

2/8/07

OVERVIEW:

AK

MENTAL

HEALTH

BOARD

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FILE

Handout 2/8/07

The TRUST

The Alaska Mental Health
Trust Authority



A Catalyst for Change
and Improvement



SAFETY



INFRASTRUCTURE
DEVELOPMENT



HEALTH



LIVING WITH
DIGNITY



ECONOMIC
SECURITY



WORKFORCE
DEVELOPMENT

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Jeff Jessee

CHIEF EXECUTIVE OFFICER

Tel: 907-269-7963

Fax: 907-269-7966

jeff@mhtrust.org

www.mhtrust.org

3745 Community Park Loop Ste. 200
Anchorage, AK 99508

Handout 2/8/07



Alaska Mental Health Trust Authority

House Finance

FY 08 Mental Health Budget Bill

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

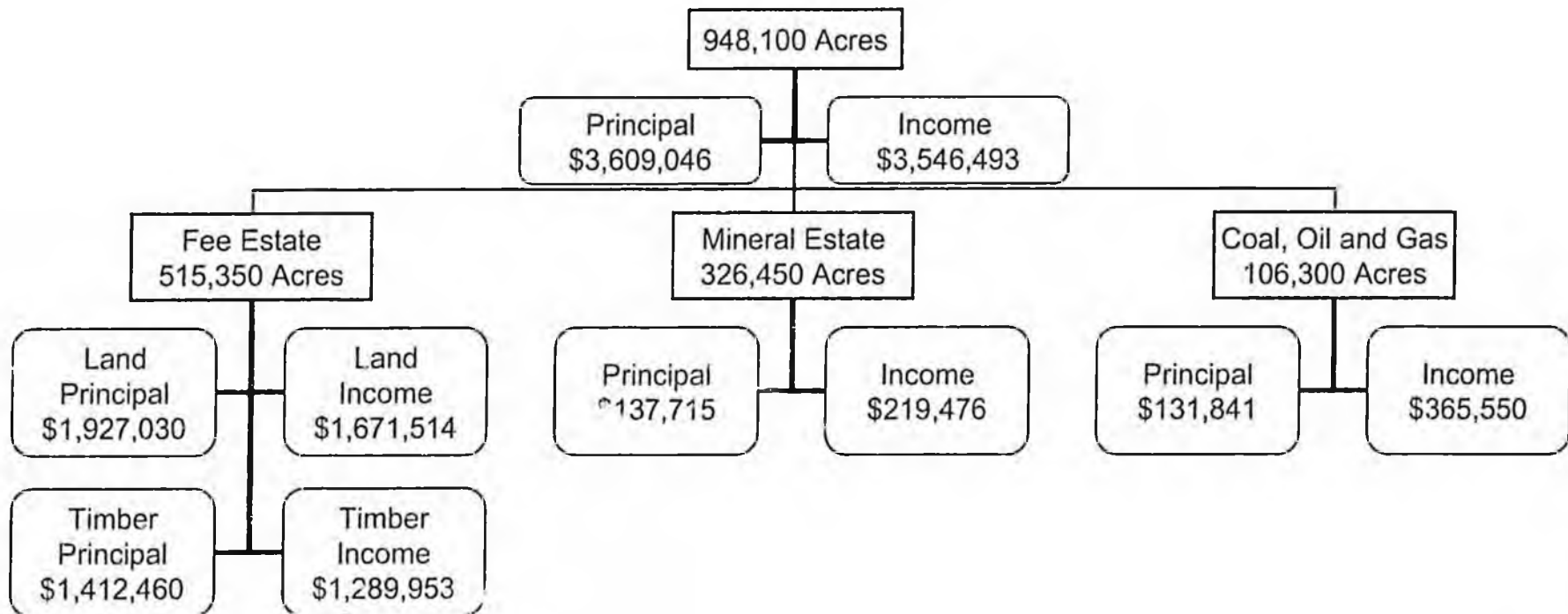
Advisors to The Trust

- 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
- Suicide Prevention Council

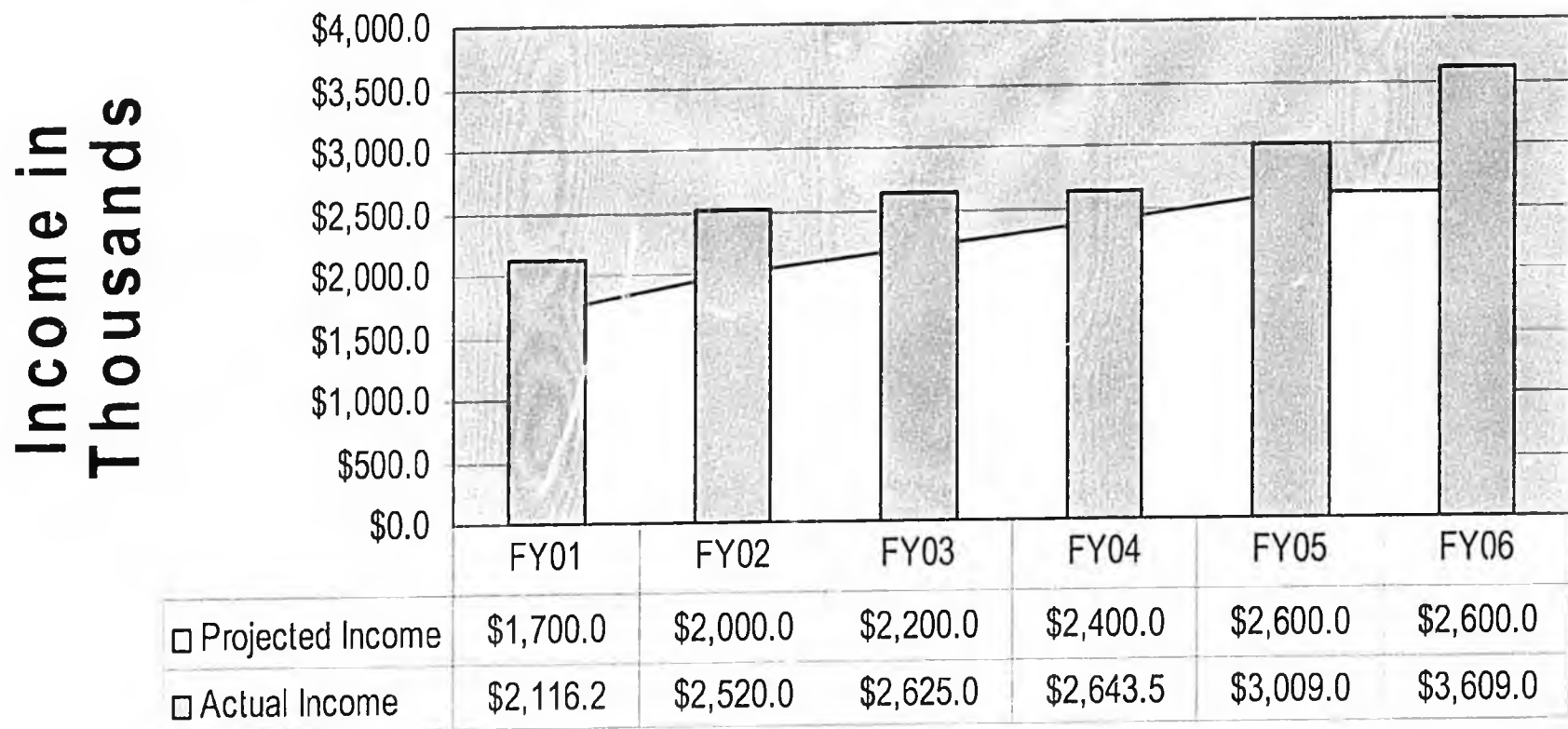
Guiding Direction for Trust Program Investment

- 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 measured in reduction in recidivism rates.

Land and Resources FY06 Principal & Income Revenue by Resource



Spendable Income From Trust Land



Spendable Income Earned through FY06

Trust Funding FY08

<p><u>TRUST Distributable Income</u></p> <p>Land Office Income</p> <p><i>Trust Fund Payout 4.00%</i></p> <p> Prior Year Lapse</p> <p> Interest</p> <p>Total Trust Projected</p>	<p>\$ 2,600,000</p> <p>\$17,543,628</p> <p>\$ 2,500,000</p> <p><u> \$850,000</u></p> <p>\$23,493,628</p>
<p>Expenditure Recommendations for Trust Funds</p> <p>Total Trust Fund Recommendations</p>	<p>\$13,817,300 Operating</p> <p> \$2,500,000 Capital</p> <p><u> \$7,032,600 Direct Grants</u></p> <p>\$23,349,900</p>

Five Focus Areas

- Bring the Kids Home
- Trust Beneficiary Initiatives
- Justice for Persons with Disabilities
- Affordable, Appropriate Housing
- Workforce Development

BRING THE KIDS HOME (BTKH) FY06 – FY12

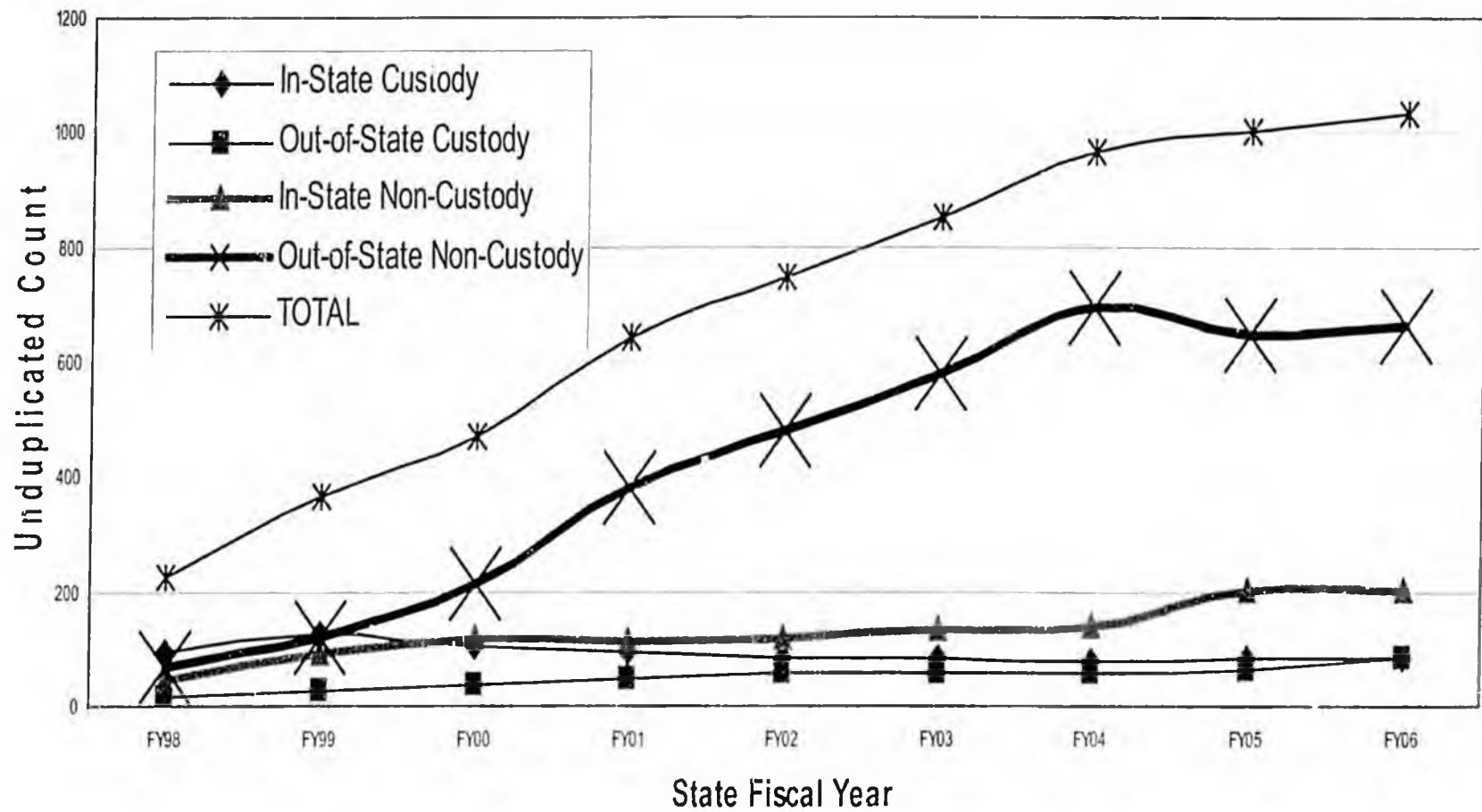
Trust, DHSS, & Tribal Collaboration

- BTKH model provided by DHSS expertise
- Trust Work Group formed (meets quarterly):
 - Established 7 indicators of progress
 - 20 stakeholders: tribal reps (40% AK Native), family, providers
 - Reviews progress of 4 subcommittees:
 - Care Coordination
 - Home & Community-based services
 - Work force development
 - Data
 - Education

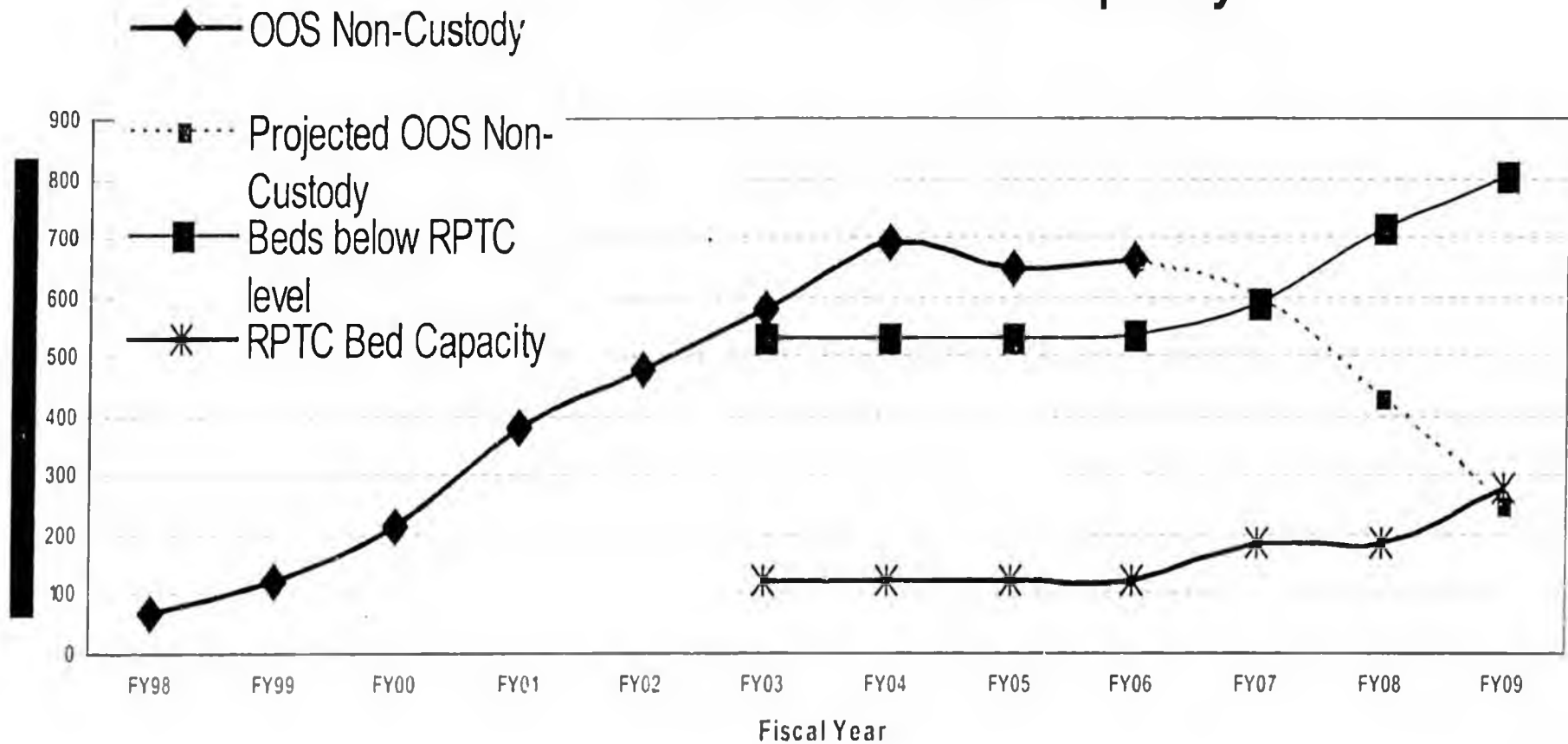
Seven Indicators of Progress

- Indicator 1: Client Shift – A reduction in the total number of SED children/youth placed out of state by 90 percent by SFY 12. (15 percent per year)
- Indicator 2: Funding Shift - Ninety percent reduction in Medicaid/General Fund match dollars from out-of-state services to SED children/youth with a corresponding increase in Medicaid/General Fund match dollars for in-state services by SFY 12. (15 percent per year)
- Indicator 3: Length of Stay – Reduction in the average length of stay for in-state and out-of-state residential institutions by 50 percent by SFY12. (8.3% per year.)
- Indicator 4: Service Capacity – Increase in the number of children /youth receiving home and community based services in communities or regions of meaningful ties by 60 percent by SFY 12. (10 percent per year)
- Indicator 5: Recidivism - Decrease in the number of children/youth returning to residential care by 75% by SFY 12. Defined as children/youth returning within one year to the same or higher level of residential care. (12.5% per year)
- Indicator 6: Client Satisfaction – Via annual reporting, 85 percent of children and families report satisfaction with services rendered.
- Indicator 7: Client Improvement - 85% of children and youth show functional improvement in one or more life domain areas at discharge and one year after discharge.

