land Management

Note the 3.75% is subject to change by the Trustees

Trust Asset Management Policy

The Alaska Mental Health Trust Authority

Our Track Record in thousand's \$

Fiscal Year	Payroll Rate	Payroll Amount	Plus 100% of Income from Trust Land Management	Interest from DOR Account	Lapsed Unallocated Income prior Year	Total Payroll for Programs
1997	3%	6,845.7	785.5	93.1	2,418.1	10,142.4
1998	3%	7,474.5	1,416.0	1,111.8	1,611.1	11,643.7
1999	3.25%	8,704.3	1,082.7	132.1	1,890.9	11,810.0
2000	3.5%	10,072.9	1,182.9	2,620.0	2,865.9	16,741.8
2001	3.5%	11,522.2	1,381.0	874.7	7,019.4	20,797.4
2002	3.5%	10,910.8	2,116.2	1,518.0	3,973.7	18,482.8
2003	3.5%	10,481.8	2,520.1	1,254.3	3,455.5	17,711.7
2004	3.5%	11,039.4	2,532.1	719.9	3,944.6	18,235.0

Trust Asset Management Policy

The Alaska Mental Health Trust Authority

Our Track Record:

Our model has provided:

- Stable funding for Trust projects across funding years
- Maintenance of the purchasing power of the principal, including inflation

Trust Asset Management Policy

50-2-05

Alaska Mental Health Trust Authority

House Finance

February 2, 2005

The TRUST
The Alaska Mental Health
Trust Authority

Key Terms of Settlement

- Trust resources to act as a catalyst for change
- Separate appropriation bill
- Comprehensive planning for mental health program
- Mental Health Trust Lands released for development

The Trust's Beneficiaries

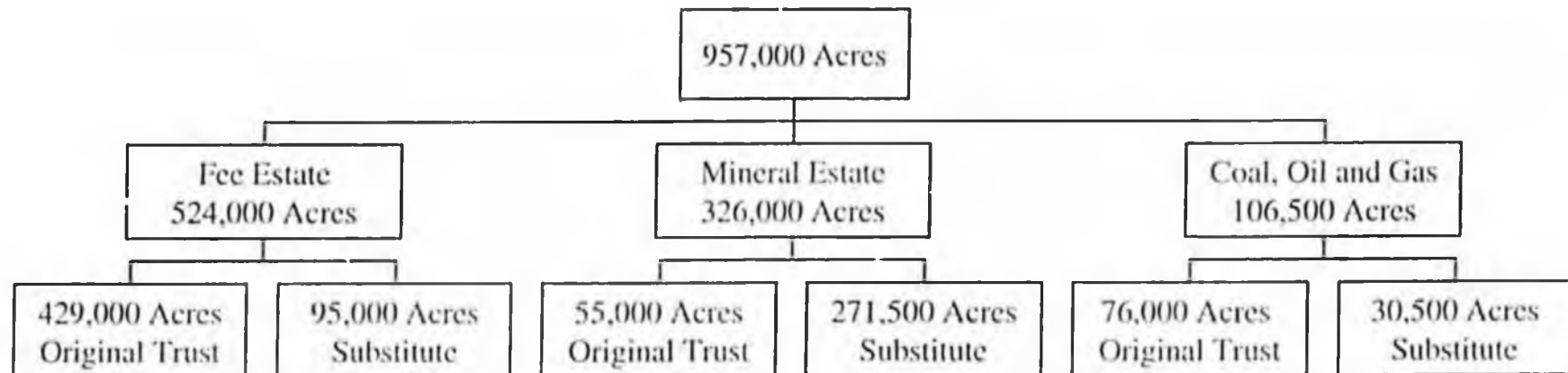
- *People with mental illness*
- *People with developmental disabilities*
- *People with chronic alcoholism*
- *People with Alzheimer's disease & other dementia*
- *People with traumatic brain injury*

