

**01/31/2013
BUDGET
OVERVIEW
FY 14:
ALASKA MENTAL
HEALTH TRUST
AUTHORITY**

<TARGET><BILL></BILL><SUBJECT>01-31-2013 BUDGET OVERVIEW
FY 14 ALASKA MENTAL HEALTH TRUST
AUTHORITY</SUBJECT><COMM>SFIN28</COMM></TARGET>



Alaska Scorecard

Key Issues Impacting Alaska Mental Health Trust Beneficiaries



✓ Satisfactory

↔ Uncertain

✗ Needs Improvement

Key Population Indicators for Alaska

	Most Current U.S. Data	Previous Year's Alaska Data	Most Current Alaska Data	2012 Alaska Target	Status
Health					
Suicide					
1 Suicide (rate per 100,000)	12.0	23.4	20.0	18.0	✗
2 Non-fatal suicide attempts (rate per 100,000)	72.8	103.2	91.9	95.0	✗
Substance Abuse					
3 Alcohol-induced deaths (per 100,000)	7.6	25.9	29.3	17.0	✗
4 Adults who engage in heavy drinking	6.6%	6.1%	7.3%	5.2%	↔
5 Adults who engage in binge drinking	18.3%	21.8%	20.2%	18.0%	↔
6 Illicit drug users (age 12 and older)	8.9%	12.9%	13.5%	10.0%	✗
Mental Health					
7 Days of poor mental health in past month (adults)	3.5	3.2	3.2	3.0	✓
8 Teens who experienced depression during past year	28.5%	25.2%	25.9%	22.5%	✗
Access					
9 Population without health insurance	16.7%	18.0%	18.2%	14.6%	✗
Safety					
Protection					
10 Children abused and neglected (rate per 1,000)	9.1	15.3	14.1	12.3	✗
11 Substantiated reports of harm to adults (rate per 1,000)	†	1.5	1.2	*	↔
12 Injuries to elders due to falls, hospitalized (rate per 100,000)	1,516	1,020	1,085	1,176	✓
13 Traumatic brain injury, hospitalized non-fatal (rate per 100,000)	†	86.9	82.2	82.0	✓
Justice					
14 Percent of incarcerated adults with mental illness or mental disabilities	38.7%	42.0%	no new data	40.0%	✗
15 Criminal recidivism rates for incarcerated adults with mental illness or mental disabilities	†	36.2%	no new data	34.0%	↔
16 Percent of arrests involving alcohol or substance abuse	†	57.4%	55.2%	*	✗
Living With Dignity					
Accessible, Affordable Housing					
17 Chronic homelessness (rate per 100,000)	32.1	37.9	37.8	63.5	↔
Educational Goals					
18 High school graduation rate	†	68.0%	69.6%	*	✓
19 Percent of youth who received special education who are employed or enrolled in post-secondary education one year after leaving school	†	70.5%	69.2%	71.4%	↔
Economic Security					
20 Percent of minimum wage income needed to afford average housing	†	84.3%	79.4%	30.0%	✗
21 Average annual unemployment rate	8.9%	7.6%	7.9%	*	✓
22 Percent of SSI recipients who are blind or disabled and are working	4.5%	6.4%	6.5%	8.0%	✓
Prevalence Estimates: Alaska Mental Health Trust Beneficiaries					
Alaska Mental Health Trust Beneficiary Population	Number	Population Rate			
Serious Mental Illness (ages 18+)	21,754	4.6%			
Serious Emotional Disturbance (ages 0 to 17)	12,725	7.2%			
Alzheimer's Disease and Related Disorders (ages 55+)	7,785	5.5%			
Traumatic brain injury (all ages)	11,900	1.8%			
Developmental disabilities (all ages)	12,784	1.8%			
Dependent on alcohol (ages 12 to 17)	1,000	1.6%			
Dependent on alcohol (ages 18+)	20,000	3.9%			

* No target set for this indicator

† No comparable U.S. data available

December 2012

Health: Suicide

1. **Suicide rate per 100,000** (2011).¹
2. **Non-fatal suicide attempts per 100,000.** Non-fatal suicide attempts requiring hospitalization for at least 24 hours (2010).²

Health: Substance Abuse

3. **Alcohol-induced deaths per 100,000.** Includes fatalities from alcoholic psychoses, alcohol dependence syndrome, non-dependent abuse of alcohol, alcohol-induced chronic liver disease and cirrhosis, and alcohol poisoning (2011).¹
4. **Adults who engage in heavy drinking.** Percentage of adults who reported heavy drinking in past 30 days; defined as 2 or more drinks daily for men and 1 or more daily for women (2011).³
5. **Adults who engage in binge drinking.** Percentage of adults who reported drinking 5 or more drinks on one occasion in past 30 days (2011).³
6. **Illicit drug users.** Percentage of population age 12 and older who report using illicit drugs, including marijuana/hashish, cocaine (including crack), heroin, hallucinogens, inhalants, or prescription-type psychotherapeutics used non-medically. Alaska rate adjusted per DOLWD population estimates (2010).⁴

Health: Mental Health

7. **Days of poor mental health in past month (adults).** Mean number of days during the previous 30 days for which respondents aged 18 years or older report that their mental health (including stress, depression, and problems with emotions) was not good (2011).³
8. **Teens who experienced depression during past year.** Percentage of high school students who felt so sad or hopeless almost every day for 2 weeks or more in a row that they stopped doing some usual activities during past 12 months (2011).⁵

Health: Access

9. **Population without health insurance.** Percent of population without health insurance for entire year (2011).⁶

Safety: Protection

10. **Children abused and neglected.** Child victims aged 0-17, unique counts, per 1,000 (2011).⁷
11. **Substantiated reports of harm to adults, rate per 1,000** (2012).⁸
12. **Injuries to elders due to falls – rate per 100,000.** Non-fatal injuries, ages 65+, hospitalized 24 hours or more (2011).²
13. **Rate of non-fatal traumatic brain injury per 100,000.** Hospitalized 24 hours or more (2011).²

Safety: Justice

14. **Percent of incarcerated adults with mental illness or mental disabilities** (2006).⁹
15. **Statewide criminal recidivism rates for incarcerated adults with mental illness or mental disabilities.** Rate of re-entry into ADOC for a new crime occurring within one year of initial date of discharge (2007).⁹
16. **Percent of arrests involving alcohol or substance abuse.** Arrest offenses with Division of AK State Troopers or Wildlife Troopers that were flagged as being related to alcohol and/or drugs (2011).¹⁰

Living With Dignity: Housing

17. **Rate of chronic homelessness per 100,000 population.** A person with a disabling condition who has been continuously homeless for a year or more or who has had at least four episodes of homelessness in the past three years is considered chronically homeless (2012).¹¹
18. **High school graduation rate.** Statewide cohort graduation rate (2011-2012).¹²
19. **Percent of youth who received special education who are employed and/or enrolled in post-secondary education one year after leaving school** (2011).¹³

Living With Dignity: Education

20. **Percent of minimum wage income needed for average 2-bedroom housing in Alaska.** "Affordable" housing is defined as not more than 30% of one's gross income (2012).¹⁴
21. **Average annual unemployment rate.** Rate represents the number unemployed as a percent of the labor force (2011).¹⁵
22. **Percent of SSI recipients with blindness or disabilities who are working** (2011).¹⁶