Medicaid RPTC Recipients: Custody vs. Non-Custody



Existing & Projected Out-of-State (OOS) Non-Custody Youth vs. In-State Bed Capacity



Trust Beneficiary Projects

- Trust Beneficiary Control
 - Beneficiary Managed
 - Beneficiary Choice
 - Improved Beneficiary Policy Input
- Trust Funding:
 - \$3.5 million in FY06 & FY07
 - \$4 million approved for FY08
 - Investment in developing grass roots and beneficiary focused organizations through grants, technical assistance, and supports

Trust Beneficiary Projects

- Programs & Services
 - Programs include peer-to-peer support, drop in resource centers, and illness self-management training
 - Focus on less intensive services such as prevention, community outreach, advocacy, and early intervention
 - Initiative goal is to reduce the need for governmental programs through less intensive and more natural supports

Justice for Persons with Disabilities

On one day, 37% of those incarcerated within Alaska's Department of Corrections were Trust beneficiaries, compared to 16% nationally, according to a study conducted by Care Systems North.

GOALS

1. Prevent & reduce inappropriate or avoidable arrest, prosecution, incarceration, & recidivism of Trust beneficiaries
2. Increase the ability of the criminal justice system to accommodate, support, protect, & provide just treatment for victims & offenders who are Trust beneficiaries
3. Ensure a continuum of services to Trust beneficiaries who require emergency intervention and/or protective custody
4. Make appropriate and timely treatment & support services available to Trust beneficiaries involved with the criminal justice system
5. Prevent & reduce victimization of Trust beneficiaries

Accomplishments Include:

- 1998** Alaska's first Mental Health Court opens in Anchorage; the third in the country. It is a nationally recognized best practice model.
- 2002** *Crisis Intervention Team* training is provided to officers in the Anchorage Police Dept. To date, 45 officers have been trained including Alaska Troopers, & officers in Fairbanks & at the University.
- 2004** Alaska Statewide Judicial Conference focused on *Managing Cases involving Persons with Mental Disorders*.
- 2005** Mental Health Court model expands to Palmer.
- 2006** Alaska Court System pilots a project expediting comprehensive neuropsychological evaluations so court order bail & sentencing conditions are appropriate. A timely & accurate evaluation can also be the gateway to financial resources, treatment services, & health insurance.

Critical Next Steps - FY08

- Fairbanks Enhanced Detox & Co-occurring Disorders Treatment (\$500.0 GF/MH)
- DJJ mental health clinicians (\$189.2 MHTAAR/\$384.2 GF/MH)
 - Currently mental health clinicians are located in 6 of our 8 juvenile detention & treatment facilities.
 - However, DJJ falls short of the standard of 1 clinician per 20-25 beds or unit in the following facilities:
 - **Kenai Peninsula & Mat-Su Youth Facility** (none)
 - **Fairbanks Youth Facility** - 40 beds (1 clinician)
 - **McLaughlin Youth Center** - 160 beds (1 clinician)
- Dept. of Corrections
 - Spring Creek program (\$25.0 GF/MH)
 - Residential Substance Abuse Treatment program (\$46.0 GF/MH)

Affordable, Accessible, Safe Housing

GOAL: To increase the availability of a continuum of affordable housing options

Strategy: To improve housing and support services models to assist beneficiaries in maintaining stable housing

- 'Bridge Home' program: providing intensive clinical support, case management and subsidies for rental apartments for individuals cycling through Alaska Psychiatric Institute and Dept of Corrections

Affordable, Accessible, Safe Housing

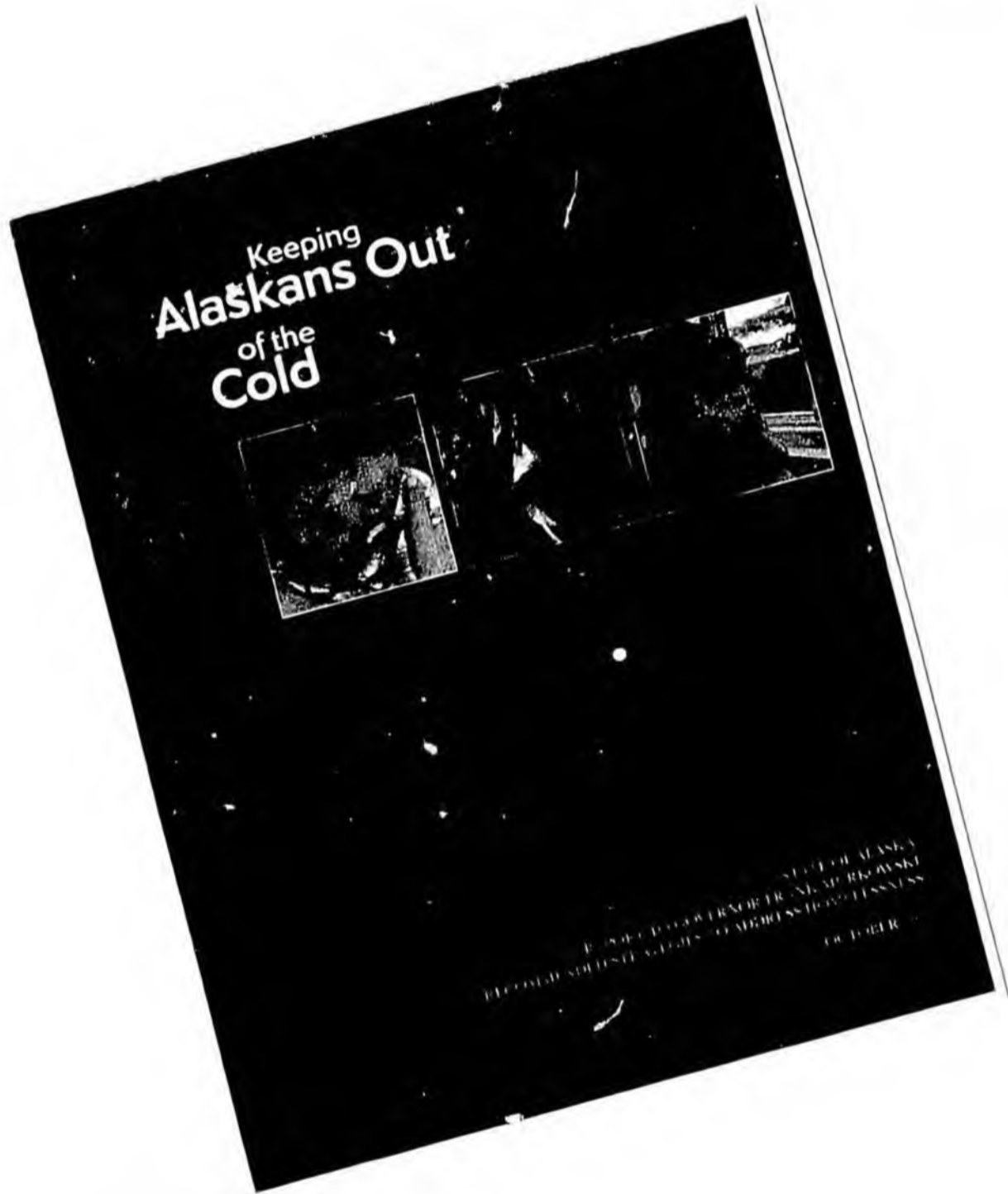
Programs and Services

- Pooled Predevelopment Services
Collaborative program to provide training, technical assistance and financial resources for a capital project to increase sustainability and quality of planning.
- Partners include:
 - The Trust
 - Denali Commission
 - Rasmuson Foundation
 - The Foraker Group
 - United States Department of Agriculture, Rural Development
 - Alaska Department of Health and Social Services
 - Alaska Housing Finance Corporation

Affordable, Accessible, Safe Housing

Policy and Data Agenda

- Emergency Services utilization study: quantifying the cost of not housing people successfully for local communities
- Working with national data and sociology scholars through the Bristol Observatory to use statistical methods of quantifying emergency utilization and prevalence data
- Elder Housing Needs Assessment: partnership with Denali Commission and Alaska Housing Finance Corporation to assess the housing market for elders and individuals with a disability.
- Local and statewide planning efforts on homelessness: Alaska Council on Homelessness



Keeping
Alaskans Out
of the
Cold



STATE OF ALASKA
GOVERNOR FRANK J. BROWN
DEPARTMENT OF TRANSPORTATION
COURIER

Alaska Housing Trust

Why a housing trust in Alaska?

- 3,500 Alaskans homeless on any given night
- 20,000 low income Alaskan households spend more than 50% of their income on housing costs.
- One study indicated 57% of Alaskans could not afford a median priced home and 46% could not afford average rent.
- Insufficient support services for housing. Driving programs to services that are only Medicaid reimbursable has limited the effectiveness of crisis intervention, case management and support services

Alaska Housing Trust

A housing trust allows projects such as:

- Construction of new housing
- Purchase and rehabilitation of existing housing
- Purchase of land and support of land trusts
- Case management, counseling supports and housing operations funds.
- Crisis intervention services and financial counseling

Workforce Development

- Coordinated efforts across systems
 - Recruitment
 - Retention
 - Training
 - University – increase number of professionals
 - Regional Training Collaboratives – serve needs of current workforce - 325.0 GF/MH
 - Healthcare Workforce Development – collaborative strategies across all healthcare workforce development efforts.

Maintenance of Medicaid

- Medicaid funding is critical to beneficiaries of The Trust.
 - Refinanced Grants
 - Waivers avoid more costly care
 - Inflation
 - Uninsured population growing

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
907-405-3071 -- www.pmlhb.org
907-269-8990 -- www.hss.state.ak.us/gcdso

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

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 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.

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 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
brain injury
network

3745 Community Park Loop, Ste. 240
Anchorage, Alaska 99508
office: (907) 274-2824 fax: (907) 274-2824
www.alaskabraininjury.net

ABOUT US

The Alaska Brain injury Network (the Network) is a non-profit organization dedicated to Alaskans whose lives have been changed by brain injury.

Alaska Brain Injury Network, Inc Board of Directors consists of 18 members representing all regions of Alaska, and at least 50% are TBI survivors or family members.

The mission of the Network is "To help identify, develop, implement, and sustain needed programs and resources that promote prevention and expand treatment and service delivery to Alaskans who experience traumatic brain injury and their families"

TBI Incidence in Alaska

In 2003 Alaska's Department of Health and Social Services reported 711 traumatic brain injury (TBI) cases to the Centers for Disease Control as a participant of the CDC's multi state Traumatic Brain Injury (TBI) Surveillance System. The source of these data were the Alaska Trauma Registry and the Alaska Bureau of Vital Statistics.

- The TBI Crude Rate for Alaska was 109.56 TBIs per 100,000 population in 2003.
- The TBI Fatality Rate for Alaska was 20.11 percent TBIs of the total number of TBIs in 2003.

For the purposes of this study, the CDC defined TBIs as follows:

TBI Morbidity:

- Fracture of the vault or base of the skull
- Other and unqualified and multiple fractures
- Intracranial injury, including concussion, contusion
- Injury to the optic chiasm, optic pathways; an
- Head injury, unspecified (beginning 10/1/97)
- Shaken Infant Syndrome

TBI Mortality:

- Open wound of the head Fracture of skull and facial bones
- Injury to optic nerve and pathways Intracranial injury
Crushing injury of head
- Other and unspecified injuries of head
- Open wounds involving head with neck Fractures involving head with neck
- Crushing injuries involving head with neck Injuries of brain and cranial nerve with injuries of nerves and spinal cord at neck level
- Sequelae of injuries of head.

TBI Prevalence in Alaska

In January of 2003, two estimates of TBI prevalence in Alaska were calculated through the efforts of the TBI Data Committee and the Center for Human Development. The first estimate of 12,875 people with TBI was based on national TBI prevalence, estimated by the CDC. The second estimate of

Alaska Brain Injury Network, Inc. helps identify, develop, implement, and sustain needed programs and resources that promote prevention and expand treatment and service delivery to Alaskans who experience TBI and their families.

10,981 people with TBI was based on the incidence rate data collected from the Alaska Trauma Registry.

Realistically, the true prevalence may be somewhere between these two estimates. Therefore, an average of the two estimates, or 11,928 people with TBI, may be closer to the true prevalence of TBI in Alaska.

Network Legislative issues – how you can help us serve brain injury beneficiaries.

The Network will be advocating for:

- TBI Waiver or recommendations for the current system to incorporate those services accessed for a brain injury.
- An in-state long-term care facility -- currently Alaskans at this level of need are sent outside.
- Service Navigator and Hotline - Early education and immediate rehabilitation are key components in a brain injury survivor's recovery. The brain injury information and referral service navigator works directly with the consumer from onset through rehabilitation and reintegration into work/school/life.

Alaska Brain Injury Network, Inc. helps identify, develop, implement, and sustain needed programs and resources that promote prevention and expand treatment and service delivery to Alaskans who experience TBI and their families.

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.hss.state.ak.us/qcdse or call 907-269-8990.

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Services make a difference –

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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

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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 (ARD). 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, ARD support and education. Providing education to family caregivers and in-home providers can help improve the quality of life for people with ARD 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.

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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.mhtrust.org
888-464-8920 -- www.nbada.com
907-465-3250 -- www.alaskaaging.org
907-465-3071 -- www.amhb.org
907-269-8990 -- www.hss.state.ak.us/gcdse

Advisory Board on Alcoholism and Drug Abuse

TREATMENT WORKS - RECOVERY HAPPENS

Alaska leads the nation in alcohol use disorders. In 1998 our rate of dependence and abuse with alcohol was 9.7% and 1.5% was listed as other drug dependent. 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 safer.

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.

Not only does treatment work, it saves money. As stated in the 2005 McDowell report nearly

85-95% 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.

Currently, the ABADA is focusing its efforts to help develop and implement adequate funding and resources which will enhance prevention efforts and provide access to treatment through the Alcohol Tax fund established to supplement the existing system of care.

How will Reforming Mandated Treatment work?

Through this comprehensive initiative Alaska is better positioned to fight crime, save lives and make our state a better place for children, families and businesses. An ADABA study shows that substance abuse, the vast majority from alcohol, cost our economy \$738 million in 2003. To reduce the enormous drain on our economy, it is critical that the state focuses on and funds a comprehensive continuum of care through the following:

- *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 www.hss.state.ak.us/abada or call 907- 465-8920
6/06

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.

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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Alaska Mental Health Board

Alaska Mental Health Board

TREATMENT WORKS – RECOVERY HAPPENS

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 recovery happens and 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

A decade ago, 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 continuum of care 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 created in state government.
- The AMHB supports innovations as tele-psychiatry and on call emergency service teams to support rural services.

AMHB is an official advisor to the Alaska Mental Health Trust Authority on Trust beneficiary issues. For help in your community go to www.hss.state.ak.us/amhb or call 907-465-8920.

The Alaska Mental Health Trust Authority

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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 Advocacy Issues – how you can help us serve our beneficiaries

- Maintain service capacity and promote service quality, while working toward "no wrong door" service access
- Complete transition and sustainability funding for community services from federal grants to on-going funding
- Find resources to implement the Bring [And Keep] the Kids Home Initiative
- Build 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 on AMHTA or its advisory boards, call or check these websites

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Bring The Kids Home Initiative

offering a better outcome for families, the state, and the economy

executive summary

Every year, more than 700 Alaskan children get sent to out-of-state psychiatric institutions at state expense. They are torn from their families and their communities, sent to places that have no meaningful relationship with or understanding of Alaska, and housed for long periods of time at a cost of hundreds of dollars a day.

At any one time, more than 400 Alaska children up to 18 years old are in these institutions. Alaska pays the cost, and the children pay the price of losing touch with their families and communities. And the cost is staggering. In fiscal year 2005, the state paid almost \$40 million for out-of-state care.

In theory, the kids who get sent out of state are children with mental health needs that cannot be met in their communities. In practice, there has been very little control over who gets sent where. Individual providers can decide that a child has needs that should be met in an out-of-state institution. Without any state oversight or control, these children can be sent to treatment facilities all over the country from Oregon to Texas.

Most appalling of all is that after one month out of state, these children automatically become eligible for Medicaid assistance. In other words, regardless of financial circumstances or need, the state steps in and pays for the care. Since there has been very little state supervision of these placements, and since the bills are getting paid regularly, it should come as no surprise that there can sometimes be little incentive to treat these children effectively and get them back home as soon as possible. It should also come as no surprise that the costs of treating children out of state has skyrocketed in recent years.

In 2003, Joel Gilbertson, then-commissioner of Health and Social Services, decided that this issue should become a priority. Working with the Alaska Mental Health Trust and tribal organizations, he began what has come to be known as the "Bring the Kids Home" initiative. For the last two years, a coalition of agencies, nonprofit organizations, local governments, parents and the Mental Health Trust has worked to figure out how to keep our children in state while still providing the care they need. This is one of the most complicated efforts The Trust has undertaken. It requires capital infrastructure development and work force development as well as system redesign.

The answer to this problem is not, as some seem to think, to build new inpatient psychiatric beds in Alaska and simply transfer these kids from one institution to

another. To the contrary, as we have analyzed who is getting sent away, we have been appalled to see that many children who are being treated in out-of-state residential facilities should never have been sent in the first place.

What they need is a level of care that can often be provided in their home communities. Instead of only building expensive, new hospitals to institutionalize children unnecessarily, we are building up the whole continuum of services that these children need, from in-home supports to foster and group homes.

Fortunately, the Legislature has also seen this as an area where we can be doing much better. The budget that recently passed includes both capital and operating funding to address this problem in a comprehensive and coherent way. However, creating a sensible program -- one that keeps both our precious children and our scarce state dollars here where they belong -- will take several years of sustained effort.

To replace the present inefficient system with something that works better, we need the involvement of school districts, Native health organizations, state and local government agencies, and both public and private care providers. If we do this correctly, we can save the state government money, create jobs in local communities, reinvest millions of dollars that now leave Alaska every year, and, most importantly, bring our children home, where they belong.

Jeff Jesse, CEO
Nelson Page, former Trustee
Alaska Mental Health Trust Authority

Published in the Anchorage Daily News, June 23, 2006

More Details about Bring the Kids Home

Bring the Kids Home: A focus area of the Mental Health Trust

In 2004, the Alaska Mental Health Trust Authority, in partnership with Governor Murkowski selected the Bring the Kids Home (BTKH) as a focus area for a multiple year effort. Beginning in FY06, the Trust invested about \$2 million each year to address the problem.