THE
FOLLOWING
DOCUMENT(S)
ARE
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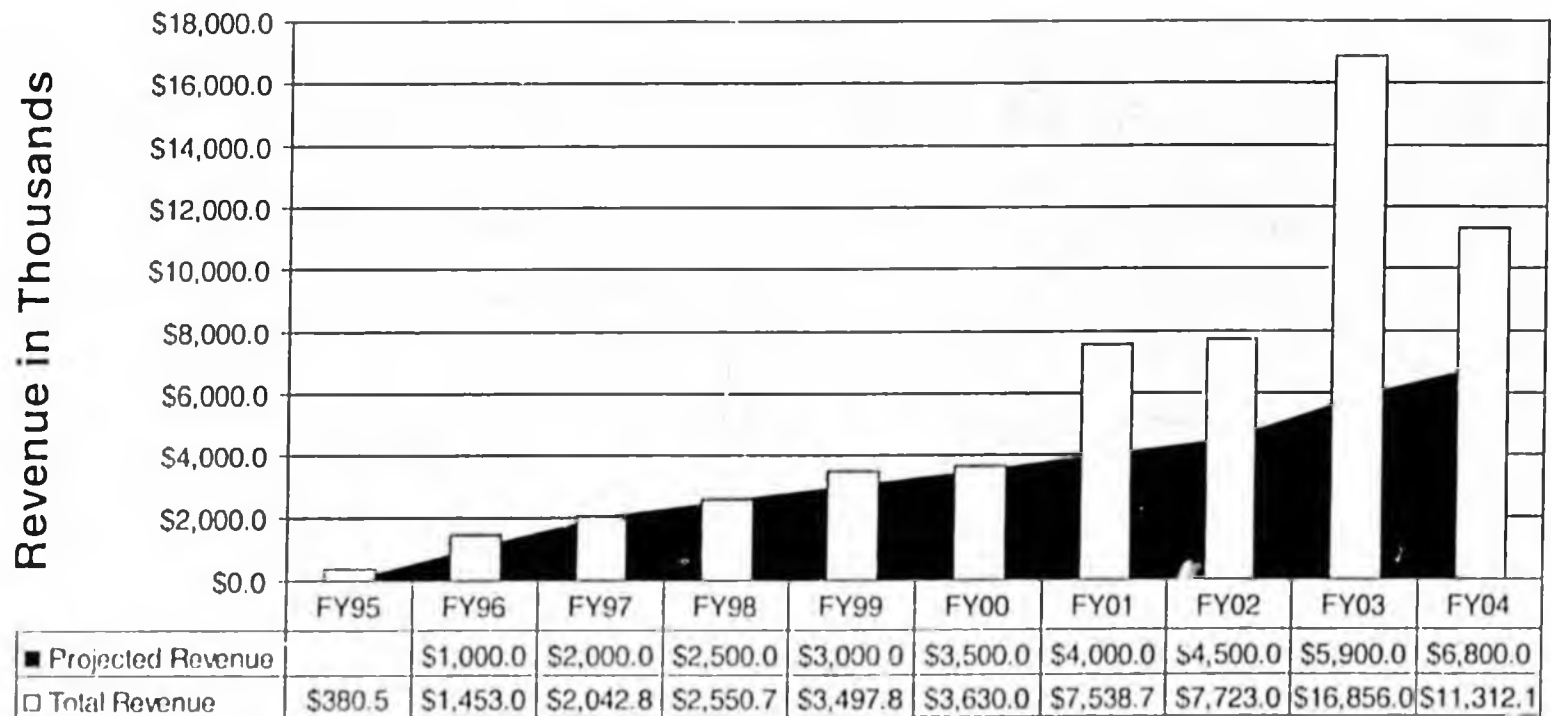
Advisors to The Trust

- *Alaska Mental Health Board*
- *Advisory Board on Alcoholism & Drug Abuse*
- *Governor's Council on Disabilities & Special Education*
- *Alaska Commission on Aging*
- *Commissioners of the departments of Health and Social Services, Natural Resources and Revenue.*
- *Alaska Traumatic Brain Injury Board*