Economic Security

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22. **Percent of SSI recipients with blindness or disabilities who are working** (2011).¹⁶

Data Sources

1. Alaska Department of Health and Social Services, Division of Public Health, Bureau of Vital Statistics.
2. Alaska Department of Health and Social Services, Division of Public Health, Alaska Trauma Registry, and U.S. Centers for Disease Control and Prevention (CDC), Injury Prevention & Control, Data & Statistics.
3. Alaska Department of Health and Social Services, Division of Public Health, Behavioral Risk Factor Surveillance Survey and U.S. Centers for Disease Control and Prevention (CDC).
4. Substance Abuse and Mental Health Services Administration (SAMHSA), Office of Applied Studies, National Survey on Drug Use and Health.
5. Alaska Department of Health and Social Services, Division of Public Health, Youth Risk Behavior Survey and U.S. Centers for Disease Control and Prevention, Youth Risk Behavior Survey.

6. U.S. Census Bureau and Bureau of Labor Statistics, Current Population Survey. *Health Insurance Coverage Status.*
7. U.S. Department of Health and Human Services, Administration on Children, Youth and Families, Children's Bureau, *Child Maltreatment 2011.*
8. Alaska Department of Health and Social Services, Senior and Disabilities Services, Adult Protective Services.
9. Hornby Zeller Associates, Inc. (December, 2007). *A Study of Trust Beneficiaries in the Alaska Department of Corrections.*
10. Alaska Public Safety Information Network (APSIN) case data for Alaska Department of Public Safety, Division of Alaska State Troopers and Wildlife Troopers.
11. HUD Continuum of Care Homeless Assistance Programs, *2012 HUD Annual Homeless Assessment Report.*
12. Alaska Department of Education & Early Development, Statistics & Reports. *Report Card to the Public.*
13. Governor's Council on Disabilities & Special Education; Alaska Department of Education & Early Development, *FFY 2010 Annual Performance Report.*
14. National Low Income Housing Coalition (2012). *Out of Reach 2012.*
15. Alaska Department of Labor & Workforce Development, Research and Analysis, Labor Force Data; U.S. Department of Labor, Bureau of Labor Statistics, Labor Force Statistics from the Current Population Survey.
16. U.S. Social Security Administration, Office of Retirement and Disability Policy, *SSI Annual Statistical Report, 2011*. Table 41, Recipients Who Work.

Alaska Population Rates: Alaska Department of Labor & Workforce Development. Population Estimates.

Prevalence Data – Sources

- Mental Illness (SMI and SED).** WICHE Mental Health Program and Holzer, Charles (2008). *2006 Behavioral Health Prevalence Estimates in Alaska: Serious Behavioral Health Disorders in Households.*
- Alzheimer's Disease.** Alaska Commission on Aging (email 10/20/11).
- Traumatic Brain Injury.** University of Alaska Center for Human Development (2003). *The Alaska Traumatic Brain Injury (TBI) Planning Grant Needs and Resources Assessment, June 2001 – January 2003* and AK Brain Injury Network (email 12/16/11).
- Developmental Disabilities.** Gollay, E. (1981). *Summary Report on the Implications of Modifying the Definition of a Developmental Disability.* U.S. Department of Health, Education and Welfare; and GCDSE (email 10/21/11).
- Alcohol dependence.** U.S. DHHS, SAMHSA, *State Estimates of Substance Use and Mental Health from the 2009 National Surveys on Drug Use & Health.*

Key to Scorecard "Status" Symbols

Alaska vs. U.S. % Difference		Alaska Year-to-Year Trend		Assessment		Status
If	Less than 15%	and	Getting better	then	Satisfactory	✓
If	Less than 15%	and	Getting worse or flat	then	Uncertain	↔
If	Greater than 15% to the positive	and	Getting better or flat	then	Satisfactory	✓
If	Greater than 15% to the positive	and	Getting worse	then	Uncertain	↔
If	Greater than 15% to the negative	and	Getting better	then	Uncertain	↔
If	Greater than 15% to the negative	and	Getting worse or not clear	then	Needs Improvement	✗
If	Unacceptably large rate to the negative	then	Trend becomes irrelevant	then	Needs Improvement	✗

How did we determine the "status" of Scorecard indicators?

The Alaska Department of Health and Social Services, in conjunction with The Trust and the related advisory boards and commission, has produced this Alaska Scorecard annually since 2008.

To determine the "status" of an indicator, the most current Alaska data is compared to U.S. data to see if it is more than 15% higher or lower. Then, the year-to-year Alaska data is researched to see if it shows a clear trend or if it varies so much that a clear trend cannot be determined.

Between 2011 and 2012 the "status" of most indicators remained the same; one improved and one got worse (see below).

What if a target is met?

The 2012 targets were set in 2008 by leaders of Department of Health and Social Services, the Trust, and the related partner boards and commission. All targets will remain the same while we make sure that the data one year is not an "aberration" and that we stay on track with meeting the target for more than one year. Three of the indicators on the 2012 Scorecard reached the targets set in 2008 (#2 Non-fatal Suicide Attempts, #12 Injuries to Elders due to Falls, #17 Chronic Homelessness).

Status Information by Scorecard Indicator

- Suicide rate per 100,000.** The 2011 Alaska rate is 67% higher than the U.S. rate and the Alaska rate has varied too much year-to-year to show a clear trend. The resulting status is "needs improvement." This is the same as last year's Scorecard status.
- Non-fatal suicide attempts.** The 2010 Alaska rate is 30% higher than the U.S. rate and the Alaska data varies too much year-to-year to show a clear trend. The status is "needs improvement," although the most recent data dipped below the target set in 2008. This is the same as last year's Scorecard status.
- Alcohol-induced deaths.** The 2011 Alaska rate is 286% higher than the U.S. rate and the Alaska trend shows some evidence of increasing, so the status is "needs improvement." This is the same as last year's Scorecard status.
- Heavy drinking (adults).** The 2011 Alaska rate is 11% higher than the U.S. rate and the Alaska data shows no clear trend, so the status is "uncertain." This is the same as last year's Scorecard status.
- Binge drinking (adults).** The 2011 Alaska rate is 10% higher than the U.S. rate and the yearly Alaska data shows no clear trend, so the status is "uncertain." This is the same as last year's Scorecard status.
- Illicit drug users.** The 2010 Alaska rate is 52% higher than the U.S. rate, and the yearly Alaska data shows no clear trend, so the status is "needs improvement." This is the same as last year's Scorecard status.
- Days of poor mental health.** The 2010 Alaska rate is 7% lower than the U.S. rate, and the Alaska data shows no clear trend, so the status is "satisfactory." This is the same as last year's Scorecard status.