The Trust is the only organization of its kind in Alaska dedicated to assisting those who experience mental illness; mental retardation or similar disabilities; chronic alcoholism with psychosis; or Alzheimer's disease or related dementia. The duties of The Trust are to:

- provide leadership in advocacy, planning, implementing, and funding of a comprehensive integrated mental health program
- coordinate with state agencies about programs that affect beneficiaries
- propose a budget for the state's comprehensive mental health program
- report to the legislature, governor, and the public about Trust activities

trends. out-of-state placement of severely emotionally disturbed children

Despite acknowledged problems, the practice of sending severely emotionally disturbed children out of Alaska for treatment has grown dramatically during the past several years, both in absolute terms and in relationship to in-state growth. From fiscal year 1998 through fiscal year 2003, in-state residential care grew by 145 percent, but the growth of out-of-state placements of Alaskan children in residential psychiatric treatment centers approached 700 percent. In other words, in recent years the rate of growth of out-of-state placements of severely emotionally disturbed children was well over four times the rate of growth of in-state placements.

The associated Medicaid reimbursement costs reflect an even more extreme overall rate of growth, as well as the imbalance between in-state and out-of-state residential treatment. Between fiscal year 1998 and fiscal year 2004, Medicaid expenditures for residential psychiatric treatment inside Alaska increased about 300 percent, while out-of-state placements experienced an overall increase of 1,300 percent!

However, it is important to point out that acknowledgement of the problem in the last two years, along with initial attempts to control it, appears to have had a positive effect. Between fiscal years 2004 and 2005, in-state Medicaid expenditures for residential psychiatric treatment increased by 20 percent, while comparable out-of-state Medicaid expenditures increased by only one

percent--the smallest annual increase since 1998. Nevertheless, hundreds of Alaskan children each year are still being shipped out-of-state for treatment, and tens of millions of dollars that could be working hard in Alaska are following the children out of state.

why is this happening?

To date, the processes of determining both the appropriate level of treatment, and determining where to send a child to receive that treatment, have been inconsistent. Any physician can advise a child's family that the child needs to be in any out-of-state residential psychiatric treatment center favored by the physician. Solely on the basis of that recommendation, the parents can put the child on a plane and fly him or her to a facility somewhere in the Lower-48 to be admitted.

There is a provision in Alaska that specifies that after 30 days in a residential psychiatric treatment center, any child can become Medicaid-eligible if the family petitions it and the state considers them seriously emotionally disturbed, regardless of the family's income. On the face of it this regulation may appear to be rather generous, but it was enacted on the basis of bitter and tragic experiences in the past. The rule evolved because there had been parents who were so desperate for residential treatment for their severely emotionally disturbed child and so incapable of paying for it despite not being eligible for Medicaid that they would give up custody of their children just so the child would be considered independent of the family and therefore be eligible for Medicaid. The rule is an expression of the state's desire to strengthen the family as a valuable resource, rather than to provide a bureaucratic impetus to break up the family.

However, the unintended consequence of this important provision is that the state had been, until recent legislation was passed, unable to review these cases prior to the physician's determination of need, prior to the selection of the out-of-state facility, and prior to the transport of the child to that facility. In other words, the state had no opportunity to assess required level of care, modality of care, or determine location of care until the child had arrived out of state. However if the child qualified, Alaska Medicaid is responsible for financial costs generated by the child's out-of-state treatment.

Solution: The Bring The Kids Home Initiative

The Bring The Kids Home initiative began as a partnership formed in 2004 between the Alaska Mental Health Trust Authority, the Alaska Department of Health and Social Services, the Denali Commission, and others. In 2005 the Alaska Mental Health Trust Authority trustees made the Bring The Kids Home initiative a high priority focus area. The goal of the initiative is to develop a continuum of care in Alaska for severely emotionally disturbed children, ranging

from home-based services to residential psychiatric treatment centers, so that the maximum number of children possible will receive services near their homes and families. The following long-term goals have been developed to guide the direction of the the Bring The Kids Home initiative:

- Develop and sustain the in-state community-based and residential capacity to serve children at appropriate levels of care in Alaska.
- Develop an integrated, seamless service system in Alaska that will allow children and youth to be served as close as possible to home in a culturally competent and least restrictive setting.
- Significantly reduce the existing numbers of children and youth in out-of-state care, and ensure that the future use of out-of-state facilities is kept to a minimum.

An important additional benefit of the initiative is that tens of millions of dollars currently spent out of state will be retained in Alaska, following the children who stay in Alaska to be supported in their own communities. The initiative supports the reinvestment of funding--which currently pays for out-of-state care--to in-state services in order to develop the capacity to serve children closer to home. The children and the Alaskan economy benefit from this strategy.

strategies for change

In order to accommodate the complex and interrelated nature of the Bring The Kids Home initiative, seven strategies for change have been identified to facilitate the organization and direction of the initiative:

1. Theoretical foundation - Articulate and communicate a formal theory of change and continue ongoing communication.

In the course of the discussions among the institutional partners and with the public during the last two or three years, core values and guiding principles have been established. The target population has been identified, and strategies to ameliorate the problems have been developed. All of this is reflected in the strategies that follow.

2. Strong family voice - Develop a strong family and youth voice in policy development, advocacy, family education and support, quality assurance, and evaluation.

The Trust has initiated an on-going Bring the Kids Home workgroup, composed of a wide variety of partners, meets quarterly. Part of the Trust's funding is used to transport youth and parents to these meetings. Additionally, the Trust Board meetings are open to the general public and typically reserve public comment opportunities in the agenda. In addition, The Trust has four governor-appointed advisory boards that are integrally involved in the work group and other Trust

planning. Consequently, the Bring The Kids Home initiative has been influenced by families and youth coming to these meetings to talk about what they have been experiencing, and to critically review current services and planned activities.

In acknowledgement of the fact that 40% of seriously emotionally disturbed youth are Alaska Native, the Trust has included Alaska Native behavioral health professionals from across the state in their regular workgroup planning meetings. The Trust pays their associated expenses to maximize participation. The Trust works with them to develop group homes and residential beds in their local communities. This effort has not been easy because everyone involved has multiple responsibilities, but all understand the value of having Native children treated in Native settings.

The collaboration is paying off. For example, Southcentral Foundation in Anchorage is proposing a \$20 million, 44 bed facility in Eklutna. Services will be 100% Medicaid reimbursable since Alaska Natives are reimbursed at 100% federal dollars by Medicaid--the State of Alaska will not pay anything for the residential treatment of these children.

3. Policy and accountability - Examine financing and policy issues

Numerous public policies have been analyzed in terms of their current or potential relationship to the Bring The Kids Home initiative. For example Alaska's Certificate of Need facility review process was found to be central to the goals of the Bring The Kids Home initiative:

The Certificate of Need (CON) program is a review process used to promote responsive health facility and service development, rational health planning, health care quality, access to health care, and health care cost containment. Project reviews help ensure that the public will be able to comment on the project during its development, that it fits well within the continuum of care, and that the project will meet the public need while preventing excessive, unnecessary, or duplicative development of facilities or services.

Out-of-state providers can see the early successes of the initiative, and are increasingly interested in developing new costly in-state residential psychiatric services, or expanding existing facilities. The Certificate of Need review process helps ensure that the system of treatment remains balanced with the right number of appropriate levels of care, and helps keep the focus on community-based and home-based care for these children. The Certificate of Need process helps provide the children with more appropriate care, and keeps costs down for the state.

4. *Performance and quality assurance* - Ensure that strong performance measurement and continuous quality improvement procedures are in place.

In the Division of Behavioral Health, staff gathers outcome data on a variety of processes that relate directly to the many components of Bring The Kids Home. indicators currently or prospectively include:

- a decrease in the number of children served in out-of-state residential psychiatric treatment centers
- an overall reduction in the residential psychiatric treatment center level of care
- a decrease in the length of stay for children in both residential and acute care settings
- a decrease in the number of children readmitted to residential care facilities
- an increase in the length of time between residential placements

5. *Home and community-based services* - Develop a wide range of accessible home and community-based services that reduce the need for Alaskan children to enter residential care, and ease transition back into the community for those in out-of-home care.

Using about \$1.1 million from The Trust, a request for proposals was issued for home and community based capacity enhancements in summer 2005, to provide operational funding for therapeutic alternatives close to home for youth diagnosed as severely emotionally disturbed. In the first round in 2006 The Trust funded about 20 grantees. It's estimated to provide treatment for 193 new children, and add approximately 50 new beds in the first year. These new facilities are mostly group homes, but include some outpatient services.

Trust money is being used to finance startup costs such as the initial infrastructure and development of group homes. The provision of this startup money is very important because Medicaid will not reimburse until there are children in the facility. This initial funding is applied to facility modifications, the development of operating procedures, initial staff, and training. These startup tasks usually require a few months of support. Moreover, initially when children begin to be admitted into the facility, the admissions are accomplished in stages in order to make certain that the system is working correctly. The Division of Behavioral Health receives and manages these funds from The Trust.

In addition, utilizing Mental Health Trust Authority funding, the Department of Health and Social Services began a planning initiative to define and implement Individualized Service Agreements to ensure youth diagnosed as severely emotionally disturbed are provided services that are sometimes not eligible for Medicaid funding so that they may be served as close to their home and community as possible, providing clinically necessary services to avoid

unnecessary residential psychiatric care.

6. Work force development - Develop the capacity and core competencies of in-state providers to provide services that meet the needs of kids with severe behavioral health disorders.

Workforce development is an important and emerging area of activity for The Trust. The Trust is working closely with the University of Alaska to make sure that people are coming into the field and that they are being appropriately trained. Some of this training targets staffs who are currently working with kids, but whose skills can benefit from upgrading. In FY06, the Trust provided \$500,000 to match the University commitment for behavioral health workforce development. A collaborative planning group composed of the various stakeholders periodically meets and keeps the process moving forward.

7. Assessment and Care Coordination - Develop "gate keeping" policies and practices, and implement regional networks to support children who would otherwise be in residential psychiatric care.

In past years there has been a committee that reviewed the case of every severely emotionally disturbed child in the custody of a public agency, for example Juvenile Justice. Because of this review process, the number of out-of-state placements across the years have been pretty level for the kids in custody, but, as explained previously, out-of-state placements of the non-custody children have skyrocketed in recent years.

There are three divisions within the Department Of Health and Social Services that typically have severely emotionally disturbed children in custody. These are the Alaska Division of Juvenile Justice, the Office of Children's Services, and the Division of Behavioral Health. Each of these agencies are responsible for a different group of kids, and each agency has a unique culture and process influencing how the children are reviewed and served. Until recently, these agencies were not efficiently coordinating their efforts regarding the review and disposition of severely emotionally disturbed children. Now with a higher level of collaboration and with the assistance of Trust and state funding, that is all changing.

Trust and state funding is creating Resource Committees that will review non-custody youth regarding their residential placement. This process will parallel the placement committee now in existence for custody youth. The funding has helped create three utilization review positions in the Division of Behavioral Health to assist in ensuring that all in-state resources are used prior to a young person being placed in an out-of-state Residential Psychiatric Treatment Center. The availability of an adequate number of utilization review staff ensures that the decision process happens in a timely manner for the children and the families, who are likely to be in a crisis situation. In addition, the

utilization process directs children who do not need residential care to a lower level of community-based care, or care in the home, which is better for the children, the families, and the state. If parents or practitioner disagree with the utilization review decision, the decision is referred to the resource committee for additional consideration.

the initiative is working

Due to the efforts of the partners in the Bring the Kids Home initiative, and due to the creative collaboration with some urban providers, the numbers of Alaska children placed out-of-state declined in FY05 for the first time. This is significant and clearly demonstrates that the initiative is working.

- After years of steady increases, the number of out-of-state Alaska youth not in state custody who are receiving Medicaid assistance for Residential Psychiatric Treatment decreased 7% between FY04 and FY05. At minimum the referral rate is leveling off. With additional in state service capacity to be implemented in FY07 and FY08 as a result of the initiative, this decline will continue.
- The escalation of costs has declined dramatically. Between FY98 and FY04 out-of-state Residential Psychiatric Treatment Center Medicaid expenditures increased 1,300%. However, between FY04 and FY05 out-of-state Residential Psychiatric Treatment Center Medicaid expenditures increased by only 1 percent — the smallest annual increase since 1998.

summary

"Instead of only building expensive, new hospitals to institutionalize children unnecessarily, we are building up the whole continuum of services that these children need, from in-home supports to foster and group homes." The evidence is in. The Bring The Kids Home initiative is beginning to work.

Bring the Kids Home Focus Area - FY08 State Budget Recommendations

	A	B	C	D	E	F	G
1	FY08 BUDGET RECOMMENDATIONS for Bring the Kids Home (BTKH) Focus Area	Dept./RDU	FY08 MHTAAR	FY08 Authority Grant	FY08 GF/MH	FY08 Denali Commission	FY08 Total
2	Strategy 1: <u>Theory of change</u> : Articulate a formal theory of change & ongoing communication.						\$0
3	No funding for this strategy in FY08						
4							
5							
6	Strategy 2: <u>Strong family voice</u> In policy development, peer support, advocacy						
7	BTKH Strong Family Voice: parent & youth Involved via AMHB	DHSS/AMHB	\$25,000				\$0
8	Peer Navigators: funding to non-profits (parent and youth)	DHSS/SEDYth	\$150,000		\$200,000		\$350,000
9							
10							
11	Strategy 3: <u>Examine financing & policy issues</u>						
12	Regulations Planning for Therapeutic Foster Homes & Group Homes	DHSS/BHAdmin			\$50,000		\$50,000
13							
14							
15							
16	Strategy 4: <u>Performance & QA measures</u> Ensure strong performance measures/quality improvement.						
17	No funding for this strategy in FY08						\$0
18							
19							
20	Strategy 5: <u>Home & community-based services</u> Increase service capacity to reduce need for higher level of care						
21	Anchorage Crisis Stabilization - Funding for non-resourced youth (custody & non-custody)	DHSS/SEDYth	\$100,000		\$184,000		\$284,000
22	Home & Comm-based Start Up Grants (continuation)	DHSS/SEDYth	\$400,000		\$250,000		\$650,000
23	Expansion of school-based services capacity via grants	DHSS/SEDYth	\$200,000		\$250,000		\$450,000
24	Tool kit development & expansion of school-based services capacity via contract	DHSS/BHAdmin	\$100,000				\$100,000
25	Comm Behavior... Health Centers outpatient grants, emergency residential, training	DHSS/SEDYth	\$500,000		\$2,000,000		\$2,500,000
26	Early childhood comprehensive system grants (Birth to 8 yrs)	DHSS/LPGrnts	\$100,000				\$100,000
27	BTKH Group Homes Denali Commission Funding (capital, not in state budget)	not in state budget				\$2,000,000	\$2,000,000
28	BTKH Group Homes GF/MH Match for Denali Commission funding (capital)	DHSS			\$1,000,000		\$1,000,000
29							
30							
31	Strategy 6: <u>Work force development</u> Build the capacity and core competencies of in-state providers						
32	BTKH Training Academy - ongoing support (RSA to UA)	DHSS/BHAdmin			\$200,000		\$200,000
33	BTKH Residential Aides Training - ongoing support (RSA to UA)	DHSS/BHAdmin			\$105,000		\$105,000
34	SCF Eklutna RPTC Training Site in FY09	DHSS/BHAdmin					
35							
36							
37	Strategy 7: <u>Assessment & Care Coordination</u> Develop "gate keeping" policies and practices and implement regional resource committees to divert kids from psychiatric residential care.						
38	Individualized Services	DHSS/SEDYth	\$500,000		\$700,000		\$1,200,000
39	Level of Care Licensing Placeholder	DHSS/BHAdmin			\$100,000		\$100,000
40	SCF Eklutna RPTC Denali Commission Funding (capital, not in state budget)	not in state budget				\$7,000,000	\$7,000,000
41	SCF Eklutna RPTC GF/MH Match (capital)	DHSS			\$7,000,000		\$7,000,000
42							
43							
44							
45	BTKH Administrative Costs						
46	Face to Face Quarterly Meetings & Research (direct Authority grant)	UUK/AMHIA		\$60,000			\$60,000
47							
48	Total by Fund Source		MHTAAR	Authority Grant	GF/MH	Other (Denali Commission)	Total Budget all Sources
49			\$2,075,000	\$60,000	\$12,039,000	\$9,000,000	\$23,149,000

MAKING CONNECTIONS TO COMMUNITY



Community Transportation for Alaskans

Alaska Mental Health Trust
January 2007

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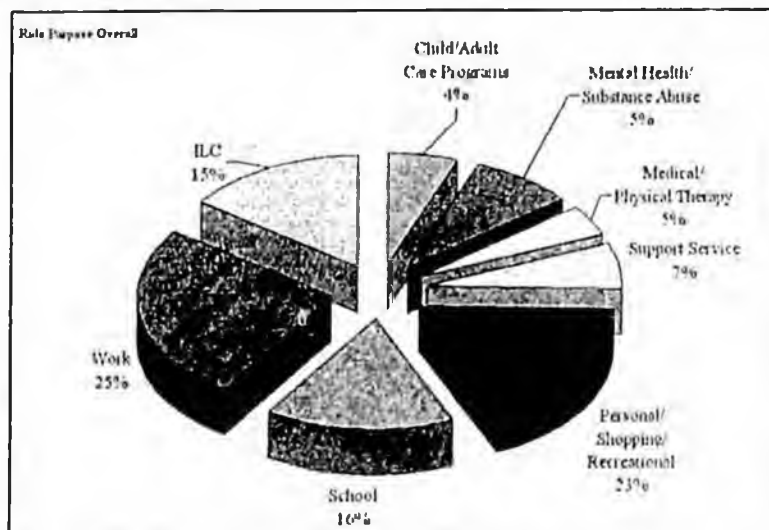
Executive Summary

Trust beneficiaries are among many thousands of Alaskans who struggle to make connections to work and community activities using inadequate or nonexistent public transportation systems.