Land and Resources



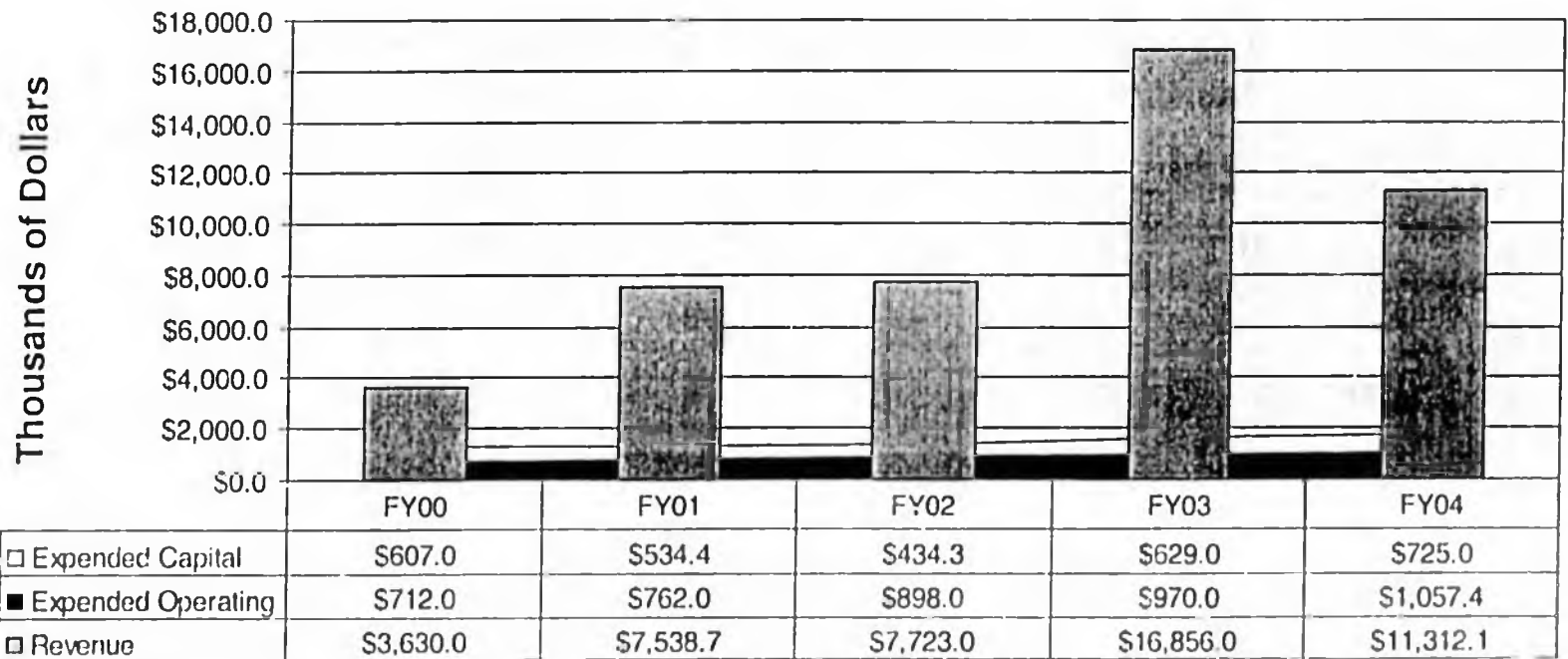
Gross Revenue from Trust Land



Actual Revenues through FY04

Trust Land Office

Operating & Capital Expenditures Vs. Revenue Earned



Actual Revenue through FY04

Trust FY06

<u>TRUST Distributable Income</u>	
Land Office Income	\$ 2,600,000
<i>Trust Fund Payout 3.75%</i>	\$13,618,398
Prior Year Lapse	\$ 3,782,728
Interest	<u>\$190,000</u>
Total Trust Projected	\$20,191,126
<hr/>	
Expenditure Recommendations	\$11,684,500 Operating
	\$3,200,000 Capital
Total Recommendations	<u>\$4,236,000 Direct Grants</u>
	\$19,828,400