8. **Teens that experienced depression.** Although the 2011 Alaska rate is 9% below the U.S. rate, the Executive Committee* finds it unacceptable that over 25% of Alaska teens experience depression, so the status is “needs improvement.” This is the same as last year’s Scorecard status.
9. **Population without health insurance.** The 2011 Alaska rate is 16% higher than the U.S. rate and the Alaska data shows no clear trend, so the status is “needs improvement.” **This is worse than last year’s Scorecard status.**
10. **Children abused and neglected.** The 2011 Alaska rate is 55% above the U.S. rate and the Alaska data varies too much year-to-year to show a clear trend, so the status is “needs improvement.” This is the same as last year’s Scorecard status.
11. **Substantiated reports of harm to adults (rate per 1,000).** There is not enough information to identify a trend in Alaska data and no comparable U.S. data; the status is “uncertain.” This is the same as last year’s Scorecard status.
12. **Injuries to elders due to falls.** The 2011 Alaska rate is 28% below the U.S. rate; the status is “satisfactory.” This is the same as last year’s Scorecard status.
13. **Non-fatal traumatic brain injury.** Although there is no U.S. data for comparison, the Alaska rate appears to have improved in the past decade. The status is “satisfactory.” **This is an improvement over last year’s Scorecard status.**
14. **Incarcerated adults with mental illness or mental disabilities.** There is not enough Alaska data to identify a trend, and there is no comparable U.S. data. However, the Executive Committee finds the very high Alaska percentage unacceptable, so the status is “needs improvement.” This is the same as last year’s Scorecard status.
15. **Criminal recidivism for incarcerated adults with mental illness or mental disabilities.** There is not enough Alaska data to identify a trend and there is no comparable U.S. data; the status is “uncertain.” This is the same as last year’s Scorecard status.
16. **Arrests involving alcohol or drugs.** The Alaska data shows no clear trend and there is no U.S. data for comparison. The status is “needs improvement.” This is the same as last year’s Scorecard status. There is no target included because the data comes from an agency outside DHSS (Department of Public Safety).
17. **Chronic homelessness.** The 2012 Alaska rate is 18% higher than the U.S. rate, and the Alaska data varies too much year-to-year to show a clear trend, so the status is “needs improvement.” This is the same as last year’s Scorecard status.
18. **High school graduation rates.** The 2012 Alaska rate shows an improving trend. The status is “satisfactory;” however, the Executive Committee has been concerned about this low percentage. This is the same as last year’s Scorecard status.
19. **Percent of youth who received special education and are employed and/or enrolled in post-secondary education.** There is not enough information to identify a trend in Alaska data and no comparable U.S. data; the status is “uncertain.” This is the same as last year’s Scorecard status.
20. **Percent of Minimum Wage needed for Average Housing.** The Executive Committee finds the percentage of income spent on housing in Alaska unacceptably high, so the status is “needs improvement.” This is the same as last year’s Scorecard status.
21. **Average annual unemployment.** The 2011 Alaska rate was 15% below the U.S. rate; the resulting status is “satisfactory.” This is the same as last year’s Scorecard status.
22. **Percent of SSI recipients who are blind or disabled and are working.** The 2011 Alaska rate is 44% higher than the U.S. rate; the status is “satisfactory.” This is the same as last year’s Scorecard status.

For more information and charts, see the Drilldown section of the scorecard at <http://hss.state.ak.us/dhcs/healthplanning/scorecard/assets/indicators.pdf>

* The Comprehensive Integrated Mental Health Plan Executive Committee has consisted of the DHSS Commissioner or designee; the Trust Chief Operating Officer (designated by the Trust Chair); and the Executive Director of ABADA/AMHB (representing the related partner boards and commission).

The TRUST
The Alaska Mental Health
Trust Authority



Senate Finance Committee FY14 Budget

Alaska Mental Health Trust Authority

January 31, 2013

The TRUST
The Alaska Mental Health
Trust Authority
www.mhtrust.org

Trust Beneficiaries



- **People with mental illness**
- **People with developmental disabilities**
- **People with chronic alcoholism and other substance related disorders**
- **People with Alzheimer's disease and related dementia**
- **People with traumatic brain injury**

Guiding Principles

- **To improve the lives of Trust beneficiaries, The Trust is committed to:**
 - **Education of the public and policymakers on beneficiary needs;**
 - **Collaboration with consumers and partner advocates;**
 - **Maximizing beneficiary input into programs;**
 - **Prioritizing services for beneficiaries at risk of institutionalization;**
 - **Useful and timely data for evaluating program results;**
 - **Inclusion of early intervention and prevention components;**
 - **Provision of reasonably necessary beneficiary services based on ability to pay.**

Trust Advisors and Partners

- **Advisory Board on Alcoholism & Drug Abuse**
- **Alaska Mental Health Board**
- **Governor's Council on Disabilities & Special Education**
- **Alaska Commission on Aging**
- **Commissioners of Health and Social Services, Revenue, Natural Resources and Corrections**
- **Alaska Brain Injury Network**
- **Statewide Suicide Prevention Council**

Trust Funding FY14

Distributable Income

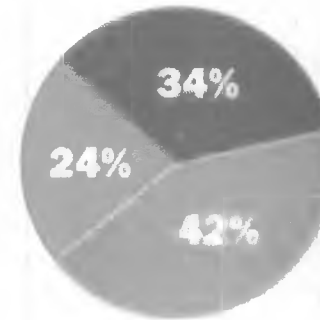
Trust Fund Payout 4.25%	\$18,090,000*
Prior Years Lapse	3,670,000
Land Office Income	3,190,000
Interest	650,000
<u>Total Projected</u>	<u>\$25,600,000</u>

*Payout based on four-year average principal and reserve balances of \$426M

The Trust Resource Portfolio

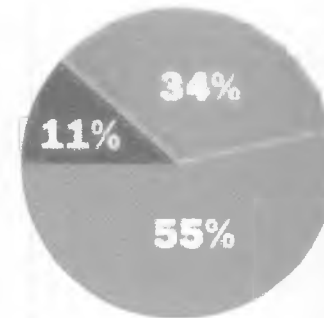
Acres by region:*

Northern	420,000
Southcentral	340,000
Southeast	240,000
Total acres of Trust land	1,000,000



Trust land by ownership/rights:

Full fee ownership	
Full mineral rights	
Coal, oil and gas rights	



TLO contributions:

Principal cash revenue**	\$ 92 Million
Real estate acquisitions	\$ 7 Million
Income**	\$ 39 Million
Total***	\$138 Million

* The Trust has not received its entire entitlement to date; acreage totals will be adjusted in the future.

** Land sale revenue, hydrocarbon and mineral royalties, and 85 percent of timber revenue are principle revenue. Rents, fees and 15 percent of timber revenue are spendable income.