- A survey by the U.S. Census Bureau estimated that 10 percent of households in Alaska have no vehicle.
- While the major community transportation systems in Alaska provided 6.1 million rides in 2005, few of Alaska's communities have coordinated ride systems that can accommodate the special needs of people with disabilities, the elderly or mentally ill passengers.
- In almost all cases, the limited hours of community transportation systems restrict work and other opportunities for Alaskans who do not drive.

Recent efforts to develop coordinated ride transportation systems have improved both services and the efficiency of door-to-door and point-to-point transportation in grant communities. These systems are saving money. Their experience of rapidly increasing demand indicates unmet need.

- Coordinated systems provide good models for communities in Alaska that are still developing ride services.
- The monthly number of rides provided by four core grant programs increased 180% between January 2001 and January 2004.
- Travel to and from work is one of the main ride purposes of passengers using CARTS, a brokerage model of coordinated transportation serving the Kenai Peninsula.



Source: Carts. See page 13 for more about this chart

Riders, social service agencies and the community benefit when affordable, accessible point-to-point and door-to-door ride services are available.

- Riders experience an increase in independence and mobility. Among other things,
 - Low-income riders are able to get to work and hold jobs
 - Beneficiaries make community connections that assist them in their recoveries.
- Senior citizens, people with disabilities, and others can access medical services.



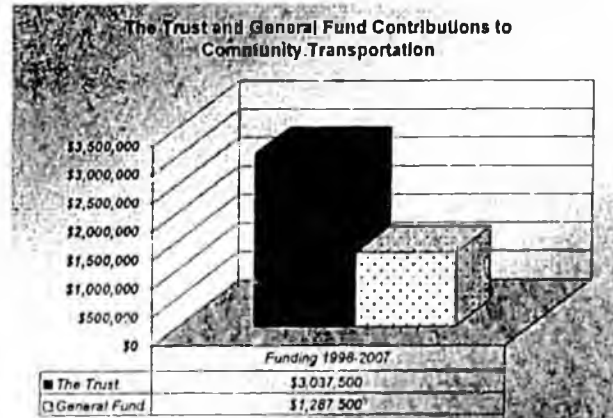
Naomi McCarr, Senior Van Driver in Aleknagik, stands in front of the city's lift-equipped van. The Trust helped fund the van, which is used to transport elders and people with disabilities to medical appointments and other activities.

Photo courtesy of the City of Aleknagik and the Alaska Department of Transportation and Public Facilities

- Social service agencies find that transportation services increase the ability of clients to show up for appointments and stick to required programs.
- These systems save state and federal dollars by improving the efficiency of government programs, getting people into the workforce and coordinating resources of what have previously been separate human service transportation programs.

Community transportation systems need steady funding to meet capital and operating costs in order to provide service. However, they face an annual financial puzzle of shifting funding sources. Federal money requires a local match.

The Alaska Mental Health Trust has provided most of the match money that comes from state funds, though only about half of the riders for systems that receive its grants are beneficiaries. State general fund contributions have varied and have been low in recent years.



RECOMMENDATIONS:

- Establish a formal Community Transportation program at the Alaska Department of Transportation and Public Facilities. This program will provide planning assistance and funding for capital and operations expenses of community transportation programs.
- Provide on-going state funding for community transportation:
 - Seek an increase in federal highway funds received by Alaska that can be directed to community transportation, equivalent to one percent of total current federal highway funds received by the state. (Estimated at \$1 million)
 - Increase state fuel taxes and/or vehicle registration fees, with a percentage to be directed to community transportation.
 - Appropriate General Fund dollars each year to provide ½ of the match funds required by federal programs and encourage completion of local community match funding. (Recommended at \$750,000 annually)
- Appropriate \$1.8 million in FY 2008 from the state's general fund to assist with both capital and operating costs of the community transportation systems that provide door-to-door, and point-to-point transportation for Alaskans.
- Assist community transportation systems in stabilizing costs:
 - Direct the Division of Insurance to look into the feasibility of setting up a state-backed vehicle insurance pool similar to those in Washington and other states, with recommendations presented to the Alaska Legislature by April 30, 2007
 - As part of a statewide plan to help communities with high energy costs, include funding for community transportation providers, up to 25% of their total fuel budget or \$150,000 per recognized provider.
 - Establish a Coordinated Transportation Task Force charged with identifying additional ways to coordinate existing resources and save state and federal dollars.

Community Transportation

Transportation is a basic necessity. We all need ways to get from one point to another in our communities. We need to get to work, to buy groceries or run errands, to get to the doctor's office, enjoy recreation, or participate in church or other community activities. Most of us can simply get in a car and drive to our destination.

Those who don't drive in Alaska have had few options. Anchorage, Fairbanks and Juneau offer some regular public bus service on fixed routes. These communities and some others offer limited ride services with special vehicles that can accommodate people with disabilities. Still, there are many thousands of Alaskans throughout the state who do not drive and who have little or no access to affordable public transportation options.¹

*"If I did not have CARTS I would not be able to get to work. I would not have a job."
--Bob Baxter, Kasiloj¹*

Included among these Alaskans are many of the beneficiaries of the Alaska Mental Health Trust Authority. The Trust operates on behalf of thousands of Alaskans with mental illness, a developmental disability, Alzheimer's disease and related dementia, or chronic alcoholism. Many of them are unable to drive but must have transportation to get to services and participate in their communities.

The ability of our beneficiaries to get to treatment, work and community activities is critical to their physical, mental and financial health. This is why The Trust has worked for nearly a decade with the Alaska Department of Transportation and Public Facilities and with dedicated Alaska residents and community organizations to support development of local coordinated community transportation options.

The term community transportation encompasses a variety of publicly-funded transportation options. This variety is necessary to meet different needs:

Public bus service provides transportation between specific stops on a regular schedule for those who are capable of using the service.

Paratransit vehicles are equipped with lifts and are otherwise set up to assist passengers with special physical needs.

Coordinated Transportation provides transportation through a collaboration of non-profit organizations that combine their vehicles, drivers and dispatch functions into a more efficient, collaborative system. In some communities these collaborative efforts may also provide some fixed route service for the general public.

¹ All comments are drawn from materials submitted in support of grant applications.

Paratransit and Coordinated Transportation may provide service as follows:

- **Dispatched point-to-point** small van service provides transportation for passengers between points defined by the passenger.
- In **door-to-door** service, drivers get out of their vehicles and assist passengers in getting to and into the vehicle.

Each community must decide what mix of services will make transportation accessible to riders in its area. The Trust has focused on assisting communities to develop transportation options for those who do not have access to or cannot normally use standard fixed route bus service because of their special needs. In the past individual organizations, such as a senior center or disability or mental health service organization may have offered some sort of point-to-point, or door-to-door ride service. The Trust has supported efforts by these organizations in recent years to work together to create coordinated transportation systems. This effort in Alaska is consistent with a federal effort to promote coordinated systems that help people with disabilities, lower income families, and seniors get the transportation they need for their daily activities. The Trust is also aware that there are many transportation needs that cannot be met within a coordinated system and has funded projects that meet specific needs that would be hard to fund given federal funding restrictions.

Who Needs Point-to-Point Public Transportation in Alaska?

There is a concerted effort underway to identify Alaskans who need coordinated transportation services, and the best options available for each community, as part of a federally-funded planning program. The "Coordinated Human Service Transportation Plan" is a new federal requirement that communities applying for funding must meet under the Safe Accountable, Flexible, Efficient

Transportation Equity Act: A Legacy for Users. SAFETEA-LU, as it is called, authorizes federal surface transportation programs for highways, highway safety, and transit for the 5-year period 2005-2009.

The required plan must incorporate the following elements:

- An assessment of transportation needs for individuals with disabilities, older adults, and persons with limited incomes;
- An inventory of available services that identifies areas of redundant service and gaps in service;
- Strategies to address the identified gaps in service;
- Identification of coordination actions to eliminate or reduce duplication in services and strategies for more efficient utilization of resources; and,
- Prioritization of implementation strategies.

"Your cab partner with the Juneau Cab Company has served me all winter and without this program I would stay home and not be able to serve on Committees and to volunteer for many organizations." -- Connie Munro, ANS Camp 2 Health Committee Chair, Adult Education Volunteer, JAMHI Advocate (about SAIL program in Juneau)

But we don't need to wait for all of the details to know there is a great and growing need, in Alaska and around the nation. A 2005 report by the National Conference of State Legislators² detailed some of the statistics that support the call for ride assistance programs nationwide:

- The National Household Transportation Survey conducted by the U.S. Department of Transportation in 2001 found that more than 50 percent of non-drivers age 65 and older—or 3.6 million Americans—stay home on any given day in part because they lack transportation options.
- A 2002 AARP Survey found that 16 percent of respondents over age 75 reported not having a driver's license in 2001, and 25 percent had not driven at least once in the last month
- A National Organization on Disabilities survey found that 30 percent of respondents with disabilities had trouble accessing transportation, compared to 10 percent of respondents without disabilities.

² *Coordinated Human Service Transportation: State Legislative Approaches*, by Matt Sundeen, James B. Reed, and Melissa Savage; National Conference of State Legislatures, January 2005

Making Connections to Community

- For those living at or below the poverty line, the costs to purchase, insure and maintain a car often are prohibitive. It is estimated that 90 percent of public assistance recipients do not own a car.

No one knows exactly how many Alaskans are unable to drive and need some form of community transportation. However, the 2004 American Community Survey by the U.S. Census Bureau found that 22,940 households in Alaska had no vehicle. That's 10 percent of households in Alaska. This high statistic is likely related to rural communities. Nationwide, 8.8 percent of households are without a vehicle. Even residents of households that have vehicles sometimes need to use community transportation.

Seniors are a significant part of the population needing door-to-door ride services. In 2004, more than 41,000 Alaskans were age 65 and older. A September 2006 report by the Institute of Social and Economic Research³ on the contributions of older Alaskans noted that the percentage of seniors is growing in our population.

Trust beneficiaries make up just one significant population that uses existing transportation services and needs access to new and expanded services.

³ *\$1.5 billion a Year and Growing: Economic Contribution of Older Alaskans*, By Scott Goldsmith and Jane Angvik, September 2006, UA Research Summary No. 7, Institute of Social and Economic Research, University of Alaska Anchorage

Community Transportation Systems in Alaska

Anchorage, Fairbanks, Juneau and Ketchikan have public buses that run fixed routes and also offer limited door-to-door service with lift-equipped vans for special needs passengers. Kodiak, Mat-Su, Central Kenai Peninsula and Sitka have coordinated systems run by nonprofit groups. These four coordinated systems have seen tremendous growth. By January 2004, they were providing 180% more rides in that month – 24,955 individual rides-- than they did in the baseline month of January 2001². The major community transportation systems in Alaska, all types together, provided 6.1 million rides in 2005 (see chart on page 12). While these systems are providing a tremendous service, the Alaska Mobility Coalition, an advocacy group of providers and consumers working to increase community transportation, has identified many needs that remain unmet. Among these needs are more point-to-point and door-to-door services that can accommodate special needs passengers, and the extension of service hours to include more hours in the evenings and on weekends.

Although churches, senior centers and civic groups may offer some rides in both urban and rural communities in Alaska, the need is far greater than they can meet. Most communities in Alaska are still working on transportation solutions for their residents.

As part of its contribution toward a solution, The Trust has funded more than 90 community transportation projects since 1998. The community leaders who have undertaken these projects have demonstrated innovative thinking and cooperative action. In a number of communities one organization has taken on the primary responsibility of coordinating ride services and the available vehicle resources to meet ride needs. Below is a sampling of some of the approaches taken by organizations focused on coordinating ride services:

Kodiak Area Transit System's (KATS) is run by the Senior Citizens of Kodiak. KATS provides rides to Trust beneficiaries, senior citizens and people with disabilities, and also allows nonprofit groups to purchase rides. Rides are free to those who qualify, but riders are encouraged to contribute \$2.00 per ride. The system began providing coordinated transportation in 2000 in a borough that has a population of approximately 13,638. It serves about 719 riders per year and provides about 1256 rides per month. The current KATS schedule does not provide services after 6:30 p.m. and offers only limited trips to locations outside of the city limits.

Mat-Su Community Transportation (MASCOT) serves the Matanuska-Susitna borough area, with a population of 67,473. It provides fixed route transport from point-to-point with stops at local senior centers, medical centers, shopping areas, employment and childcare centers, and social service agencies. It also provides on-demand service to link to its fixed route transportation, door-to-door paratransit services and provides low-cost or shared resource transportation to nonprofit agencies, including The Boys and Girls Club of Mat-Su and Special Olympics.

Southeast Alaska Independent Living (SAIL) provides consumer-directed services to more than 500 people of all ages who experience any significant disability. SAIL leases a 2004 lift-equipped Ford to Juneau Taxi and Tours as the only accessible, on-demand transportation available in Juneau. SAIL leases the vehicle at no cost, screens individuals for eligibility and sells tokens for the program.

The Trust has also funded many village projects; these projects are often for specific needs in areas where coordinated transportation is needed but difficult to provide. Many rural communities have an old and a new town site separated by several miles. The community coordinates rides for Trust beneficiaries, elderly and people with disabilities. One example is the purchase of a van that meets accessibility standards of the Americans with Disabilities Act for use in transporting elders and people with disabilities in Aleknagik. Aleknagik is a short boat ride and about 25 road miles from Dillingham where most services are located. The van is operated by the Senior Center. Previously, they used a minivan which was too small, wasn't accessible, and did not have the clearance needed to safely navigate snowy roads.

CARTS – A Successful Brokerage Model

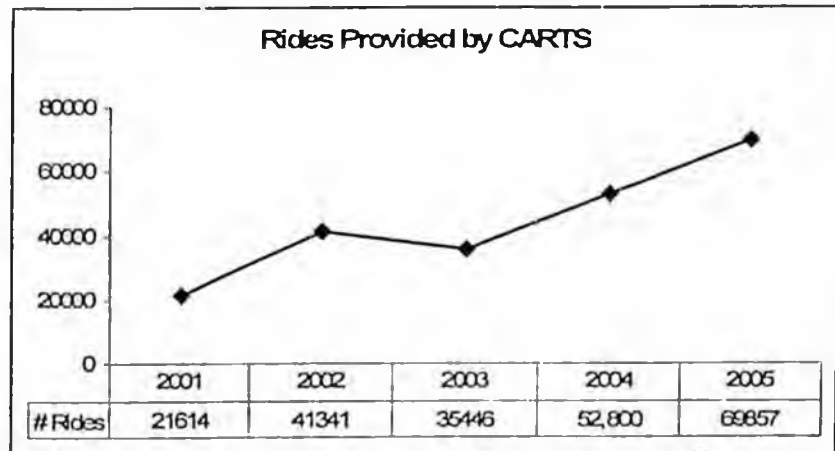
Central Area Rural Transit System, Inc., (CARTS) is a nonprofit that provides a community-based coordinated brokerage system to get rides to the people who need them living in Kenai, Soldotna, Sterling, Nikiski and Kaslof. Total population in the service area is about 38,000.

*"I am a single mother and cannot afford a car at this time; the transit system (CARTS) has helped tremendously in being more independent for me and not relying on others to cut their schedule to help me."
--Carol Dawson, Soldotna*

Based in Soldotna, CARTS began offering rides in October 2000, but there had already been two years of cooperative community planning for the new organization. The participation of many local organizations and businesses, facilitation of planning efforts by the Alaska Department of Transportation & Public Facilities, and the Community Transportation Association of America, funding from The Trust and \$500,000 in earmarked federal funding all helped jumpstart the organization's ride services. The organization grew quickly and continues to grow.

Reflecting the unmet need, the number of rides provided by the CARTS system more than tripled in its first five years of operation and is expected to grow in the years ahead.

Today, CARTS provides the financial, administrative and training coordination necessary to offer more than 50,000 door-to-door rides each year, and has more than 1,600 riders using the service. Riders have included Trust beneficiaries, senior citizens, welfare recipients, students, children traveling to after-school programs, and the general public. Rides to get to and from work are available 24 hours a day, seven days a week, and available from 7 a.m. to 11 p.m. during weekdays for other purposes.



Data Source: CARTS

CARTS owns seven vehicles, including lift-equipped wheelchair-accessible vehicles, and contracts with both nonprofit and for-profit companies to deliver rides.

Riders pre-purchase punch cards or have punch cards purchased for them from CARTS and cooperating organizations, so no money exchanges hands with drivers. The organizations save money by not needing vehicles, drivers and dispatchers. Riders pay \$2.50 per zone in a thirteen zone area. Riders must reserve their ride the day before and be prepared to leave 15 minutes before or after their reserved time.

"This program provides transportation to those in need...be it, because they have no car, are unable to drive, weather making driving a real hazard for them to be on the roads, they are too young to drive yet have a need to be at school or to an event at a time when parents are working, a need to be at a doctor or dental appointment or some place for therapy ...and the list goes on!"

--Jane Stein, President of the Board of Directors, Bridges Community Resource Network, Inc.

CARTS works closely with other nonprofits to meet ride needs. For instance, The Kenai Independent Living Center (ILC) provides ride services under contract with CARTS by purchasing

vouchers from cab companies for discounted rides.

CARTS has been a tremendous success, and continues to develop ways to meet the as-yet unmet needs in its area. It provides one strong model for other communities considering the best way to coordinate rides in their areas. Each community, however, must decide what system of potential services will work best for them.