Trust Budget for FY 06/07

- Collaborative planning process
- 4 focus areas targeting system change
- Emphasis on partnering to maximize funding

Four Focus Areas

- Bring the Kids Home
- Affordable Housing
- Justice for Persons with Disabilities
- Trust Beneficiary Group Initiatives

Guiding Direction for Trust Program Investment

- Focused on results.
- Investing in policies, programs, services that make a difference.
- Example in Justice Focus Area:
 - Therapeutic Courts
 - Apply sound scientific principles of behavior change – effective use of incentives and sanctions, with treatment and other new technologies.
 - Effectively coordinates the persuasive and coercive power of the court with essential treatment and supports and oversight of treatment and behavioral compliance.
 - Results in real change and real results with some of the most difficult and complex problems facing courts – mentally ill, alcoholics, people with traumatic brain injuries, developmental disabilities and complex combinations of these disorders.

Two Major Initiatives

- Adult Preventive/Restorative Dental
 - Partner with DHSS
 - Trust cash commitment over 5 yrs - \$5,375,000
- Behavioral Health Workforce Development
 - Partnership with Trust, UA, and DHSS
 - \$950,000 Trust funds over 2 years
 - \$1,000,000 from UA
 - \$200,000 from DHSS

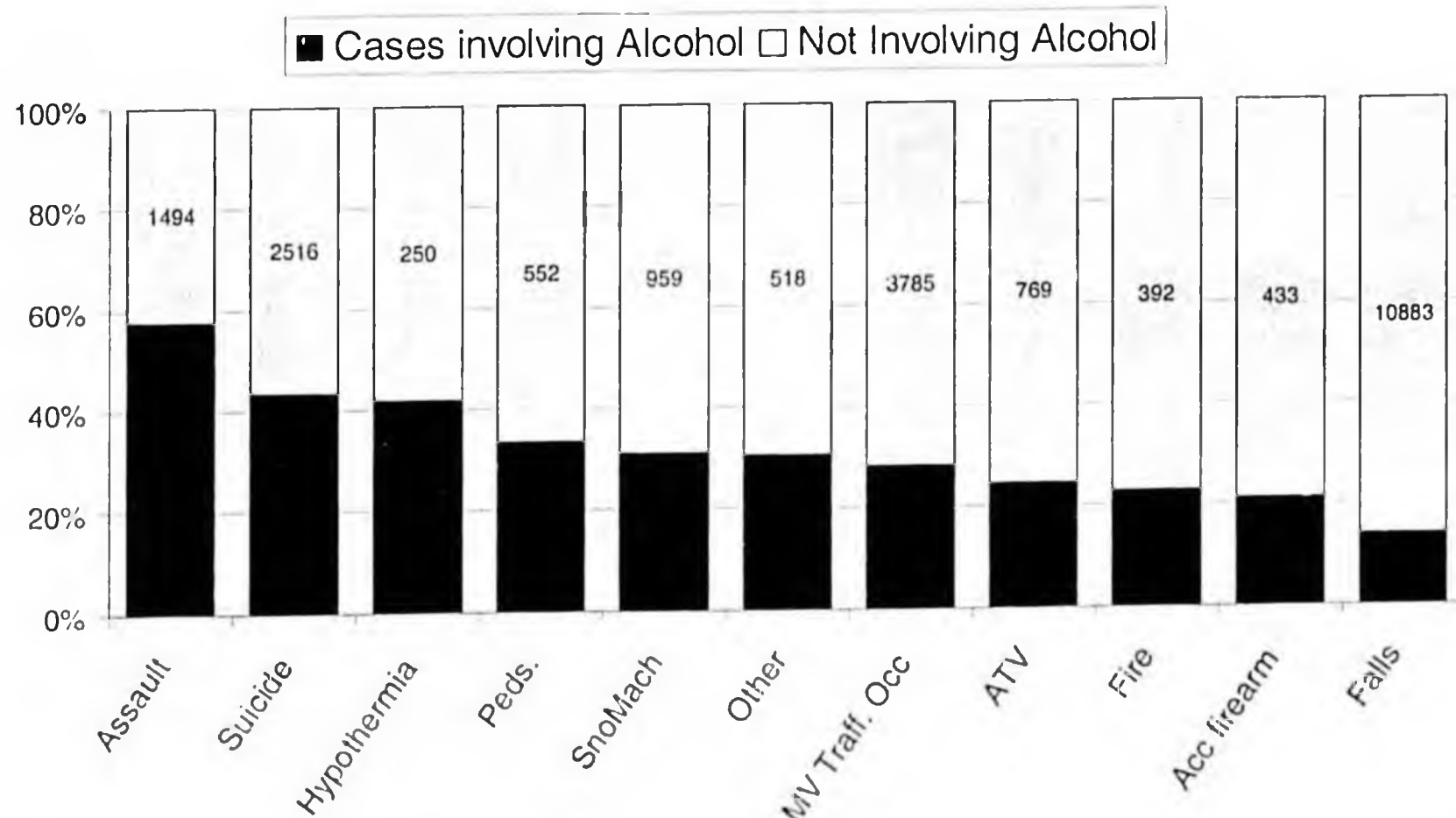
Homeless Initiatives

- Alaska Interagency Council on Homelessness
- Trust Affordable Housing Workgroup
- Anchorage Task Force on Homelessness
- Interior Alaska Coalition to Prevent and End Homelessness (Fairbanks)

FY 06 Budget

- Medicaid is critical
- AFHC funding is critical to providing affordable housing
- Support extension/expansion of Senior Care program
- Address DD Waitlist
- Alcohol prevention and treatment

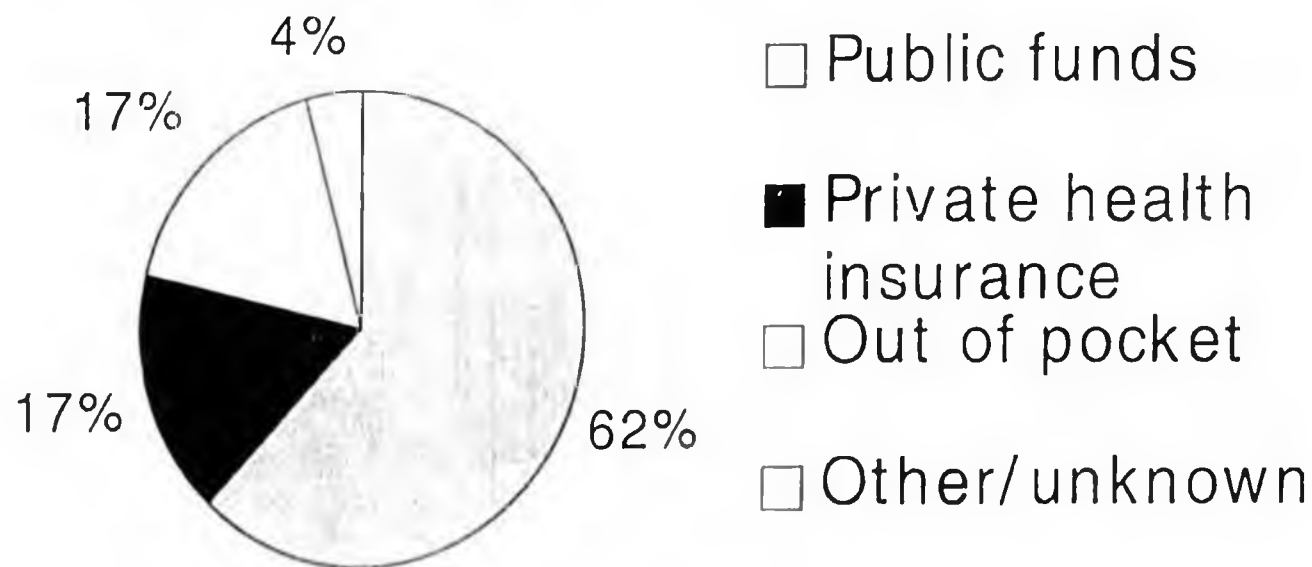
Selected Injuries with alcohol involvement, AK Residents, 1991-2000