*** Estimate of cumulative contributions from the TLO since reconstruction of the Trust.

Formula for Success

Committed partners + Strategic thinking = Results for Trust beneficiaries

- **Identify a problem or community need**
- **Collaborate with governmental agencies, advisory groups, nonprofits, service providers, philanthropic organizations and private sector**
- **Develop strategic, sharply focused solutions**
- **Make lasting system improvements**

Five Program Focus Areas

- **Bring the Kids Home**
 - reforming Alaska’s mental health care for children and adolescents so they are diagnosed earlier and treated as close to home as possible
- **Disability Justice**
 - reducing the involvement and recidivism of Trust beneficiaries in the criminal justice system
- **Affordable Appropriate Housing**
 - increasing a continuum of housing options for Trust beneficiaries
- **Workforce Development**
 - creating an available and competent workforce for Trust beneficiaries and service providers
- **Beneficiary Projects Initiative**
 - supporting grassroots, peer-to-peer programs for Trust beneficiaries

Alcohol Initiatives

- **Recover Alaska**

- initiative lead by Rasmuson Foundation, includes The Trust, Mat-Su Health Foundation, DHSS and other stakeholders
- goal to help individuals, families and communities in Alaska “recover” from impacts of alcohol
- focus on systems, policy, statutory and practice changes that will lead to long-term improvements

- **Title 4 review**

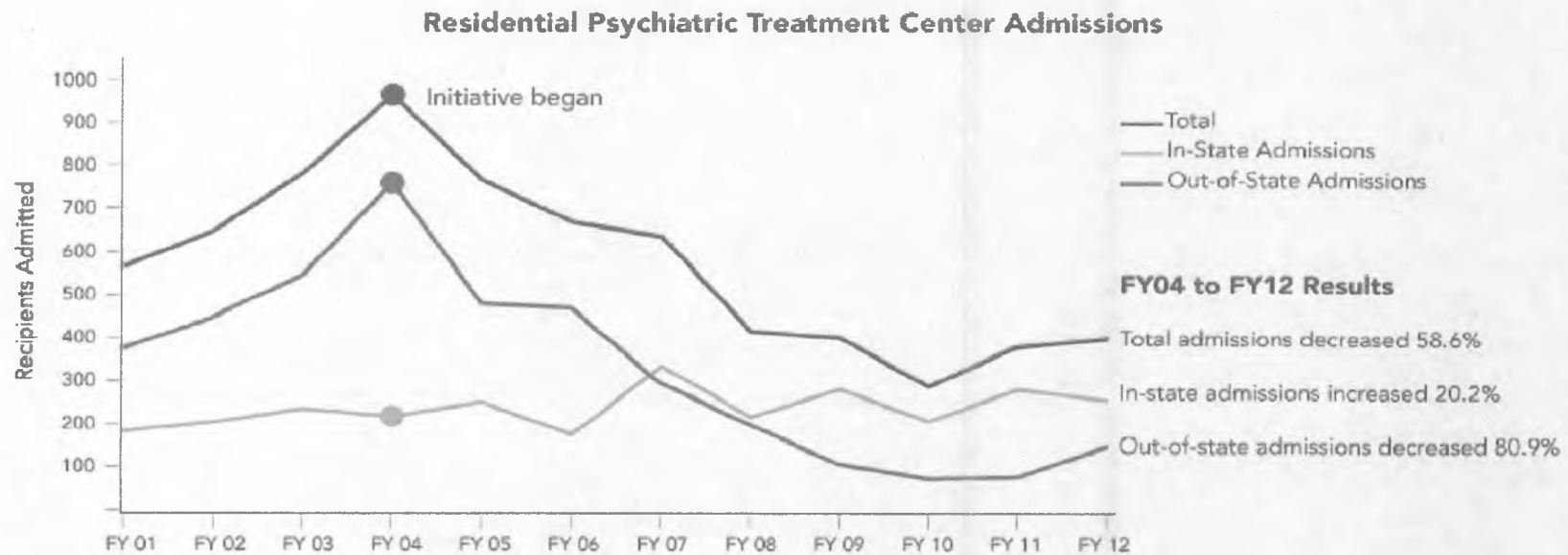
- partnership with Alcohol Beverage Control Board, which is convening stakeholders to review and possibly recommend changes to Alaska’s alcohol beverage control statutes in Title 4

Bring the Kids Home

- **Problem**
 - **FY06: 743 Alaskan children with severe emotional disturbances received out-of-state residential psychiatric treatment services**
 - separated from families and communities
 - difficult transitions back to Alaska
 - length of stay varied from several months to multiple years
 - costs peaked at \$40+ million Medicaid paid to out-of-state providers
- **Committed partners**
 - **DHSS, behavioral health service providers, parent and youth advocates, Trust partner boards, Alaska Native health providers, Dept. of Education, Denali Commission and others**
- **Strategic thinking**
 - **intervene earlier, more intensively, and with the family**
 - **use residential resources carefully**
 - **expand implementation of effective practices**
 - **develop in-state treatment for youth with complex needs**
 - **use data to guide service development**

Results for Beneficiaries

- **Keeping youth in Alaska**



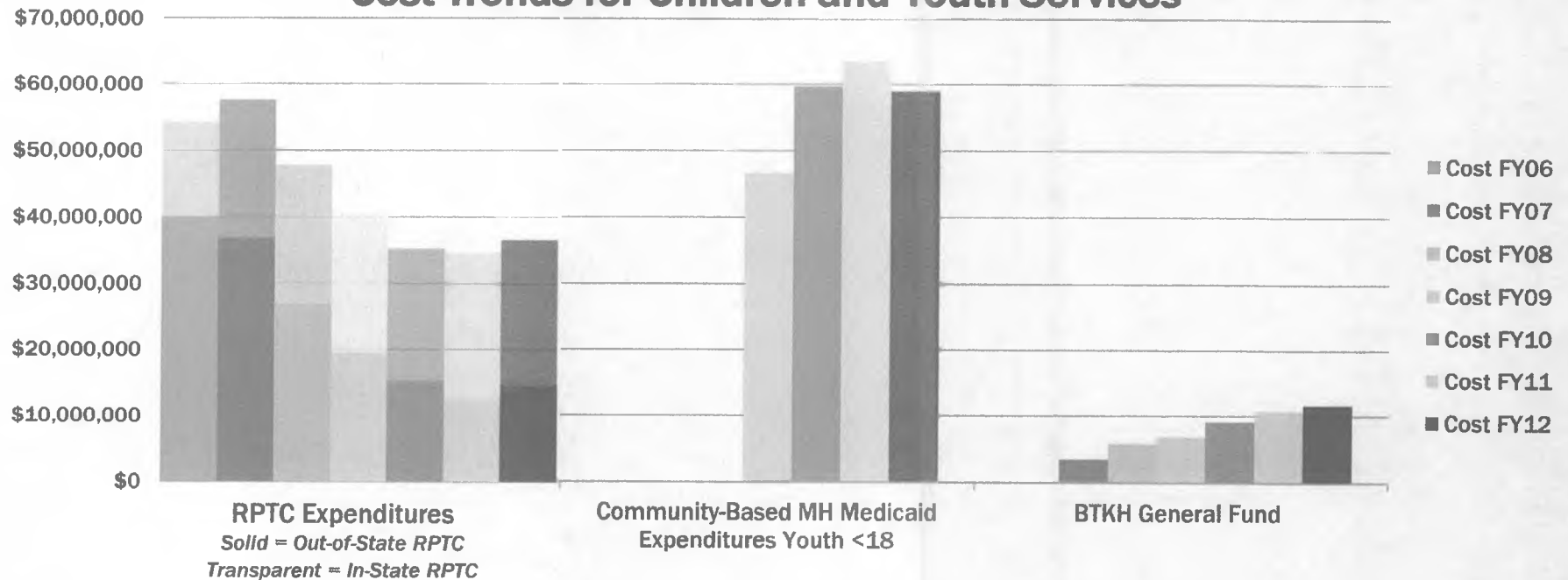
Source: DHSS/Div. of Behavioral Health/Policy & Planning/ Research Unit - Based on Medicaid Expenditures