ALASKA'S MAJOR COMMUNITY TRANSPORTATION SYSTEMS

System	Communities Served	2005 Ride Estimates	Unmet Needs
Anchorage Transportation System, i.e. People Mover, Anchor Rides, and Van Pools†	Anchorage Bowl, Eagle River/ Chugiak	3,975,074 fixed route; 183,590 paratransit; 4,250 van pools; 4,162,914 total	People Mover - More frequent routes; earlier and later hours; Girdwood; AnchorRIDES – expanded hours; lower fares; consistent service; Vanpools – waiting list; vehicles.
Capital Transit and Care-a-Van†	Juneau, Douglas	1,125,23 fixed route; 33,019 paratransit; 1,158,250 total	Extended service area for paratransit and deviated route service. Increased capacity for fixed route.
MACS and VanTran†	Fairbanks, North Pole	399,000 fixed route; 22,000 paratransit; 421,000 total	Extended hours; shorter headway; new routes; Park 'n Ride service
The BUS and Senior Van†	Ketchikan	150,985 fixed route; 13,470 paratransit; 164,455 total	Extended service area for paratransit and fixed route.
Community RIDE and Senior Van‡	Sitka	22,211 fixed route; 17,712 paratransit; 39,923 total	Weekend service, evening service, extended route coverage.
MASCOT‡	Wasilla, Palmer	65,000 total	Knik, Fairview, Houston, Big Lake, Willow, Talkeetna Sutton, Chickaloon, Butte
CARTS‡	Central Kenai Peninsula	69,857 total	Homer, Seward and all points in between
KATS‡	Kodiak	13,348 total	Weekend and evening paratransit service; public transit system; vehicles
Total Rides Provided in 2005		6,094,747	

† Traditional government-run bus system with contracted paratransit system.

‡ Community non-profit run system

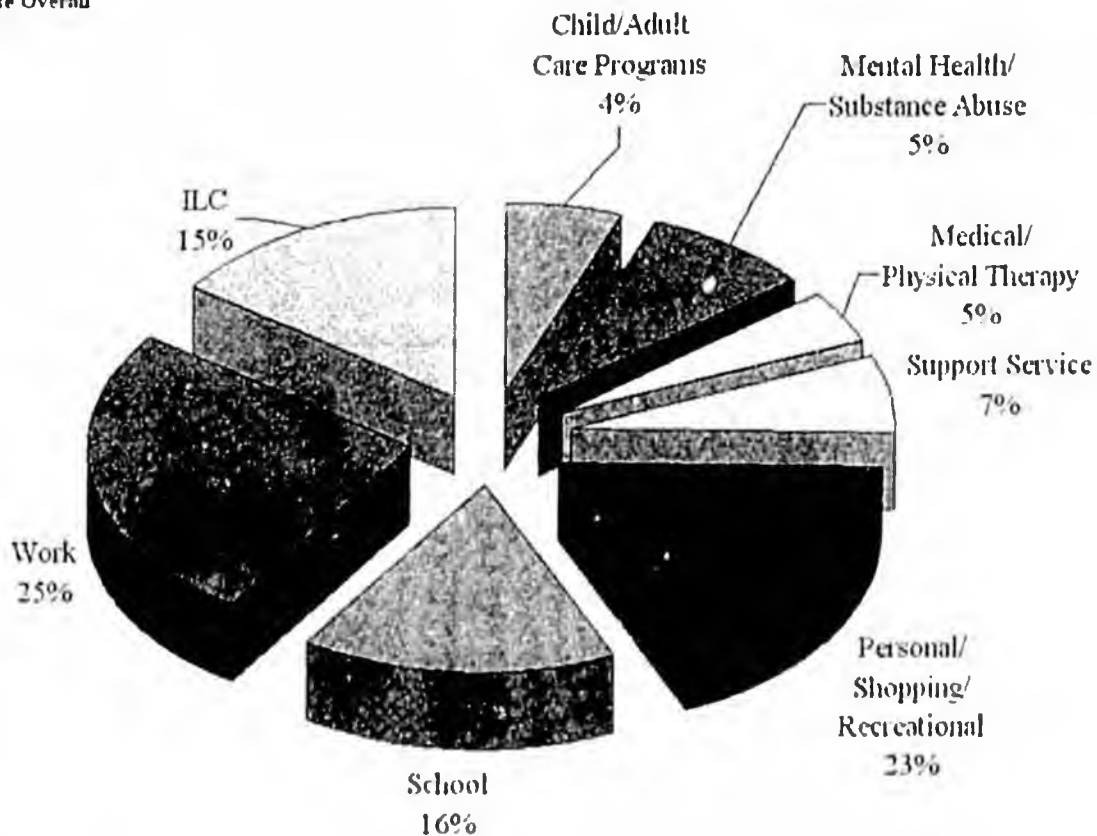
Source: Alaska Mobility Coalition

Who's Riding and Where are They Going?

According to reporting by the grantees, about half of the riders on community transportation systems that have been funded in part by The Trust are Trust beneficiaries. Senior citizens, people with disabilities, low-income workers, patients, children transported to child care, youth transported to after-school programs and the general public are among the other riders.

Clients of community transportation systems use the ride service for typical daily activities. Key among them is getting to work. The chart below shows the purpose of rides reported by Central Area Rapid Transit, Inc. (CARTS), which serves communities on the Kenai Peninsula.

Ride Purpose Overall



Source: Central Area Rapid Transit, Inc. (Note: ILC stands for the Independent Living Center. The specific purpose of rides originating from the ILC was not reported, but they likely parallel the other usages listed in this pie chart).

Benefits of Community Transportation

Mobility is a great part of quality of life and productivity. Access to work and health services and participation in the community can prevent illness, poverty, isolation and premature institutionalization. It helps people with disabilities to be more meaningfully engaged, with transportation to jobs, recreational pursuits, health care and recovery support. Making connections within their communities and being able to work improves the health and well-being of Alaska's residents.

Riders experience an increase in independence and mobility. Among other things,

- Low-income riders are able to get to work and hold jobs.
- Beneficiaries make community connections that assist them in their recoveries.
- Senior citizens and other riders are able to better access medical and other services.

But the individuals who receive rides through community transportation systems are not the only ones who benefit. The local economy and the community in general also benefit by the more active participation of these individuals.

- Social service agencies find that transportation services increase the ability of clients to show up for appointments and stick to required programs.
- These systems save state and federal dollars by improving the efficiency of government programs, getting people into the workforce, and coordinating resources of what have previously been separate human service transportation programs.

State and federal programs benefit as community transportation helps to reduce costs of providing services, and makes those services more effective. In the past, some service agencies have had to own their own vehicles and hire drivers or pay high costs for taxi or even ambulance services to transport clients with special needs because coordinated community transportation services were not available. Other agencies are finding that the availability of transportation to their clients improves the delivery of services.

These excerpts from letters of support submitted with grant applications make clear that coordinated transportation benefits a wide range of community interests:

"As Homeless Liaison for the school district, I arrange transportation for homeless children and youth to their schools of origin. With situations where bus transportation is not readily available, I rely on CARTS' dependable transit system to transport these students to and from school. I often recommend After the Bell or Boys and Girls Club to assist homeless students with their homework. The availability of CARTS during after school hours has been invaluable to these kids." -- Karen Ruebsamen, Homeless Liaison, Kenai Peninsula Borough School District

"Without CARTS, a large number of our clients would not be able to find cost effective transportation. CARTS is an instrumental factor in more clients being able to seek and find employment. Without CARTS, our clients may not be able to afford rides to work and could ultimately return to the welfare rolls." -- Susan Lacey, Work Services Supervisor, State of Alaska Department of Labor & Workforce Development, Employment Security Division, Work Services

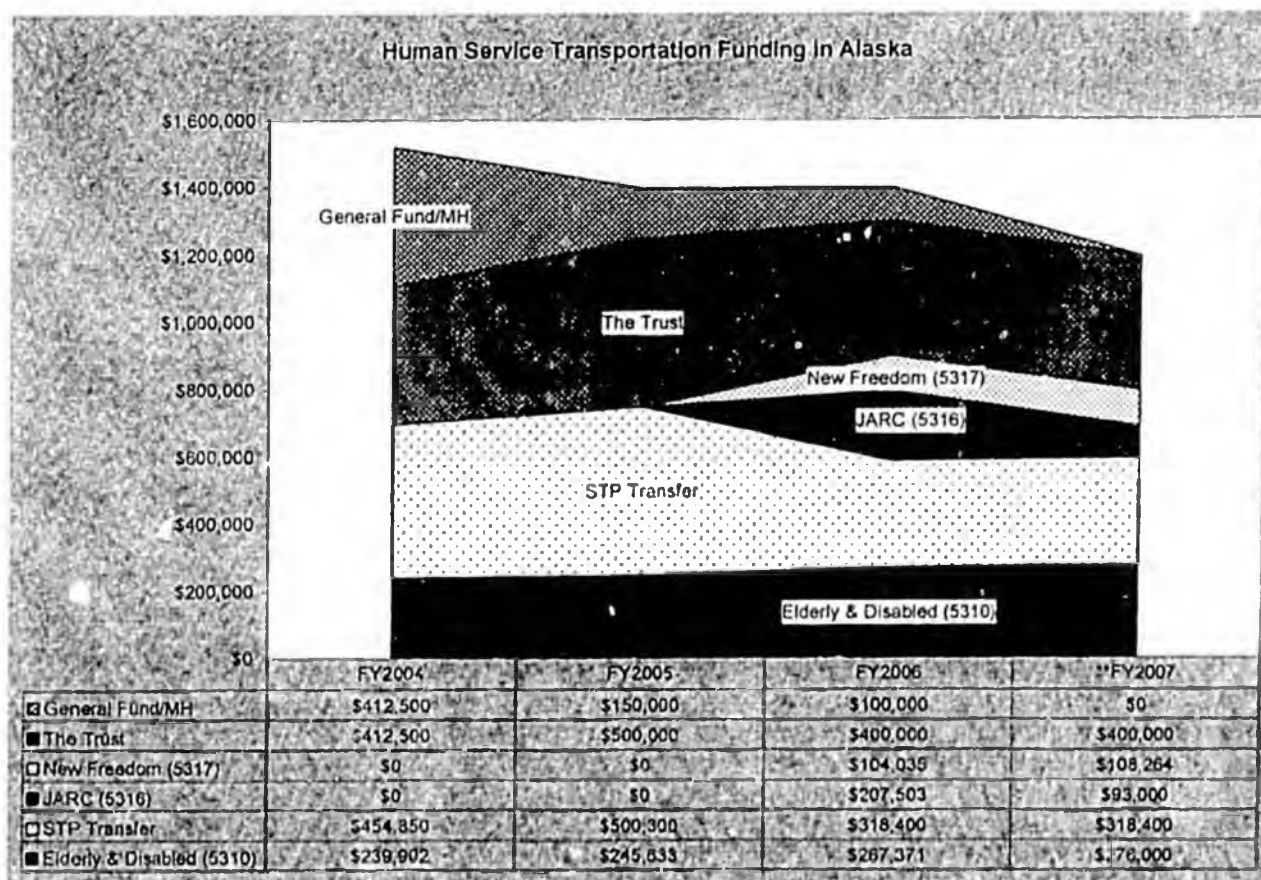
Making Connections to Community

"Senior Citizens of Kodiak, Inc. provides over 90 rides per day to people in our community who need it the most; seniors, nursing home residents, adult day participants, and mental health trust beneficiaries as well as those going to work, doctor's appointments, food bank, physical therapy, shopping, and other appointments that are necessary for people to have a viable income and be healthy. KATS has been in operation as a coordinated system since August 2000. The system is vital for those who have no other means of transportation. More than 14 different local non-profit agencies use KATS for their clients. These services are vital to ensure dignity and independence for those who depend upon this service in Kodiak." -- Jerome M. Selby, Mayor, Kodiak Island Borough

"As the Director of Vocational Rehabilitation for the State, my Counselors work with individuals who experience difficulty in securing meaningful employment because they live outside the Para-transit boundaries. They have also worked with individuals with disabilities who have not been able to consider certain employment opportunities because the proposed shift ends later in the evening than the last mass transit and Para-transit bus. Another situation is the individual who misses the bus on the way to work. On-demand transportation is key in these situations and may be the difference in keeping or losing a job." Gale Sinnott, Director, Division of Vocational Rehabilitation, State of Alaska Department of Labor and Workforce Development (regarding SALL program in Juneau)

Funding for Community Transportation

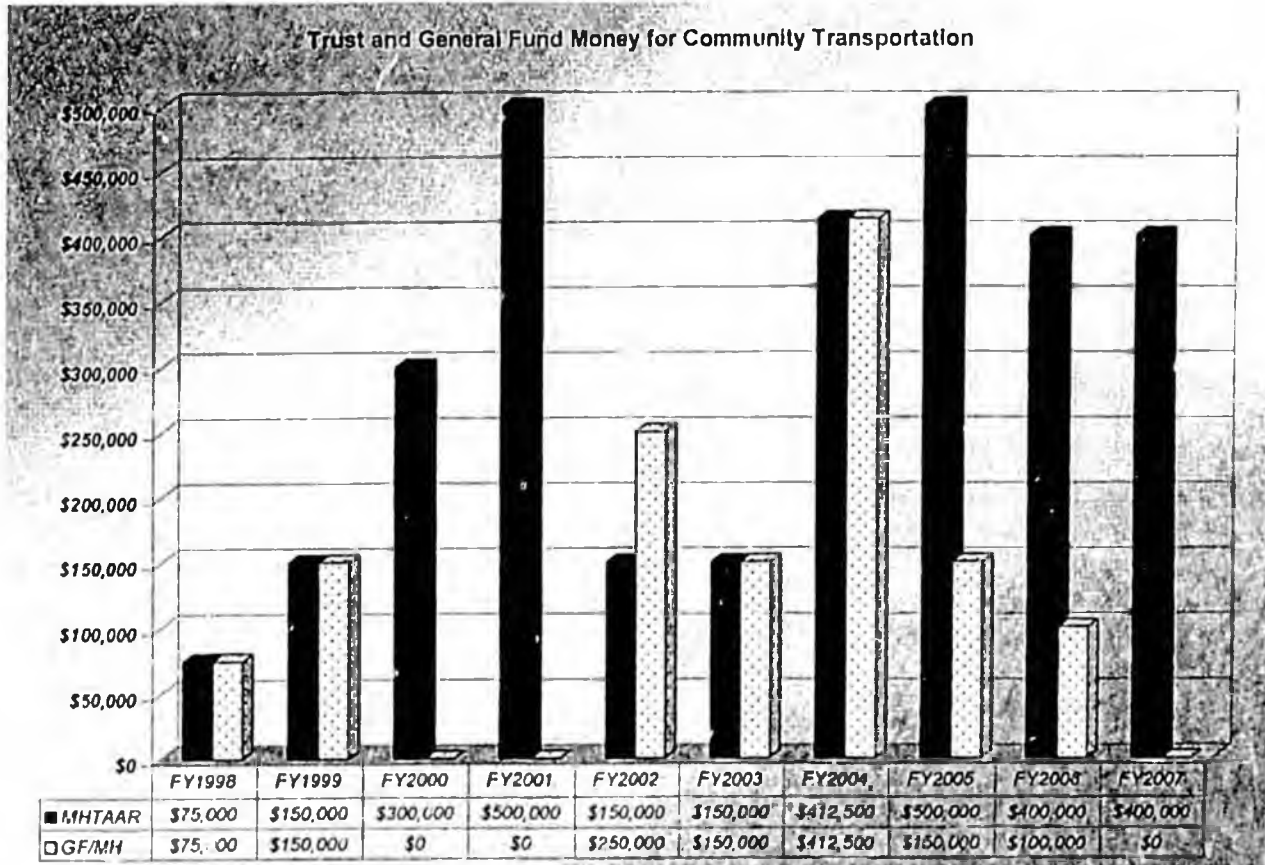
Funding for Alaska's fledgling community transportation systems has come primarily from federal dollars matched with money provided by The Trust and local governments, the Rasmuson Foundation, nonprofits and service programs, and fees paid by riders. Government and Trust funding is coordinated and administered by the Division of Program Development in the Alaska Department of Transportation & Public Facilities (DOT&PF). The federal dollars come with various restrictions and require match money. The shifting funding picture has meant that each year these systems have to put together budgets to fund basic equipment and operations from a shifting funding puzzle. Long-term planning is difficult without a stable funding stream.



** FY2007 numbers are estimated. The New Freedom (5317), Job Access and Reverse Commute (5316), and Elderly and Disabled (5310) are federal human service transportation grant programs. STP Transfer is Alaska Federal Highway Administration Funding transferred from the Surface Transportation Program into the Section 5310 program. The Trust and General Fund/MH are State of Alaska funding used to match and provide flexibility for funding special needs. This chart does not include funding received under the federal Rural Area (5311) program. *Data Source: Alaska Department of Transportation and Public Facilities*

Making Connections to Community

Monies from The Trust and the State of Alaska's General Fund/Mental Health budget have been used to provide match funding for the federal program funds. Unfortunately, General Fund money has been low and inconsistent in addressing the community transportation needs in Alaska. Meanwhile, needs go unmet. Alaska communities submitted grant requests for the available human service transportation monies in FY2006 of \$3,166,346 but many were not funded because only \$1,291,169 was available.



Data Source: Alaska Mental Health Trust

More dollars are needed that can be used to fund the unique but appropriate solutions to transportation challenges that face Alaska's communities. Many rural hub communities are considering coordinated systems to meet their transportation needs more efficiently. Rural villages are desiring coordinated vehicles to ensure disadvantaged persons and people with disabilities are not home bound.

Funding shifted in a mostly positive direction in 2005 when Congress passed SAFETEA-LU. Funding has been increased for some program sources that may be used to support coordinated community transportation with fixed route systems, noticeably the Rural Areas (5311) program. However, funding for other programs, including the Job Access and Reverse Commute Program is reduced for Alaska under the SAFETEA-LU legislation.

The shift emphasizes a fundamental challenge that continues to face those trying to develop community transportation systems. These systems need to be able to rely on a steady stream of

Making Connections to Community

funding in order to maintain vehicle fleets and organizational structure. Each year, they have been faced with scrambling to find different puzzle pieces to create a complete financial picture that will cover costs. The funding stream must be stabilized.

The new SAFETEA-LU funding provides an opportunity to stabilize funding for Alaska's community transportation systems, if the State of Alaska is willing to commit General Fund dollars and partner on the required match to develop a statewide community transportation program.