Source: Alaska Trauma Registry

Study: Alaska Injury Prevention Center

Payment Sources for Injury Hospitalizations involving alcohol, AK residents, 1991-2000



Source: Alaska Trauma Registry- study included 9483 people

Study: Alaska Injury Prevention Center

Costs of Alcohol

- Alcohol related injury, disease and social impact estimated at \$453 million in 1999 study
- 2004 Oklahoma study showed 41% of Traumatic Brain Injury related to alcohol
- Alcohol treatment funding continues to decrease (now Behavioral Health) - \$13,416.2 FY06 - down 1.1 million from FY05
- Support Alcohol prevention funds proposed by Administration
- Alcohol tax increase has merit

Alcohol and Drug Advisory Board Budget/Legislative Priorities

- ABADA Guiding Principle: The fatal diseases of alcoholism and drug addiction are both **preventable** and **treatable**.
- **Adequate funding** for alcohol and drug abuse programs.
- Support Governor's alcohol prevention and treatment initiatives

Alaska Mental Health Board Budget/Legislative Priorities

- U.S. Surgeon General's Mental Health Report
 - Mental illness is real and disabling, but recovery is realistic
 - Treatment works, but stigma is a real barrier
- New Freedom Commission Report
 - Facilitate recovery and build resilience
 - Care should be consumer and family driven.
- Joint AMHB/ABADA Legislative Issues
 - Fiscal responsibility under Trust Settlement to fund Comprehensive Mental Health Program
 - Mental Health Insurance Parity
- Adult Preventive/Restorative Medicaid Dental Coverage
- Prospective Legislative Issues
 - Transport and Voluntary Admissions – seek sponsor
 - Preferred Drug List – Access to Medications – monitor status
 - Denali Kid Care Eligibility – support 200% income guideline
- Restore FY 2005 Program Cuts
 - 330.0 GF/MH– Services to Severely Mentally Ill Adults
 - 220.0 GF/MH – Services to SED Youth
 - 150.0 GF/MH – Designated Evaluation and Treatment

Alaska Commission on Aging Budget/Legislative Priorities

- Senior Care Program extension/expansion
- Adult Dental preventive/restorative Medicaid coverage
- Senior Centers Deferred Maintenance
- New Adult Protective Services worker
- Add Alzheimer's disease and related dementias to Medicaid eligibility

Governors Council on Disabilities and Special Education Budget/Legislative Priorities

- Long Term Fiscal Plan
- Adult Dental Services Medicaid funding
- Bring the Kids Home funding
- Grant dollars for DD services
- Address DD Waitlist problems
- Universal Newborn Hearing Screening funding
- Assistive Technology and Home Modifications
Capital funds
- Increase Formula Funding for Education

Traumatic Brain Injury Board Budget/Legislative Priorities

- One of the highest rates in the nation:
 - Every year, about 800 Alaskans suffer a brain injury
 - Costly in funding and human loss: Up to 30% of people without insurance or bill Medicaid program. Up to \$4 million in a lifetime
 - High risk: ages 15-19; rural regions
- FY 06 Legislative Focus:
 - Support for SB 63, Seat belt signage
 - Examination of Primary Enforcement of seat belts to reduce incidence and cost of the #1 cause of brain injury.