- **Reducing recidivism**
 - Youth who returned to RPTC within 1 year dropped from 20% to 5% (FY04 - FY12)

Shifting Expenditures in State

- **Out-of-state RPTC expenditures 64% lower than FY06**
- **In-state RPTC expenditures 54% higher than FY06**
- **Overall RPTC expenditures 33% lower than FY06**
- **Community mental health expenditures for youth <18 are 26% higher than FY09**

Cost Trends for Children and Youth Services



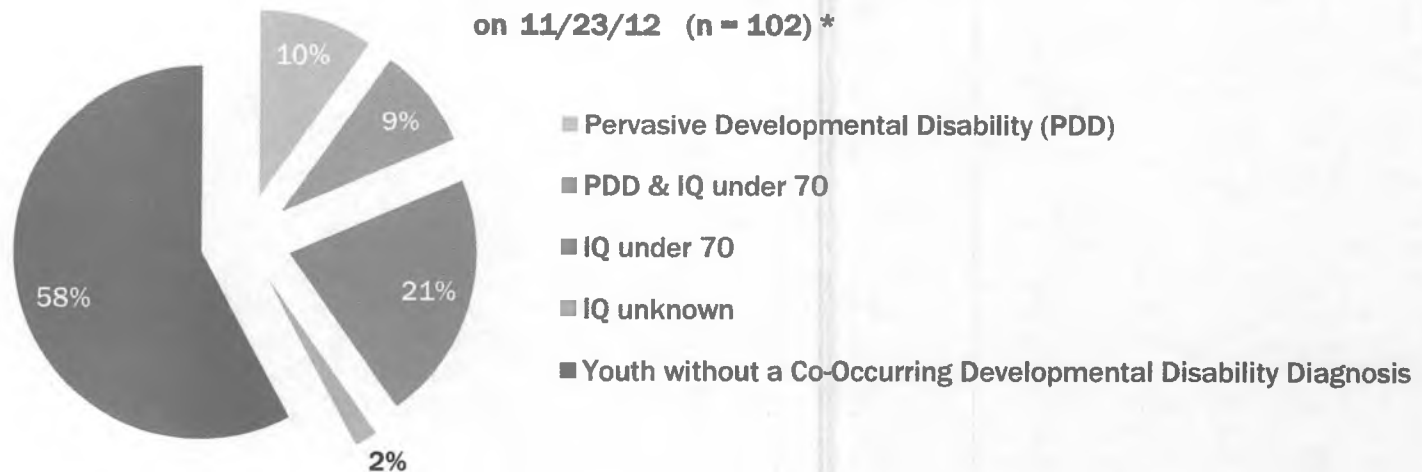
Due to the implementation of integrated regulations, the FY12 Medicaid Community-Based (DBH Providers) expenditures reflect a change in methodology. Slightly higher expenditures were anticipated as a result, however, the decrease in expenditures reported here is consistent with other Medicaid claims analyses performed by the Division. Division staff are looking into potential factors that may be contributing to this decrease.

Results for Beneficiaries

- **Developing in-state treatment options for children with co-occurring and complex disorders**
 - **Complex Behaviors Collaborative**
 - **in-state RPTC unit**
 - **resources for youth who experience FASD**

Youth in Out-of-State RPTC

on 11/23/12 (n = 102) *

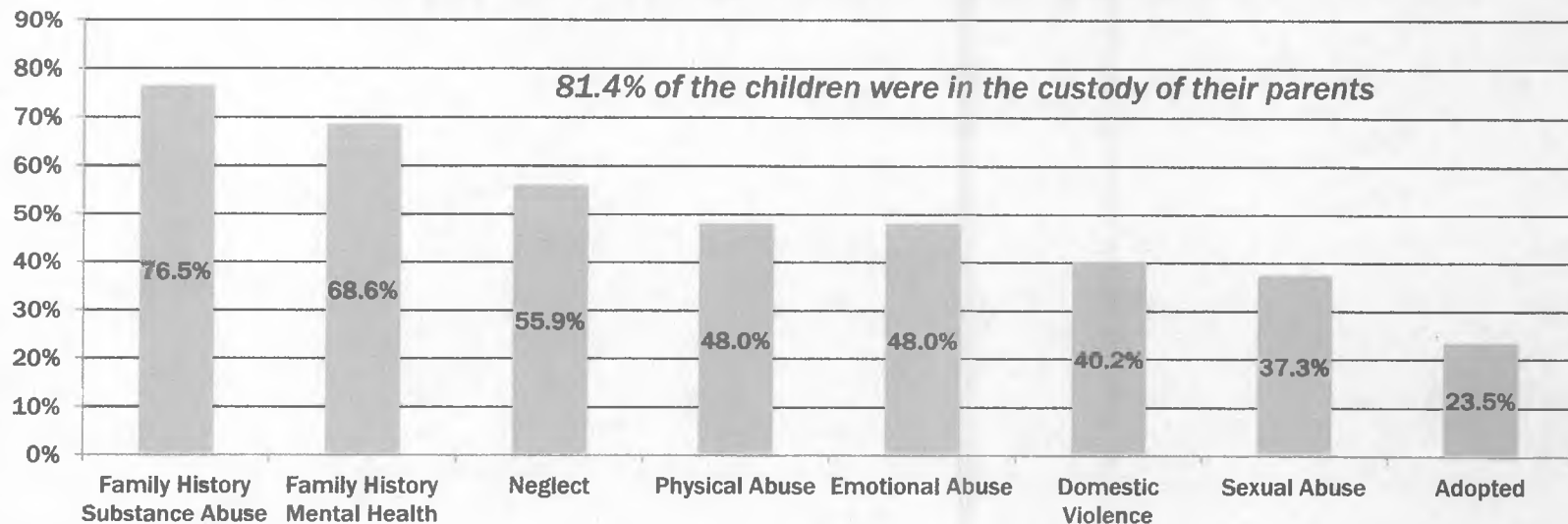


**Source: DHSS, Division of Behavioral Health, Policy and Planning for sample of youth in RPTC on 11/23/12; youth may also have a co-occurring Fetal Alcohol Spectrum Disorder or a substance use disorder.*

Results for Beneficiaries

- Working with young children to prevent severe disturbances
- Working with families to keep/return children to their homes
 - expanding early childhood services
 - increasing delivery and quality of family therapy services
 - expanding trauma training

Trauma & Family Issues: Youth Admitted to RTPC



* Source: DHSS, Division of Behavioral Health, Policy and Planning for admissions to RTPC between January 1, 2011 – March 31, 2011