The need to address funding is heightened this year because the Alaska Public Transportation Management System (APTMS) plan is being updated. This plan provides a listing of vehicles used by organizations to transport the public, or for special transportation (private-non-profit organization) needs. The database lists each vehicle, the mileage, condition, expected replacement date, and replacement cost.

The Trust is confident that significant new capital needs will be revealed upon completion of this plan, as they were when the last plan was completed. There are many communities that are just beginning to develop systems. Existing systems need to replace aging vehicles and meet increasing demand for services.

In addition to capital needs, fuel costs have been skyrocketing and insurance and other costs can increase in unpredictable ways. Community transportation administrators are seeking ways to control and offset these costs while maintaining services. Stabilizing costs and funding for these systems is critical to their continued success and to the success of new systems which are being developed in other Alaska communities.

Conclusion and Recommendations

Alaska's community transportation systems are taking on the challenge of meeting an enormous need and are, in the process, creating greater efficiency in the provision of ride services; they are leveraging community resources to enhance a variety of service programs. Amid the shifting funding picture, they are keeping vehicles running, assuring safe transportation for vulnerable riders. These systems have proven their worth. They deserve support from state government in the form of a match to federal and Trust funding for their efforts to meet the needs of tens of thousands of Alaskans. These fledgling systems need assistance with planning and funding that will help to stabilize their financial position.

The Trust and its partners recommend that the Governor of Alaska and Alaska Legislature take the following actions:

Recommendation: Establish a formal Community Transportation program at the Alaska Department of Transportation & Public Facilities. This program will provide planning assistance to communities and funding for capital and operations expenses of community transportation programs.

Explanation: The Department of Transportation and Public Facilities had been engaged in this effort for some time. Naming a formal program will improve the state's focus on developing Alaska's community transportation systems.

- **Recommendation:** Provide on-going state funding for community transportation (Department of Transportation & Public Facilities and the Alaska Legislature).
 - Seek an increase in federal highway funds received by Alaska that can be directed to community transportation, equivalent to one percent of total current federal highway funds received by the state. (Estimated at about \$1 million)
 - Increase state fuel taxes and/or vehicle registration fees, with a percentage to be directed to community transportation
 - Appropriate General Fund dollars each year to provide ½ of the match funds required by federal programs and encourage completion of local community match funding. (\$750,000 annually)

Explanation: The 10 percent of households in Alaska that do not have a vehicle cannot use the roads that are built unless there is community transportation that gives them access to transportation. It's estimated that 1% of federal highway dollars that come to Alaska would amount to what it would cost to build about 20 miles of road. This seems a small amount to allocate to the transportation needs of those who must rely on community transportation to be able to use roads in Alaska. It will help to provide a solid base for community transportation.

Recommendation: Appropriate \$1.8 million in FY 2008 from the state's general fund to assist with both capital costs of the community transportation systems that provide door-to-door and point-to-point transportation for Alaskans.

Explanation: Alaska's community transportation systems have continuing and compelling capital and operating costs. \$1.8 million from the general fund in this next fiscal year would provide a catch-up match to contributions made by The Trust to community transportation. Since only about half of the riders of systems funded by The Trust are beneficiaries, it would be fair for the state to contribute this share on behalf of the other riders.

Recommendation: Assist community transportation systems in stabilizing costs.

- Direct the Division of Insurance to look into the feasibility of setting up a state-backed vehicle insurance pool similar to those in Washington and other states, with recommendations presented to the Alaska Legislature by April 30, 2007.
- As part of a statewide plan to help communities with high energy costs, include funding for community transportation providers, up to 25% of their total fuel budget or \$150,000 per recognized provider.
- Establish a Coordinated Transportation Task Force charged with identifying additional ways to coordinate existing resources and save state and federal dollars.

Opportunity
begins with a home

Thousands of Alaskans are Homeless.

- 3,500 Alaskans are homeless on any given night, including 1,600 people in families with children.
- 4,000 Alaskan households are on the waiting list for public housing programs—most are families with children.
- 20,000 low-income Alaskan households spend over half their income on housing, placing them at risk of homelessness.

A recent statewide public opinion survey found that 90% of Alaskans agree that "it is only fair that everyone has access to a decent place to live" and 89% agree that "we have a responsibility to help people who need a place to live."

Problem: Lack of Focus

- Federal programs are not adequately focused on housing for the poorest Alaskans; these programs are the primary source of current housing assistance.
- Current housing programs are not well connected to necessary supportive services (e.g. case management, tenant education).

Solution: The Alaska Housing Trust

- Create a fund at the Alaska Housing Finance Corporation (AHFC) using an appropriation of state general funds.

- Leverage the fund to implement our strategic mission: develop housing for homeless Alaskans and those struggling to stay in their homes.
- Invest in permanently affordable housing. Community Land Trust models and other creative approaches can be used to assist Alaskan families.
- Provide supportive services that prevent homelessness and increase housing retention.
- Serve as a catalyst to pull other funding sources together to move families out of homelessness.
- Encourage innovative ideas and entrepreneurial partnerships.

ALASKA HOUSING TRUST



*Opportunity
begins with a home*

**Benefits: Families, Communities
and All Alaskans**

- A stable home promotes community stability. When families are more invested in their neighborhoods, they increase their civic participation.
- By moving people from homelessness to permanent housing, Alaska can reduce the amount of public funding it would otherwise use.
- Safe, stable and affordable housing promotes strong families:
 - Children become more successful in school

- Families have a foundation to grow their dreams
- Seniors and persons with disabilities can live with independence and dignity

**Implementation: Accountability
and Results**

- Alaska Council on the Homeless will develop an annual housing trust fund plan, advise on allocation of fund resources, and report results annually.

For more information about the Alaska Housing Trust, visit www.alaskahousingtrust.org.

ALASKA HOUSING TRUST



Opportunity
begins with a home

was established by the Governor in 2004,
will be expanded to:

- Develop an annual housing trust plan
- Advise on the allocation of fund resources
- Report results annually to the governor and legislature

Q: Where will the money come from for the Alaska Housing Trust?

A: A legislative appropriation of state general funds will be used to create the Alaska Housing Trust and leverage existing resources.

Q: How will the Alaska Housing Trust work with existing low-income housing programs?

A: The Alaska Housing Trust will seek to maximize the capacity of existing programs by pulling together available resources and

addressing the gaps in which the poorest Alaskans fall. The Alaska Housing Trust will not—and cannot—replace the existing service providers who are already stretched to their limits. The federal government has historically provided the lion's share of housing assistance in Alaska, and will likely continue to do so. But for a number of reasons the federal programs are not adequately addressing the homeless problem:

- Federal funds fall far short of needs. HUD estimates that nationally only about 25% of households that qualify for housing assistance are receiving it.¹³ In Alaska, 4,000 families are on the waiting list for affordable housing.¹⁴
- Federal funds are poorly connected to homeless prevention and housing retention services.
- Federal programs do not effectively reach people with extremely low incomes.

Footnotes

1. AHFC, *2005-06 Housing Needs Survey*, March 2005. <http://www.alaska.gov/ahfc/ahfc0506.htm>

2. *Alaska Housing Trust Plan*, M.G. de la Cruz, Director, Alaska Housing Trust, 2004.

3. *Alaska Housing Trust Plan*, M.G. de la Cruz, Director, Alaska Housing Trust, 2004.

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11. *Alaska Housing Trust Plan*, M.G. de la Cruz, Director, Alaska Housing Trust, 2004.

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14. *Alaska Housing Trust Plan*, M.G. de la Cruz, Director, Alaska Housing Trust, 2004.

15. *Alaska Housing Trust Plan*, M.G. de la Cruz, Director, Alaska Housing Trust, 2004.

16. *Alaska Housing Trust Plan*, M.G. de la Cruz, Director, Alaska Housing Trust, 2004.

17. *Alaska Housing Trust Plan*, M.G. de la Cruz, Director, Alaska Housing Trust, 2004.

18. *Alaska Housing Trust Plan*, M.G. de la Cruz, Director, Alaska Housing Trust, 2004.

19. *Alaska Housing Trust Plan*, M.G. de la Cruz, Director, Alaska Housing Trust, 2004.

20. *Alaska Housing Trust Plan*, M.G. de la Cruz, Director, Alaska Housing Trust, 2004.

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23. *Alaska Housing Trust Plan*, M.G. de la Cruz, Director, Alaska Housing Trust, 2004.

24. *Alaska Housing Trust Plan*, M.G. de la Cruz, Director, Alaska Housing Trust, 2004.

25. *Alaska Housing Trust Plan*, M.G. de la Cruz, Director, Alaska Housing Trust, 2004.

ALASKA HOUSING TRUST



Opportunity
begins with a home

The Alaska Housing Trust: Preventing and ending homelessness in Alaska

Q: How many Alaskans are homeless?

A: Estimates vary; a recent AHFC survey indicated nearly 3,500 Alaskans are homeless on any given night.¹ The Alaska Department of Education and Early Development, which counts children only, reported that more than 3,000 children were homeless or inadequately housed at some time during the 2005-06 school year.² Over the last six years, an average of 88 discharges a year from Alaska Psychiatric Institute have led to homeless status.³ A 2005 Department of Corrections Homeless Offender survey found that 35% of offenders did not know where they would live upon release or planned to live in a shelter or on the street.⁴

Q: How many Alaskans are at risk of homelessness?

A: 20,000 low-income Alaskan households spend more than 50% of their income on housing costs, placing them at risk of homelessness.⁵

Q: Why are so many Alaskans homeless?

A: Homelessness results from a complex set of circumstances that require people to

choose between food, shelter, and other basic needs. Contributing factors include:

- **Inadequate income.** A 2001 study found 57% of Alaska households could not afford a median priced home and 46% could not afford the average rent.⁶ Today in Alaska, a person needs to earn \$17.05 per hour to afford a modest two-bedroom apartment at the average fair market rent of \$905.⁷
- **Inadequate supply of affordable housing.** The private housing market alone cannot supply enough affordable housing because of high land prices and other costs. The waiting list in Alaska for publicly financed housing is nearly 4,000 households.⁸
- **Catastrophic events and destabilizing forces.** A sudden economic downturn caused by illness, injury, divorce or job loss may push people into homelessness. Mental illness and addiction disorders are also destabilizing forces that can cause homelessness.
- **Insufficient supportive services.** In Alaska, homeless prevention and housing retention services are not generally available.

ALASKA HOUSING TRUST



Opportunity
begins with a home

Q: Who is homeless?

- A:** In Alaska, families with children are the largest sector.⁹ Of all homeless Alaskans:
- 45% are persons in families with children
 - 15% are victims of domestic violence
 - 9% are veterans
 - 14% are severely mentally ill
 - 24% suffer from chronic substance abuse problems
 - 16% are chronically homeless¹⁰
- (Some homeless individuals are counted in more than one category.)

Q: What does homelessness cost Alaska?

- A:** Data is not available to precisely answer this question. However, the University of California San Diego Medical Center found that, over 18 months, 15 chronically homeless inebriates were treated at the hospital's emergency room 417 times, running up bills that averaged \$100,000 each.¹¹ In Asheville, North Carolina, it was discovered that just 27 homeless men and women generated \$278,000 in jail costs over a three-year period.¹²

Q: What is a Housing Trust?

- A:** A housing trust is a pool of funds earmarked to provide for the housing needs of low-income families and individuals. More than 30 states have housing trusts. Experience

shows that state housing trust funds are more innovative and move quicker than federal programs to address local issues. On average, each dollar spent by a state housing trust leverages \$9.25 in additional funding for housing.¹³

Q: What will be the mission of Alaska's Housing Trust?

- A:** To reduce homelessness through the creation and retention of an adequate supply of affordable, long-term housing.

Q: What will be the benefits?

- A:** Safe, stable and affordable housing promotes strong families:
- Children are more successful in school
 - Families have a foundation on which to build their dreams
 - Seniors and persons with disabilities can live with independence and dignity

Home ownership promotes community stability—families are more invested in their neighborhoods and increase their civic participation. Moving people from homelessness to permanent housing reduces the amount of public funding they would otherwise use. And investing in housing creates economic opportunity in the private sector, including construction and other housing related industries.



Opportunity
begins with a home

Q: What type of projects and activities will the Alaska Housing Trust fund?

- A:** All projects and activities must reduce homelessness and include (but are not limited to) the following:
- Construct new housing (single-family, multi-family, cooperative)
 - Buy existing housing (single-family, multi-family, cooperative)
 - Rehabilitate/repair existing housing (single-family, multi-family, cooperative)
 - Fund affordable housing component only of mixed-income and mixed-use developments
 - Buy land
 - Perform accessibility modifications
 - Provide down-payment assistance
 - Provide rental assistance
 - Fund homeless prevention services (e.g. prevent foreclosures and evictions)
 - Fund housing retention services or facilitate transition from dependency on subsidized housing
 - Support Community Land Trusts
 - Fund capacity building in the development and operation of affordable housing and provide support services (operations and technical assistance)

- Fund predevelopment activities for affordable housing

Q: How will the Alaska Housing Trust differ from other housing programs?

- A:** The Alaska Housing Trust will support and complement existing efforts by working as a catalyst to pull together other funding sources in order to move families out of homelessness and help those at risk of homelessness. The Alaska Housing Trust will:
- Give a priority to those who have the greatest housing affordability gap—people with extremely low income.
 - Target those in danger of becoming homeless with homeless prevention and housing retention services.
 - Support those transitioning from homelessness who are confronting multiple barriers to becoming self-sufficient.
 - Create and retain permanently affordable housing by reinvesting the initial public investment.

Q: Who will administer the Alaska Housing Trust?

- A:** The Alaska Housing Trust will be a separate capital budget fund within Alaska Housing Finance Corporation (AHFC). The duties of the Alaska Council on the Homeless, which



History

Prior to statehood, the Territory of Alaska offered no services for individuals who experienced mental illness or developmental disabilities. Instead, the federal government sent these individuals 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 generate income to pay for a comprehensive integrated mental health program.

Although the state legislature held a fiduciary responsibility to manage the fund on behalf of Alaskans with mental illness, 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 the independent Board of Trustees and defined Trust beneficiaries as people with mental illness, developmental disabilities, chronic alcoholism and Alzheimer's disease and related disorders.

Trustees

Dr. William Doolittle
Fairbanks
Chair

Laraine Derr
Juneau
Vice Chair; Finance Committee Chair

Margaret Lowe
Anchorage
Secretary/Treasurer; Rural Outreach Committee Chair

Tom Hawkins
Anchorage
Resource Management Committee Chair

John Malone
Bethel
Program and Planning Committee Chair

Roy Huhndorf
Anchorage

Paula Easley
Anchorage

Trust Staff

Jeff Jessee
Delisa Culpepper
Marie Trueblood
Marilyn McMillan
Bill Herman
Nancy Burke
Steve Williams
Lucas Lind
Erika Walter
Jody Thomas
Kath Applegate
Heather Atkinson

Chief Executive Officer
Chief Operating Officer
Chief Financial Officer
Budget Coordinator
Program Officer
Program Officer
Program Officer
Grants Administrator
Grants Program Manager
Administrative Manager
IT Manager
Administrative Support Specialist

The TRUST

The Alaska Mental Health Trust Authority

- Vision and Mission
- Managing Trust Assets
- Advisors
- Comprehensive Integrated Mental Health Plan
- Budget Recommendations
- History
- Trustees / Staff



Alaska Mental Health Trust Authority

3745 Community Park Loop, Suite 200

Anchorage, AK 99508

Phone: 907-269-7960

Fax: 907-269-7966

www.mltrust.org

About The Trust

The Alaska Mental Health Trust Authority administers the Alaska Mental Health Trust, a combination of Alaska real estate and cash assets invested to help Alaska's most vulnerable citizens: people who experience a mental illness; developmental disability; chronic alcoholism; or Alzheimer's disease or related dementia.

The Trust is guided by a seven-member 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 the Comprehensive Integrated Mental Health Program for Trust beneficiaries.

Vision and Mission

The Alaska Mental Health Trust Authority has a fiduciary responsibility to its beneficiaries to enhance and protect The Trust in perpetuity; to provide leadership in advocacy and planning; and in making recommendations for a comprehensive integrated mental health program to improve the lives and circumstances of its beneficiaries.

The Trust is involved with issues such as affordable, safe housing; the disability justice system; workforce development; and, bringing kids home from out-of-state institutions.

Managing Trust Assets

The Trust employs the expertise of several organizations to manage its assets. The Mental Health Trust Land Office within the Alaska Department of Natural Resources manages its non-cash assets such as timber, minerals, and coal, oil, and gas development. The Alaska Permanent Fund Corporation and the Treasury Division, Alaska Department of Revenue manage the cash assets.

Advisors

Trustees work closely with several advocacy boards that represent Trust beneficiaries: the Advisory Board on Alcoholism and Drug Abuse, the Alaska Commission on Aging, the Alaska Mental Health Board, the Governor's Council on Disabilities and Special Education, the Alaska Brain Injury Network and the Suicide Prevention Council. The commissioners of health and social services, natural resources, revenue, and corrections also provide important advice to Trustees.

Comprehensive Integrated Mental Health Plan

The Comprehensive Integrated Mental Health Plan provides policy direction to programs and services that serve beneficiaries of The Trust. The Department of Health and Social Services develops the plan in conjunction with The Trust.

Budget Recommendations

The Trustees approve budgets in two-year cycles, with annual recommendations to the governor and legislature. Trustees review the budget recommendations developed by focus area workgroups, state agencies, and four governor-appointed boards.

The Budget Recommendations Planning Process allocates significant resources each fiscal year. Current budget priorities include:

- Affordable, Appropriate Housing For Trust Beneficiaries
- Bring The Kids Home
- Justice For Persons With Disabilities
- Trust Beneficiary Group Initiatives
- Workforce Development



Budget Recommendations Planning Process (BRPP)

The Budget Recommendations Planning Process (BRPP) allocates financial resources annually. The Trust hopes to bring about significant changes in several focus areas.

- Affordable, Appropriate Housing for Trust Beneficiaries
- Bring The Kids Home
- Justice for Persons with Disabilities
- Trust Beneficiary Group Initiatives
- Workforce Development

The BRPP has been budgeted through FY2007. In January 2006 the BRPP began for FY2008 and FY2009 budgets.