Suicide Prevention Council Budget/Legislative Priorities

- Extend sunset of Suicide Prevention Council to 6/30/2009 (SB 60/HB 82)
- Fund Suicide Prevention Council in FY 06
- Report to Legislature and Alaska Mental Health Trust on Suicide Follow Back Study
- Funding for Behavioral Health treatment and prevention programs

Alaska Mental Health Trust Authority

House Finance

February 2, 2005



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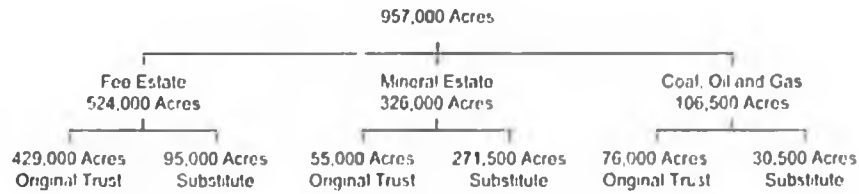


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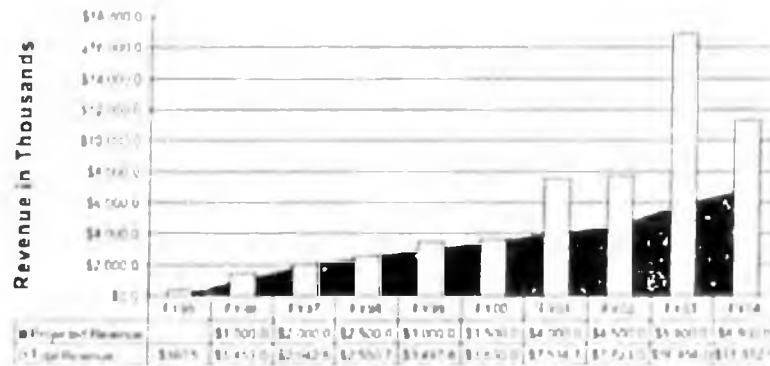


Land and Resources



IN TRUST
The Peace Trust Fund

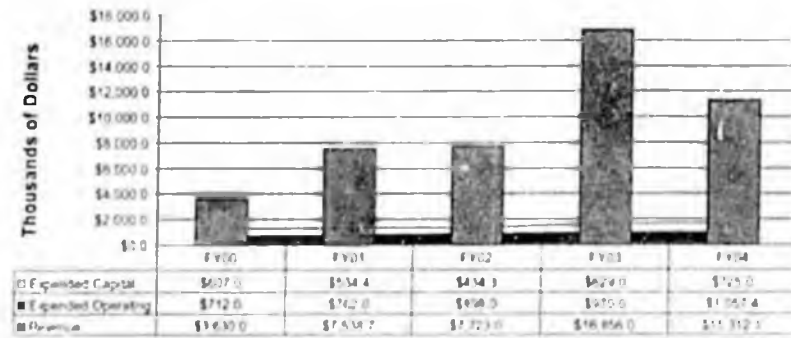
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Actual Revenues through FY04

IN TRUST
The Peace Trust Fund

**Trust Land Office
Operating & Capital Expenditures Vs. Revenue Earned**



Actual Revenue through FY04

TRUST
The Trust Company, LLC

Trust FY06

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TRUST
The Trust Company, LLC

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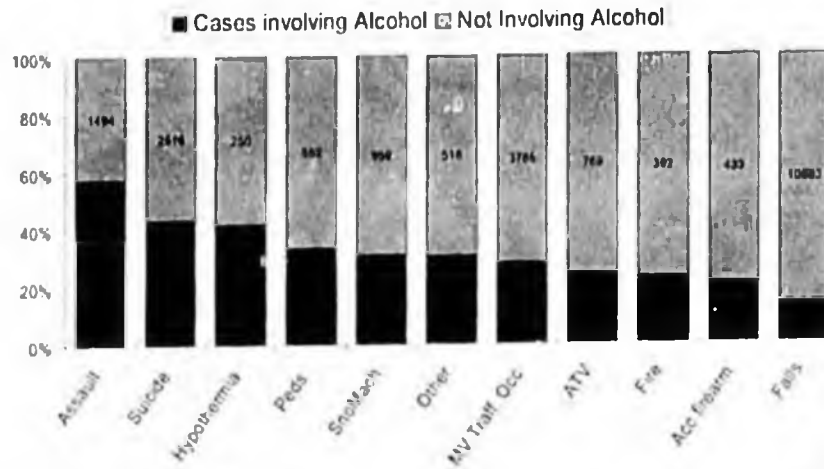