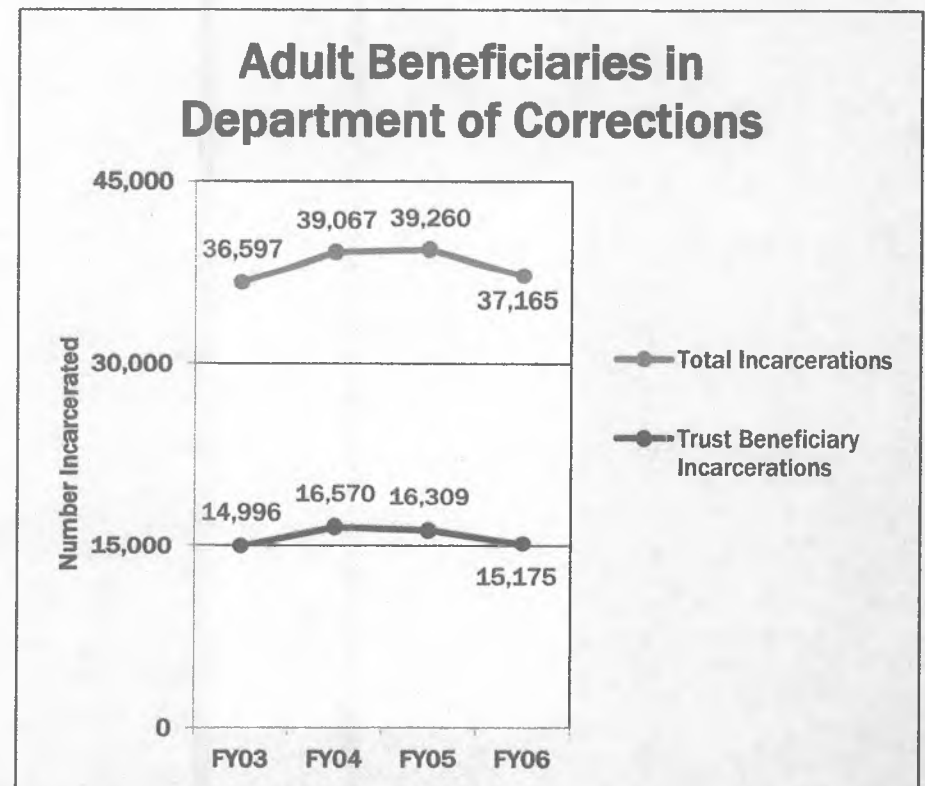
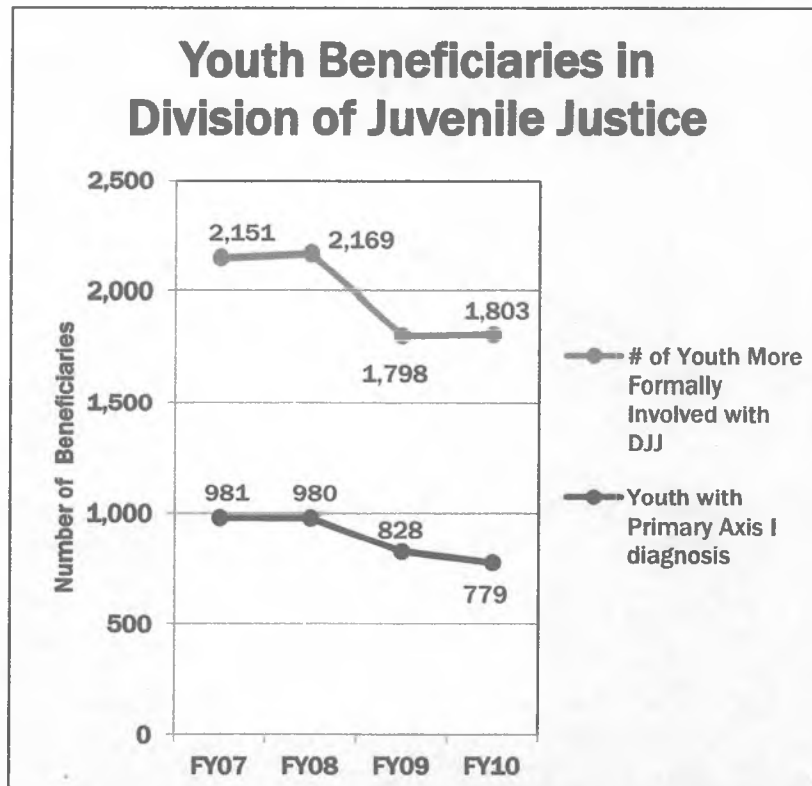
Looking Toward FY15

- **FY15 BTKH increments, if any, will transition on-going successful projects from MHTAAR to GF/MH for long-term sustainability**
- **BTKH efforts will continue, using existing GF/MH resources to sustain planning and to maintain and build on success**
- **The Trust believes further progress will require a shift in focus to earlier intervention, prevention and family-based services to decrease long-term costs for behavioral health while improving outcomes for children and families**

Disability Justice

- **Problem**

- 43% of youth in juvenile justice system are Trust beneficiaries
- 42% of incarcerated adults are Trust beneficiaries



Source: *A Study of Trust Beneficiaries in the Alaska Dept. of Corrections*, Hornby Zeller Assoc., Dec. 2007.

Note: New data is being gathered and analyzed, with a new report expected later in FY13.

Committed Partners

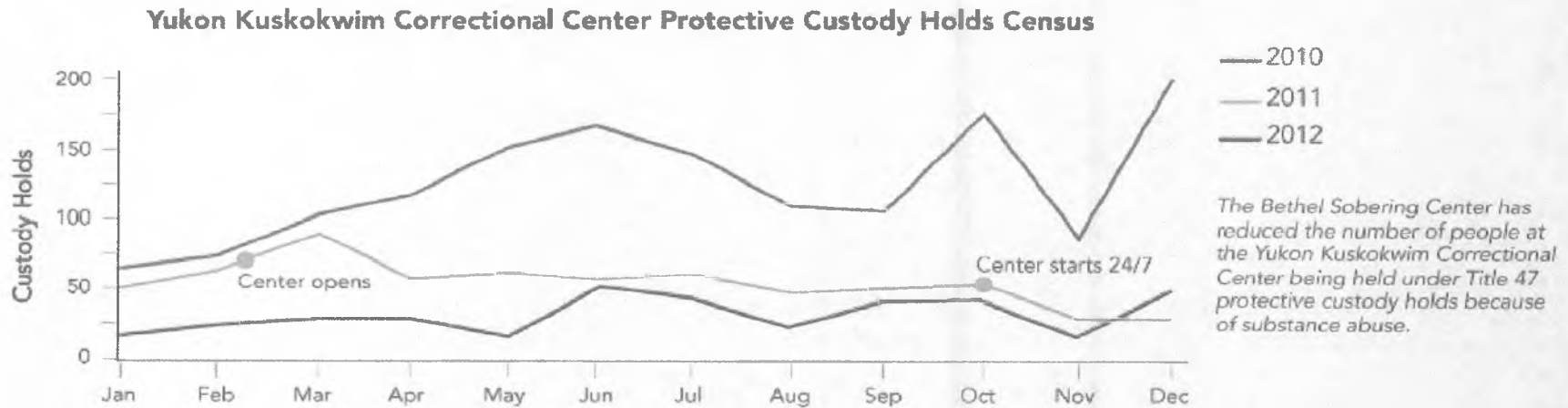
- **Local governments**
- **Alaska Native tribal entities**
- **Alaska Court System**
- **Departments of Administration, Corrections, Health and Social Services, Law, Public Safety**
- **Trust partner boards**
- **Community behavioral health providers**