Small projects funding

Three times each year: February 1, June 1, and October 1. The Trust awards small project grants (up to \$10,000). These are projects solely administered by the Trust Authority and are funded with Trust income. Applications are available at www.mltrust.org.

The bottom line - results

In establishing budgets, the Board of Trustees considers programs and services that will deliver results. By using a results-oriented budgeting approach, the Trustees focus funding on programs designed to develop cost savings and/or improved, and sustainable services for beneficiaries. Trustees also require a high level of reporting on projects funded within the GMH base, including multiple methods of accountability and performance measurements. This approach ensures cost effective services to improve the lives and circumstances of Trust beneficiaries.

The **TRUST**

The Alaska Mental Health
Trust Authority

Alaska Mental Health Trust Authority
3715 Community Park Loop, Suite 200
Anchorage, AK 99508
Phone: 907-269-7960
Fax: 907-269-7966
www.mltrust.org

The **TRUST**

The Alaska Mental Health
Trust Authority

- Our Mission
- Budget Recommendation Planning Process
 - The Budget Process
 - Small Projects Funding



Who we are

The Alaska Mental Health Trust Authority (The Trust) occupies a unique niche in state government. The Trust provides leadership in shaping a Comprehensive Integrated Mental Health Program to help Alaska's most vulnerable citizens: people who experience a mental illness; chronic alcoholism; developmental disability; Alzheimer's disease or related dementia.



Our mission and how we operate

The Alaska Mental Health Trust Authority has a fiduciary responsibility to its beneficiaries to enhance and protect The Trust in perpetuity; to provide leadership in advocacy and planning; and in making recommendations for a Comprehensive Integrated Mental Health Program to improve the lives and circumstances of its beneficiaries.

The Trust is led by a seven-member Board of Trustees, appointed by the Governor subject to legislative approval. To accomplish its mission, The Trust works in partnership with advisory groups, consumers and family members, various state agencies, the Governor's office, the Alaska Legislature, and private nonprofit service providers.

Budget Recommendation Planning Process

The Trustees approve budgets in two-year cycles, with annual recommendations to the governor and legislature. In shaping the Comprehensive Integrated Mental Health Program, the Trustees review the budget recommendations developed by focus area workgroups, state agencies, and four governor-appointed boards:

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

The budget process - a separate appropriation bill

As required by statute, The Trust forwards a proposed annual capital and operating budget to the governor and Legislative Budget and Audit committee for services to beneficiaries within the state Comprehensive Integrated Mental Health Program. The budgets include funds for preventive and early intervention services. The statute requires that this budget be identified in a separate appropriation bill. If the governor or the legislature changes this budget, they must explain the difference to the Trustees in writing.

The separate appropriations bill for the Comprehensive Integrated Mental Health Program includes several components:

- 1. General Fund/Mental Health Base (GF/MH Base)** - This is the amount established by identifying the mental health services funded within the state's general fund budget. General funds are designated as general fund/mental health dollars, or GF/MH Base. The final budget from the previous fiscal year establishes the GF/MH Base.
- 2. GF/MH Increments** - When the Trustees identify better and more cost efficient ways of providing ongoing services or providing for unmet needs, they make recommendations in the form of GF/MH increments, which are new GF/MH funds for the budget year.
- 3. Mental Health Trust Authority Authorized Receipts (MHFAAR)** - The Trustees choose to have existing state agencies administer many projects funded by The Trust. These state agencies must have legislative approval to receive and spend Trust funds.
- 4. Capital Budget** - The separate appropriations bill includes that portion of the state's capital budget that funds mental health projects. This often includes funds from the Alaska Housing Finance Corporation to provide housing for beneficiaries as part of the Comprehensive Integrated Mental Health Program.



*Photo courtesy of Alaska Rainforest Sanctuary
Ketichikan, Alaska*

Commercial Tourism Opportunities

Information

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

DNR Public Information Offices

Northern Region, Fairbanks, (907) 451-2705

Southcentral Region, Anchorage, (907) 269-8400

Southeast Region, Juneau, (907) 465-3400

More specific questions can be directed to the Trust Land Office at (907) 269-8658, or email at MHITLO@dnr.state.ak.us.

Questions about The Trust can be directed to the Alaska Mental Health Trust Authority Office at (907) 269-7960, or www.mhitrust.org.

Trust Land Office

718 L Street, Suite 202

Anchorage, AK 99501

Tel: (907) 269-8658; Fax: (907) 269-8905

www.mhitrustland.org

**Alaska Mental Health Trust Land Office
718 L Street, Suite 202
Anchorage, AK 99501**

The Alaska Mental Health Trust

**Trust
Land
Office**



The Trust

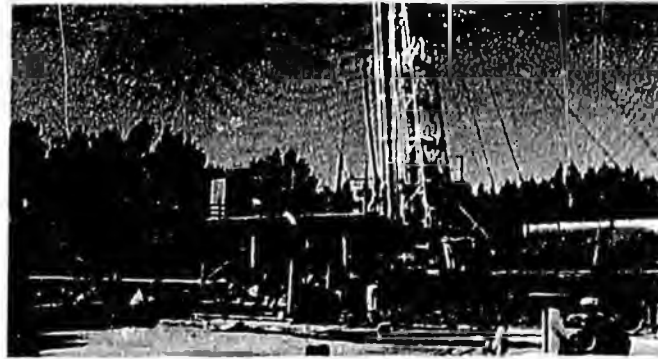
The *Alaska Mental Health Trust* was established by Congress in 1956. The 1956 law included a grant of one million acres of land to be used to generate revenues to meet the expenses of mental health programs in Alaska. In the mid-1980s a citizen lawsuit was filed claiming mismanagement of these lands.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

Trust Beneficiaries

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

Trust Land Office

The 1994 settlement reconstituted the Alaska Mental Health Trust and the related legislation transferred nearly one million acres of land to the Alaska Mental Health Trust Authority. It also required the creation of a separate unit within the Department of Natural Resources, the Trust Land Office. This office was established to manage the lands under contract to the Alaska Mental Health Trust Authority. Trust Land Office activities are funded from Alaska Mental Health Trust income, not the General Fund.



Oil & Gas Exploration

Trust Land Office Mission

The Trust Land Office manages Mental Health Trust Land to generate income that is used by the Alaska Mental Health Trust Authority to improve the lives and circumstances of Trust beneficiaries.

Trust Land Opportunities

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



Real Estate Development



Timber Opportunities

Trust Land Office Management Guiding Principals

- Be loyal and accountable to the Alaska Mental Health Trust and its beneficiaries.
- Maximize revenues from Trust Land and resource assets over time.
- Protect and enhance the value and productivity of Trust Land.
- Manage Trust Land prudently, efficiently and with accountability to The Trust and its beneficiaries.
- Encourage a diversity of revenue-producing uses of Trust Land.
- Emphasize innovative solutions.

You KNOW us...



Vision and Mission

The Board administers the Alaska Mental Health Trust as a perpetual trust. It has a fiduciary responsibility to its beneficiaries to enhance and protect The Trust and to provide leadership in advocacy, planning, implementing, and funding to act as a catalyst for change to a Comprehensive Integrated Mental Health Program to improve the lives and circumstances of its beneficiaries.

Year In Review

You Know Us - but we are more than the Alaska Mental Health Trust Authority, (The Trust). Perhaps the most important role The Trust has is that of a convener of stakeholders and partners, serving as a catalyst in collaborative efforts to address issues of concern to our beneficiaries. Our primary partners are the four Governor-appointed boards, which represent our beneficiaries, participate in setting the focus of Trust efforts and work with us to achieve tangible results.

Jeff Jessee, Chief Executive Officer



The Governor's Council on Disabilities and Special Education, the Alaska Commission on Aging, the Advisory Board on Alcohol and Drug Abuse, and the Alaska Mental Health Board consist of broad-based memberships including consumers, family members, providers, agency representatives, and the public. With this make up, the boards are uniquely positioned to provide The Trust and state agencies with essential information on the status and needs of the beneficiaries and to evaluate

the outcomes achieved by Trust programs. In addition, their planning and advocacy efforts on behalf of the beneficiaries are critical to the success of the state's mental health program.

These boards have faced many challenges in recent years. Reductions in state financial support, the increasing needs of the beneficiaries they represent, and demands for closer cooperation and efficiencies in their operations have required new approaches to achieving their missions. They have responded by working closer with each other, securing limited funding from The Trust, and, in the case of the Alaska Mental Health Board and the Governor's Advisory Board on Alcohol and Drug Abuse, sharing staff, office space, and meetings.

You also know our other partners. At the core are the many beneficiaries and their families who take the time and the risk to share their stories and efforts to improve the lives of our beneficiaries. The Suicide Prevention Council and the Alaska Brain Injury Network provide important information and strategies to The Trust. The Departments of Health and Social Services and Corrections, the Alaska Court System, the Alaska Housing Finance Corporation, the Denali Commission, the Rasmuson Foundation and other philanthropies, Housing and Urban Development, Tribal health organizations, housing and social service organizations, local governments, the Trust Land Office, and many others also form our collective identity.

As you read in this report about the results we have achieved in our focus areas of Bring the Kids Home, Disability Justice, Housing, Workforce Development, and Trust Beneficiary Projects Initiatives, keep in mind just who "we" are. As we solidify our gains in these areas and move on to the new challenges that emerge, continued interaction and collaboration will be essential to develop strategies for making the most of the limited funding that is available.

William Doolittle, M.D., Board Chair



You do Know Us. We invite you now to join with us, look at where we have been and help us look to the future.

Jeffrey Z. Jessee
William Doolittle

Disability Justice

Alaska's criminal justice system manages a disproportionate number of cases involving persons with mental disorders. The majority are arrested for minor offenses resulting from behaviors related to an under-treated or untreated mental disorder. Once involved with the criminal justice system, Trust beneficiaries are at greater risk of repeated cycling through the system and increased

Anchorage Mental Health Court Team



risk for financial, physical, and sexual victimization and exploitation.

The Disability Justice Focus Area seeks to:

- Prevent inappropriate or avoidable arrest, prosecution, incarceration, and reduce criminal recidivism.
- Increase the criminal justice system's ability to effectively interact with and accommodate for the needs of victims and offenders who are Trust beneficiaries.

- Ensure a continuum of services to Trust beneficiaries who require emergency intervention and/or protective custody or whose condition or behavior results in their involvement with the criminal justice system.

In 2006, the following occurred towards this end: (1) Anchorage and Fairbanks police officers received 40 hours of intensive training assisting them to interact effectively with people experiencing mental disorders; (2) The Alaska Court System developed a pilot project to expedite comprehensive neuropsychological evaluations; and, (3) The University of Alaska Anchorage - Center for Human Development assessed the nature and scope of Trust beneficiaries who are crime victims and inventoried available services and resources to assist them.

Bring the Kids Home

Each year, almost 700 Alaskan youth with serious emotional disturbances are sent to out-of-state facilities for treatment, an 800% increase since 1998. The state pays \$40 million in Medicaid expenditures annually to out-of-state providers. The Bring the Kids Home (BTKH) initiative seeks to counteract this problem.

In FY06 The Trust provided \$2.2 million for the BTKH initiative. That same year, and in subsequent years, the Denali Commission designated capital funds for increasing in-state bed capacity. In FY07 state government began to assist with state operating funds. At the end of FY06,

75 new in-state beds were added. Upwards of 200 beds are proposed to be available in FY07 and FY08.

Recent indicators show the increase of out-of-state referrals has stopped; with the projected increase in in-state bed capacity those numbers should decrease significantly in the next several years.

The BTKH Initiative planning and funding efforts focus on increasing lower levels of care. The goal is to ensure a full continuum of care so that each child is treated at the appropriate level as close to home as possible. The initiative also focuses effort on ensuring that youth and their parents are supported as they navigate the system of care. Parents and youth also provide important feedback to the BTKH planning process about the appropriateness of services.

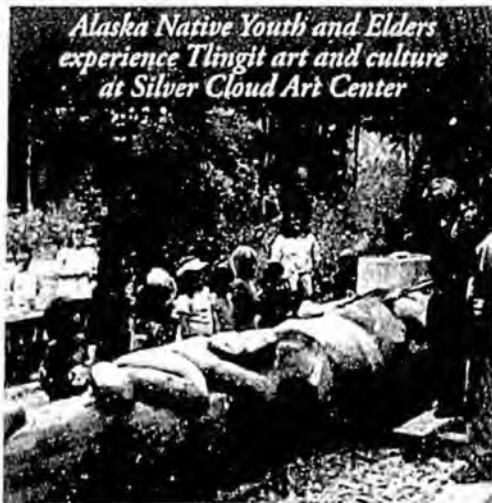
Beneficiary Projects Initiatives

The Beneficiary Projects Initiative places more control in the hands of beneficiaries than any other Trust focus area. The Trust has dedicated \$3.5 million annually to programs and services conceived and managed by beneficiaries.

Beneficiary Projects Initiatives provides funds to beneficiaries to develop grass-roots projects that focus on peer-to-peer support. The programs emphasize prevention, education, and early intervention to help participants find their own path to recovery and wellness.

The Trust Focus Areas

The Trust dedicates \$1 million for grants and provides technical assistance to achieve balance between consumer-run principles and public accountability. Targeted and anticipated outcomes include effective consumer/client-provided services, improved beneficiary input in policy making and planning, and demonstrated positive impact on beneficiary lives.



Workforce Development

The Trust is working with its partners to develop strategies to address the need for a trained workforce to provide services around mental health, developmental disabilities, alcohol treatment, and Alzheimer's disease and related dementias. Several studies completed in the last year indicate Alaska is already facing workforce shortages in these critical areas and is forecasted to continue to have critical shortages over the next ten years.

The Trust, state, university, native tribal and provider systems are working together to develop strategies to address the workforce issues through training new workers and providing updates for the current workforce. Behavioral health and direct service jobs are some of the fastest growing job sectors. Recruiting and retaining this trained workforce is critical to Alaska's health and economy.

Safe, Affordable Housing

Safe, decent, affordable, and accessible housing is often the key for beneficiaries maintaining a healthy lifestyle and participating in rehabilitation and recovery activities. The statewide shortage of this type of housing disproportionately affects Trust beneficiaries due to the challenges associated with disabling conditions and the lack of opportunities for economic advancement.

In 2006, The Trust participated in the Governor's appointed Interagency Council on Homelessness, a Commissioner-level council charged with focusing on homelessness in Alaska. The council recommended formation of a steering committee to focus on an affordable housing trust fund. The Alaska Housing Trust fund has become a major priority for the Alaska Mental Health Trust Authority. You can read about it elsewhere in this report.

Predevelopment

Predevelopment is the planning and groundwork of a capital project. It is a critical component to the development process and, if not done correctly, can result in higher cost or the failure of a project. In 2003, the Rasmuson Foundation and the Alaska Mental Health Trust Authority created a vision for a program to help non-profits develop sustainable capital projects. The funders recognized that few resources were available at the beginning of the capital development and that many projects floundered in the initial stages of development.

Many partners supported the concept of a standardized, streamlined approach to funding technical assistance and resources in the predevelopment phase, including the Denali Commission, USDA Rural development, Alaska Housing Finance Corporation, municipal governments, and representatives of the not-for-profit sector.

In 2005, the Rasmuson Foundation, the Alaska Mental Health Trust Authority, and the Denali Commission launched the Pooled Predevelopment Fund. The program ensures that selected projects meet a community need and that they are adequately prepared to pursue operations and capital funding to ensure success long into the future. At an average cost of about \$40,000 per project, organizations have access to program specialists, architects, engineers, and other specialists they may require to successfully complete the predevelopment phase of their project.

The Pooled Pre-Development Program is currently funded by \$1.4 million from the Denali Commission, the Rasmuson Foundation, and the Alaska Mental Health Trust Authority.

In 2006, over 300 projects were considered and more than half of the 30 selected to receive help will benefit Trust Authority beneficiaries.

Trust Staff

Jeff Jesse, Chief Executive Officer
907-269-7963
jeff_jesse@revenue.state.ak.us

Della Culpepper, Chief Operating Officer
907-269-7965
della_culpepper@revenue.state.ak.us

Marie Trueblood, Chief Financial Officer
907-269-7964
marie_trueblood@revenue.state.ak.us

Marilyn McMillan, Budget Coordinator
907-269-7968
marilyn_mcmillan@revenue.state.ak.us

Lucas Lind, Grants Administrator
907-269-7999
lucas_lind@revenue.state.ak.us

Erika Wolter, Grants Program Manager
907-269-7989
erika_wolter@revenue.state.ak.us

Bill Herman, Trust Program Officer
907-269-7962
bill_herman@revenue.state.ak.us

Nancy Burke, Trust Program Officer
907-269-7961
nancy_burke@revenue.state.ak.us

Steve Williams, Trust Program Officer
907-269-7697
steve_williams@revenue.state.ak.us

Miri Smith-Coolidge, Trust Program Special Assistant
907-334-2533
miri_smith-coolidge@revenue.state.ak.us

Jody Thomas, Administrative Manager
907-269-8039
jody_thomas@revenue.state.ak.us

Keith Applegarth, IT Manager
907-269-8732
keith_applegarth@revenue.state.ak.us

The Alaska Housing Trust

On any given night in Alaska, there are 3,500 homeless Alaskans. Of these, 24% suffer from chronic substance-abuse problems, and 14% are severely mentally ill. At least 9,000 children were homeless or inadequately housed during the 2005/2006 school year. These children are more likely to experience conditions of anxiety, withdrawal, depression, hunger, asthma, ear infections, stomach problems, and speech problems than their peers.