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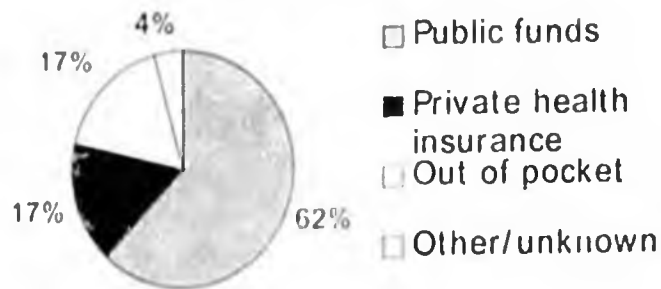
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Study: Alaska Injury Prevention Center



Costs of Alcohol

- Alcohol related injury, disease and social impact estimated at \$453 million in 1999 study
- 2004 Oklahoma study showed 41% of Traumatic Brain Injury related to alcohol
- Alcohol treatment funding continues to decrease (now Behavioral Health) - \$13,416.2 FY06 - down 1.1 million from FY05
- Support Alcohol prevention funds proposed by Administration
- Alcohol tax increase has merit

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Alcohol and Drug Advisory Board Budget/Legislative Priorities

- ABADA Guiding Principle: The fatal diseases of alcoholism and drug addiction are both **preventable** and **treatable**.
- **Adequate funding** for alcohol and drug abuse programs.
- Support Governor's alcohol prevention and treatment initiatives

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Alaska Mental Health Board Budget/Legislative Priorities

- U.S. Surgeon General's Mental Health Report
 - Mental illness is real and disabling, but recovery is realistic
 - Treatment works, but stigma is a real barrier
- New Freedom Commission Report
 - Facilitate recovery and build resilience
 - Care should be consumer and family driven
- Joint AMHB/ABADA Legislative Issues
 - Fiscal responsibility under Trust Settlement to fund Comprehensive Mental Health Program
 - Mental Health Insurance Parity
- Adult Preventive/Restorative Medicaid Dental Coverage
- Prospective Legislative Issues
 - Transport and Voluntary Admissions – seek sponsor
 - Preferred Drug List – Access to Medications – monitor status
 - Denial Kid Care Eligibility – support 200% income guideline
- Restore FY 2005 Program Cuts
 - 330 0 GF/MH - Services to Severely Mentally Ill Adults
 - 220 0 GF/MH - Services to SED Youth
 - 150 0 GF/MH - Designated Evaluation and Treatment

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Alaska Commission on Aging Budget/Legislative Priorities

- Senior Care Program extension/expansion
- Adult Dental preventive/restorative Medicaid coverage
- Senior Centers Deferred Maintenance
- New Adult Protective Services worker
- Add Alzheimer's disease and related dementias to Medicaid eligibility

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Governors Council on Disabilities and Special Education
Budget/Legislative Priorities

- Long Term Fiscal Plan
- Adult Dental Services Medicaid funding
- Bring the Kids Home funding
- Grant dollars for DD services
- Address DD Waitlist problems
- Universal Newborn Hearing Screening funding
- Assistive Technology and Home Modifications
Capital funds
- Increase Formula Funding for Education

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Traumatic Brain Injury Board
Budget/Legislative Priorities

- One of the highest rates in the nation
 - Every year, about 800 Alaskans suffer a brain injury
 - Costly in funding and human loss. Up to 30% of people without insurance or bill Medicaid program. Up to \$4 million in a lifetime.
 - High risk: ages 15-19; rural regions
- FY 06 Legislative Focus:
 - Support for SB 63, Seat belt signage
 - Examination of Primary Enforcement of seat belts to reduce incidence and cost of the #1 cause of brain injury

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Suicide Prevention Council Budget/Legislative Priorities

- Extend sunset of Suicide Prevention Council to 6/30/2009 (SB 60/HB 82)
- Fund Suicide Prevention Council in FY 06
- Report to Legislature and Alaska Mental Health Trust on Suicide Follow Back Study
- Funding for Behavioral Health treatment and prevention programs