Strategic Thinking

- **Prevent and reduce inappropriate or avoidable arrest, prosecution, incarceration and criminal recidivism of juvenile and adult Trust beneficiaries**
- **Increase criminal justice system's ability to accommodate, support, protect and provide treatment for victims and offenders who are Trust beneficiaries**
- **Reduce use of jails and prisons to provide protective custody of adult Trust beneficiaries under Alaska Statute 47.37.170 (protective custody hold)**
- **Improve community re-entry planning from juvenile detention and treatment, and adult correctional facilities back into Alaska communities**

Outcomes Driven Results

- **Working together state, local agencies save lives, improve public safety**
 - 75 % reduction in non-criminal Title 47 protective custody holds at Yukon Kuskokwim Correctional Center from 2010-2012
 - individuals screened, referred to appropriate treatment



- **Therapeutic Courts**
 - Juneau Mental Health Court opened May 2012
 - *Anchorage Mental Health Court* combined savings almost 2½ times program annual operating cost (\$293,000)

Ahead in FY14

Trustees Recommended: MHTAAR Authority Grant GF/MH Gov. GF/MH

Training for Criminal Justice Personnel

• Anchorage & Fairbanks police CIT training		\$ 62.0	
• Deliver training for defense attorneys	\$ 15.0		
• Training for DOC mental health staff	15.0		
• Training for therapeutic court clinical staff	15.0		

Sustain & Expand Therapeutic Models & Practices

• Fairbanks Juvenile Mental Health Court	245.9	15.0	
• Mental Health Court expansion	204.4	25.0	
• Flex funds for Anchorage mental health court		65.0	
• Flex funds for Palmer mental health court		25.0	
• ASAP therapeutic court case management & monitoring – Barrow	139.9		
• Sustaining Wellness Court capacities		\$1,165.0	\$1,165.0

Re-entry Planning for Beneficiaries Involved with Criminal Justice System

• Div. of Juvenile Justice Rural Re-entry Specialist	110.9		
• Mental Health Clinical Oversight in DJJ facilities	152.9		
• Social Services Specialist position - Bethel (PDA)	138.8		
• APIC Discharge Planning Model	260.0		
• DJJ Trauma Informed Care	75.0	75.0	75.0
• DOC mental health clinical positions		164.0	164.0

Funding in thousands of dollars

Ahead in FY14

Trustees Recommended: MHTAAR Authority Grant GF/MH Gov. GF/MH

Prevention & Support for Beneficiaries who are victims of crime

- ASPEN (Alaska Safety Planning & Empowerment Network) \$ 150.0

Alternatives to Incarceration for Beneficiaries Requiring Protective Custody

- Pre-development activities (Nome) 100.0
- Norton Sound Wellness Court capital and/or start-up funds \$200.0

General Capacity Building

- Criminal Justice Technician 67.2

Trustees Recommended: MHTAAR Authority Grant GF/MH Gov. GF/MH

FY2014 Budget Increment Totals \$1,690.0 \$392.0 \$1,404.0 \$1,404.0

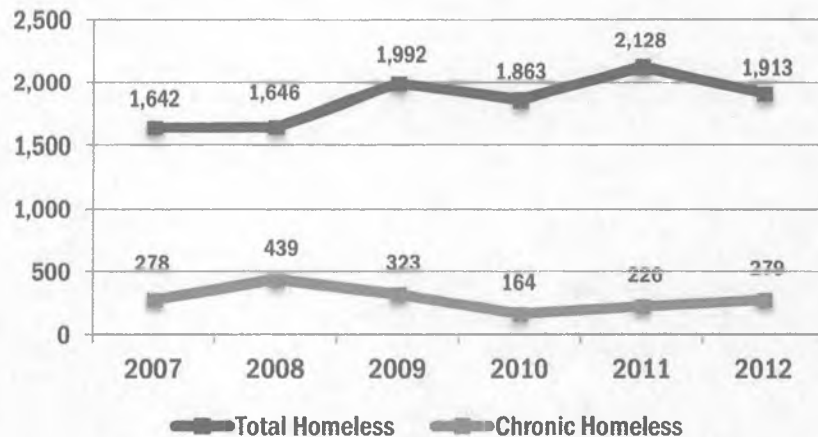
Funding in thousands of dollars

Affordable Appropriate Housing

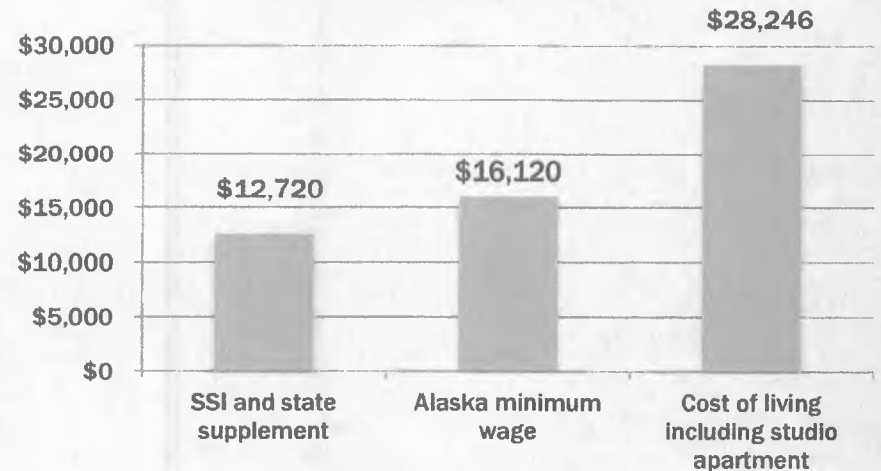
- **Problem**

- number of chronically homeless increased approximately 19% over prior year
- high cost of housing versus beneficiaries' income potential