Homelessness results from a complex set of circumstances that require people to choose among food, shelter, and other basic needs. Contributing factors include:

- Inadequate income. A 2001 study found 57% of Alaska households could not afford a median-priced home and 46% could not afford the average rent. In Anchorage, a person needs to earn \$17.05 per hour to afford a modest two-bedroom apartment at the average fair market rent of \$905.
- Inadequate supply of affordable housing. The private housing market alone cannot supply enough affordable housing because of high land prices and other costs. The waiting list in Alaska for publicly financed housing is nearly 4,000 households.
- Catastrophic events or destabilizing forces. A sudden economic downturn caused by illness, injury, divorce, or job loss may push people into homelessness. Mental illness and addiction disorders are also destabilizing forces that can cause homelessness.

- Insufficient supportive services. In Alaska, homeless prevention services (i.e. renter education and broad based financial counseling), after-hours mental health counseling, and other housing retention services are not widely available.

A steering committee was formed in 2006 to develop a workable framework for our state to develop and sustain more affordable housing through a housing trust fund. This steering committee is comprised of representatives from the governor's office, the Alaska Housing Finance Corporation, the Alaska Department of Health and Social Services, Housing Authorities, US Department of Housing and Urban Development, US Department of Agriculture Rural Development, Wells Fargo Bank, the Rasmuson Foundation, service providers and home builders with the Alaska Mental Health Trust Authority serving as facilitator and chair.

The Steering Committee researched the successes of housing trusts in over 30 other states and designed the proposed Alaska Housing Trust to be a source of flexible funding that maximizes the effectiveness of existing low-income housing programs. For example, the funds will allow a stronger link between housing and the supportive and counseling services necessary for many Alaskans to find and retain safe, affordable housing.

The Alaska Housing Trust Coalition has formed in support of the recommendations made by the Steering Committee in order to take

continued on next page...

Coordinated Communications

this concept to the Legislature in the upcoming legislative session. Currently, the Housing Trust Coalition is made up of over 20 different organizations, including several commissions of the Municipality of Anchorage, statewide service providers, private developers, and the Alaska chapter of the American Association of Retired Persons. Additional members are signing on board every day.

With these efforts, obtaining and retaining affordable, safe, and appropriate housing for Alaskans will help us demonstrate that successful outcomes begin with a home.

The "You Know Me" campaign continued this year in an effort to reduce the stigma that Trust beneficiaries experience and to highlight reasons to invest in services for our relatives, neighbors, coworkers, and friends. Work by Trust advisory partners from the Governor's Council on Disabilities and Special Education, the Alaska Mental Health Board, the Advisory Board on Alcohol and Drug Abuse, the Alaska Commission on Aging, the Alaska Suicide Prevention Council, and the Alaska Brain Injury Network created a series of print, radio, theater, and television ads that bring to life the contributions and triumphs

of Trust beneficiaries. Investment in Trust beneficiaries pays dividends in productive lives and provides a quality and dignity in life that we all deserve.

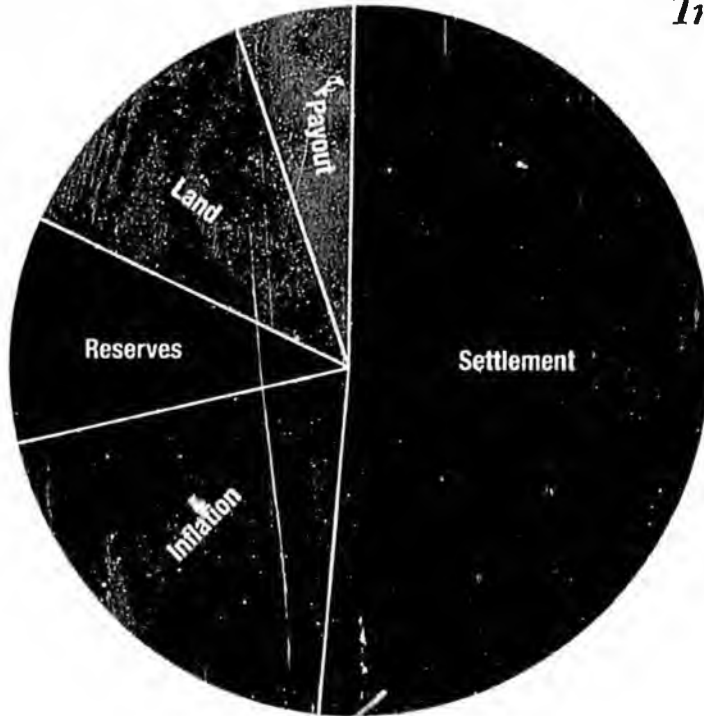
Ramy Brooks serves as a spokesperson for The Trust and the communications campaign. This veteran musher speaks out on his concerns about alcohol problems in Alaska emphasizing the need for youth to ask for help when they are experiencing problems in their lives. Ramy's own attempt at suicide at age 16 has led him to share his journey to adulthood and the effects of alcohol on families and youth.

Alaska Mental Health Trust Advisory Board of Trustees



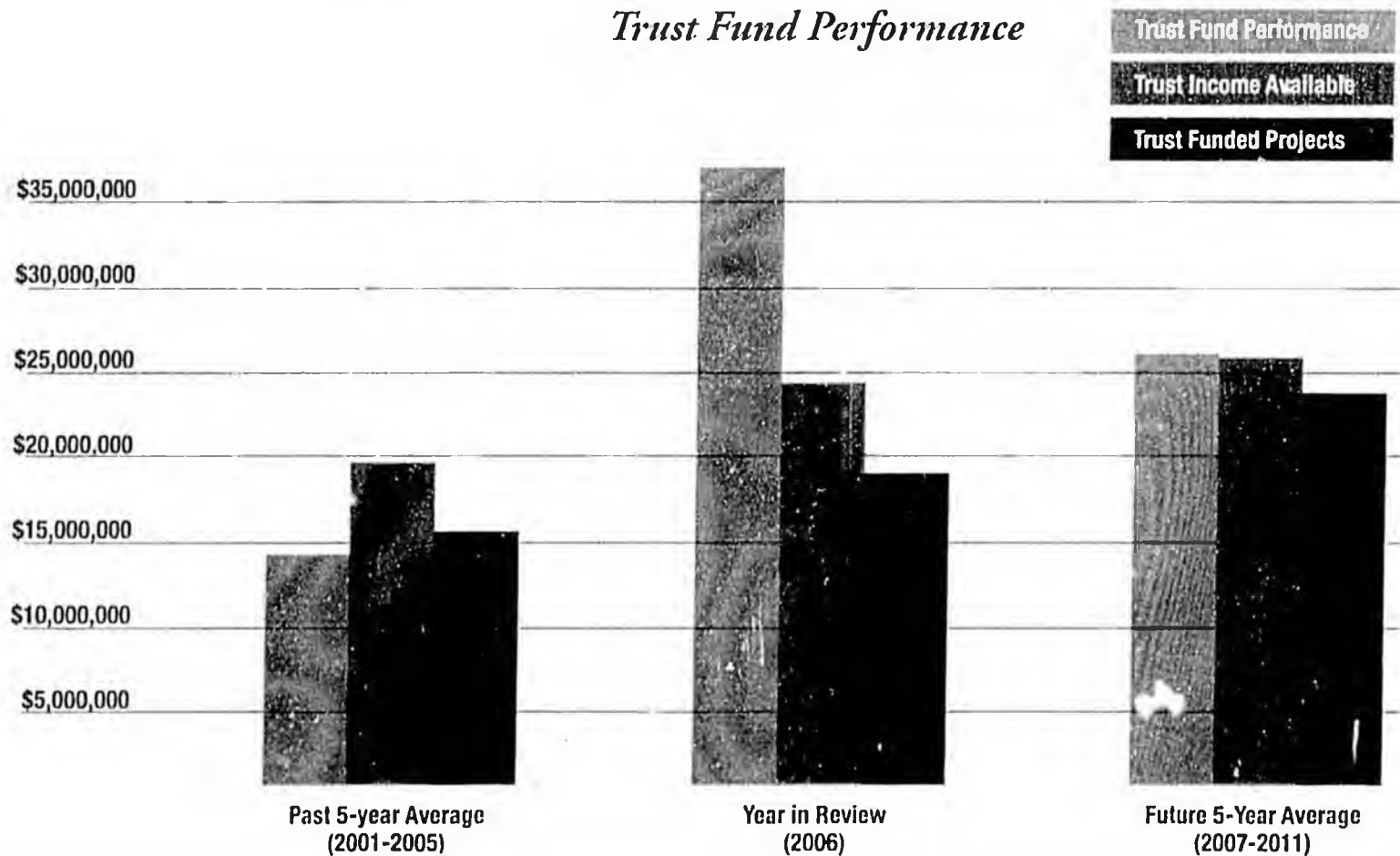
Key Financial Outcomes of The Trust Fund

Trust Cash Assets at End of FY2006



Settlement	51.33%	\$ 200,000,000
Inflation	23.46%	\$ 91,417,899
Land	14.96%	\$ 58,267,126
Reserves	12.67%	\$ 49,375,496
Payout	4.00%	\$ 16,627,397

Trust Fund Performance



Key Financial Outcomes of The Trust Fund

For the third consecutive year, the cash assets of The Trust benefited from a healthy stock market. Investments with the Alaska Permanent Fund increased from \$363,826,000 at the end of FY2005 to \$385,366,600 at the end of FY2006.

Income from these investments was \$36,046,700 for FY2006 and \$30,811,000 for FY2005. Statutory net income determined by APFC (which does not include unrealized gains) was \$31,756,200 for FY2006 and

downturns without eroding Trust Principal. The Budget Reserve investment is split between the Alaska Permanent Fund and the Treasury Division of the Alaska Department of Revenue. Callan Associates, Inc. (who set up the financial model initially) reviewed the budget reserve requirements this year to ensure that we have adequate protection from market volatility.

The portion of the Budget Reserve managed by the Treasury Division

and Budget Reserve) at the end of a fiscal year to calculate the payout for the subsequent year.

The following performance from FY2006 is available for spendable income in FY2007:

- Disbursement (payout) rate of 4.0%, for a payout of \$16,627,397. This represents an increase of 13.8% over FY2005.
- Resource management revenue allocated as income was \$3,543,093.

Trust Beneficiary



\$21,008,800 for FY2005. Statutory net income increases the Budget Reserve and can be used as spendable income, while unrealized net income can only be applied to inflation proof our Principal investment. Because the Alaska Permanent Fund Corporation was realigning its portfolio to allow for more diversified investments, realized gains were higher than usual in FY2006.

The Budget Reserve is set at 400% of the annual payout, to allow for disbursements during market

Trust Beneficiary, Betty Brooks



of the Department of Revenue earned \$445,740 in FY2006. Callan Associates Inc. recommended new investment allocations within Treasury as part of its review of the Budget Reserve, which is expected to increase future returns.

The Trust payout rate, which is used to calculate the disbursement (or payout) for spendable income was increased at the end of FY2006 from 3.75% to 4.0% beginning with the FY2007 budget. This rate is applied to the balance in the Trust Fund (Principal

Trust Beneficiaries



- Interest on the Income Account at Treasury Division was \$967,031.
- Lapsed funds from prior fiscal years were \$1,895,152.
- Total funding available for spendable income in FY2007 is \$23,032,672. This is a slight decrease from FY2006 availability of \$23,761,256 (which was unusually high due to prior-year lapsed funds of \$5.2 million).

Trust Land Office Staff

Marty Rutherford, Executive Director
(907) 269-8666
marty_rutherford@dnr.state.ak.us

Wendy Woolf, Deputy Director
(907) 269-8661
wendy@dnr.state.ak.us

Leann McInnis, Business Manager
(907) 269-8659
leannm@dnr.state.ak.us

**Allison Smith, Senior Resource Manager
Real Estate**
(907) 269-8421
allisons@dnr.state.ak.us

**Doug Campbell, Senior Resource
Manager, Timber**
(907) 269-8688
dougcd@dnr.state.ak.us

**Mike Franger, Senior Resource Manager
Minerals and Oil/Gas**
(907) 269-8657
mikefr@dnr.state.ak.us

Marcie Menefee, Resource Manager
(907) 269-8753
marcie_menefee@dnr.state.ak.us

Chuck Ault, Resource Manager
(907) 269-8420
charlesa@dnr.state.ak.us

Victor Appolloni, Resource Technician
(907) 269-8422
victora@dnr.state.ak.us

Anna Solorzano, Resource Technician
(907) 269-8664
annas@dnr.state.ak.us

Heather L. Weatherell, Resource Technician
(907) 269-8658
heather_weatherell@dnr.state.ak.us

General Background

The Trust Land Office (TLO) is a small 11-person unit in the Department of Natural Resources (DNR) that manages approximately one million acres of land throughout the State of Alaska on behalf of the Alaska Mental Health Trust Authority (The Trust). Trust land is managed in accordance with state law (AS 38.05.801) and regulations (11 AAC 99), which provide in part, that Trust land management shall be

Oil & Gas Exploration on Trust Land Northern Dancer Wellsite



conducted solely in the best interest of the Alaska Mental Health Trust and its beneficiaries. The regulations also provide that the TLO actions adhere to the following principles:

- Maximize long-term revenue from Trust land
- Protect The Trust corpus
- Protect and enhance the long-term productivity of Trust land
- Encourage a diversity of revenue-producing uses of Trust land

Trust Land Office

- Manage Trust land in a prudent and efficient manner, with accountability to The Trust and its beneficiaries.

Revenue-generating uses of Trust land include land leasing and sales; commercial timber sales; mineral exploration and production; coal, oil and gas exploration and development; sand, gravel and rock sales; and other general land uses. Rents, fees and 15 percent of timber revenue from Trust land uses are considered "Spendable Income" and are available to The Trust for use in the following year. Land sale revenue, hydrocarbon and mineral royalties, and 85 percent of timber revenue are considered "Principal" and are also forwarded to The Trust for deposit into The Trust corpus which is held and managed by the Alaska Permanent Fund Corporation.

FY06 Financial Outcomes

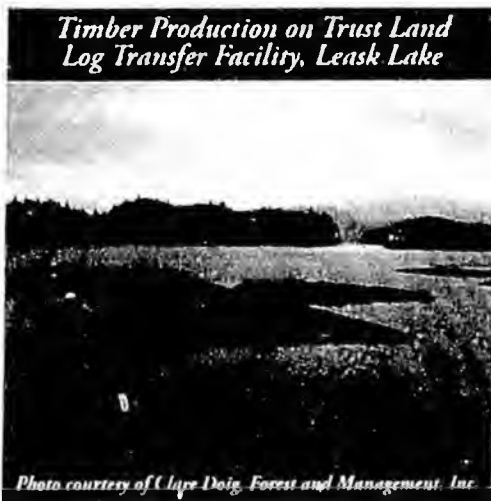
Gross revenues equaled about \$7.2 million. As noted above, the TLO earns two types of revenues: Spendable Income, which equaled about \$3.5 million and exceeded revenue projections by about 136 percent, and Principal revenues which equaled about \$3.6 million and were somewhat shy of projected earnings. This shortfall can be attributed to several multi-year transactions that were completed ahead of schedule in FY05 and were accounted for in that year.

Trust Land Office

Highlights of the Year

The real estate program accounted for over 49 percent (about \$3.5 million) of gross revenue. Successful efforts included completion of our 9th annual land sale which resulted in selling 68 parcels through a sealed bid process for a value of \$1,574,868.

Renovation of The Trust Authority Building (located in midtown Anchorage) was completed in June



and The Alaska Mental Health Trust Authority relocated to the second floor along with the Alaska Brain Injury Network.

The timber sale program accounted for over 38 percent (about \$2.7 million) of gross revenue, with multi-year sales continuing at Leask Lake and Wrangell. A small timber sale program was created with the Department of Natural Resources, Division of Forestry for local log home builders in Haines.

The coal, oil and gas programs accounted for 7 percent (about \$512,000) of gross revenue. The annual Cook Inlet Oil and Gas Lease Sale held in November, 2005 resulted in the leasing of two tracts with bonus bids and first year's rentals of nearly \$70,000. Two exploratory wells were drilled on Trust land for natural gas. One well was plugged, pending further evaluation, and the other is currently awaiting availability of equipment for testing.

The minerals and materials program accounted for almost 5 percent of gross revenue (about \$357,000). This includes royalty from the Fort Knox Mine as well as lease rental payments from existing claims and leases on Trust land.

Future Focus

The TLO will continue efforts to diversify its revenue generating activities with emphasis on improving The Trust's real estate portfolio in the Anchorage and Southcentral areas. Key projects for the upcoming year include:

Subdivide the Trust's Hiland Road parcel into mixed-use commercial and residential tracts;

Remediate the Juneau support warehouse property and sell the armory parcel to the City & Borough of Juneau for their Centennial Hall expansion project;

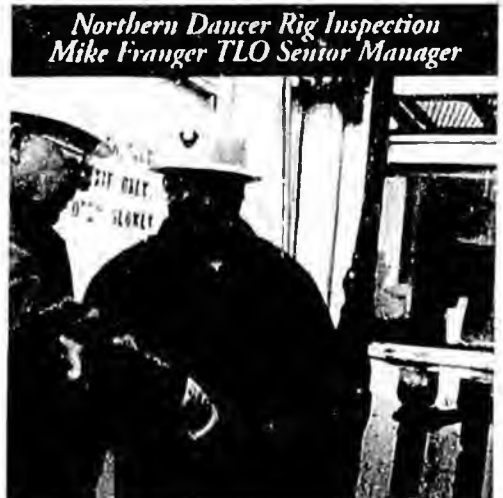
Complete the South Fairbanks Subdivision improvements in preparation for construction of the new Fairbanks Detox Center;

Expand the Wrangell 8 Mile Timber sale contract to include an additional five million board feet of timber;

Resolve the proposed Petersburg Timber Sale;

Offer about 80 parcels in The Trust's annual land sale;

Continue to offer Trust land for oil and gas exploration and development;



Complete the Chickaloon coal lease sale and facilitate exploration;

Offer Trust land for mineral development and exploration;

Complete the 1956 Mental Health Enabling Act land entitlement selection; and,

Develop the design for a new system to facilitate assets management.

The TRUST

The Alaska Mental Health Trust Authority

*3745 Community Park Loop, Suite 200
Anchorage, AK 99508*

www.mhtrust.org