Alaska Homeless Point-in-Time Surveys 2007- 2012 *



2012 Annual Income and Cost of Living for Trust Beneficiaries **



* Source: HUD Homeless Point-in-Time annual surveys

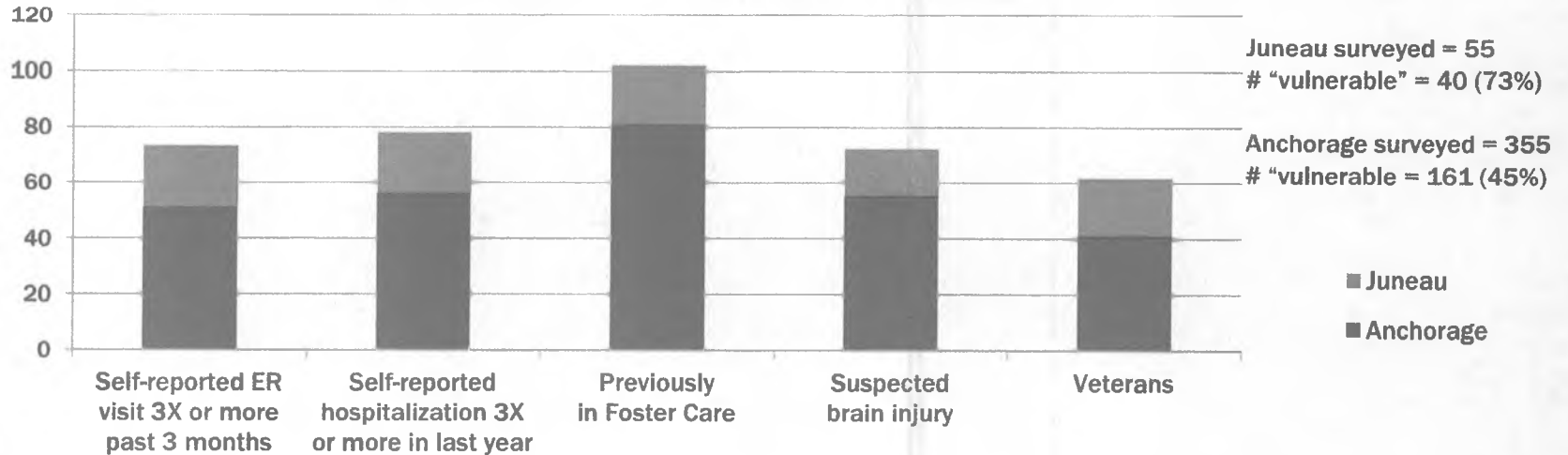
** Sources: US Soc. Sec. Admin, Alaska DOL, National Low Income Housing Coalition

Committed Partners

- **Alaska Council on the Homeless: Alaska Housing Finance Corporation, the departments of Health and Social Services, Corrections, Labor and Public Safety, and the Veterans Administration**
- **Housing development organizations**
- **Social service agencies**
- **Local affordable housing and homeless coalitions**
- **Private business owners**

Clarifying the Need

Vulnerability Assessment of Homeless Individuals Identified as Likely to Die on the Streets *



- **“Vulnerable” designation = three conditions ****
 - major health condition
 - psychiatric diagnosis
 - substance addiction
- **These conditions = 3-4 times higher risk of death on the streets**

* Sources: Juneau Homeless Coalition and Anchorage Coalition on Homelessness

** Source: research by Dr. Jim O'Connell <http://www.bhchp.org/>

Strategic Thinking

- **Adapting programs for sustainability - replicating successful strategies through AHFC**
 - Special Needs Housing Grants (SNHG)
 - Homeless Assistance Program (HAP)
- **Collaborating on creating “no wrong door”**
 - coordinating services statewide through homeless coalitions
 - assessment of housing barriers
- **Conducting a *Supported Housing Stock* Survey**
 - DHSS Divisions of Behavioral Health and Senior and Disability Services
 - Assess needs by region and beneficiary group
- **Effective program models implemented**
 - Trust/DHSS/AHFC collaboration on HUD pilot (reducing General Relief participants through supported housing)
 - program development: Bridge Home and more intensive community outreach models

Results for Beneficiaries

- **Working the Plans**
 - Alaska Council on the Homeless Ten-Year Plan, Anchorage Ten-Year Plan on Homelessness, other community plans
- **Replicating *Housing First***
 - targeting the most vulnerable and costly homeless
- **Anchorage and Fairbanks on-track to replicate Outside results:**
 - Seattle decreased drinking by 30% and reduced costs by \$4 million in 12-month period
 - Anchorage tenants are becoming stable – 78% retention compared to 80% in similar programs
- **Karluk Manor phase II – expansion and design improvements**
 - working with Municipality of Anchorage to identify land to relocate
 - new facility will allow more individuals to be served and will create space and staffing efficiencies
- **New projects under consideration: Anchorage, Juneau, Nome**

* Source: Downtown Emergency Service Center www.desc.org

Ahead in FY14

- **Policy - Governor's Council on the Homeless**
 - state interagency collaboration modeled on federal agencies
 - 10-year homeless plan and budget recommendations being implemented
- **Budget - \$10 million annual recommendation for 10-year plan (\$8 million allocated)**
 - The Trust, AHFC, GF/MH and other funding sources
- **Effective program models implemented**
 - Trust/DHSS collaboration to serve most challenging individuals cycling through API and DOC (Bridge Home and more intensive community outreach models)
 - replicating *Housing First* for beneficiaries who are chronically homeless with alcohol addiction and low income people with disabilities
 - services located on-site using housing projects large enough to make programs sustainable and robust
- **Long-term care strategic planning for Alaska**
 - planning that makes use of right resources at right time
 - continuum of care for people with disabilities, Alzheimer's disease and related dementia

Ahead in FY14

	<u>Trustees Recommended: MHTAAR</u>	<u>GF/MH</u>	<u>AHFC/GF</u>	<u>Gov. GF/MH</u>
<u>Homeless Assistance Programs</u>				
• Homeless Assistance Program (housing trust replication \$10.0M annual recommendation)	\$ 850.0	\$ 850.0	\$8,350.0	\$7,150.0
• Special Needs Housing Grant Program			1,750.0	
<u>Resources assisting beneficiaries leaving institutions</u>				
• DOC Discharge Incentive grants	100.0	200.0		200.0
• Bridge Home program and expansion	750.0	200.0		200.0
• Assisted Living training	100.0	100.0	100.0	
• Home modifications program (DHSS)	300.0	750.0		750.0
<u>Technical assistance and business planning resources</u>				
• Office of Integrated Housing (DBH admin)	225.0			
• Rural Long-Term Care Development (SDS)	140.0			
• Aging and Disability Resource Centers	125.0			
	<u>Trustees Recommended: MHTAAR</u>	<u>GF/MH</u>	<u>AHFC/GF</u>	<u>Gov. GF/MH</u>
<u>FY14 Budget Increment Totals</u>	\$2,590.0	\$2,100.0	\$10,200.0	\$8,300.0

Funding in thousands of dollars

Governor's budget amount is shown in red when it is lower than the Trustees' recommendation

Workforce Development

- **Problem**
 - **growing need for workforce to serve Trust beneficiaries, especially Alaskans 65+ (fastest growing population segment)**
 - **high vacancy rates in many health care jobs**
 - **high turnover, especially in rural areas**
 - **many are temporary workers from Outside**
 - **lack of housing**
 - **lack of in-state training/education for some fields**
 - **lack of continuing education required for licensure and certification for some professions**

Health Care Job Growth

- **38,749 new jobs in all Alaska sectors**
 - 12% increase from 2010-2020
- **Health care and social service jobs expected to grow 31% by 2020 or one-third of total job growth**
- **Ambulatory health care – practitioners, outpatient care, home health services – will gain 5,860 jobs or 28% increase by 2020**
- **Alaskans age 65+ expected to increase 89% by 2020, contributing to rising demand for health care workers**
- **Aging population will boost social service sector, adding about 2,400 jobs, up 25% by 2020**

Source: Alaska Economic Trends, Alaska Dept. of Labor, July 2011

Health Care Leading Employers

- **22 of Alaska's top 100 private employers in 2010 were health and social service providers**
- **#1 Providence Health & Services = 4,000+**
- **Remaining 21 employers = 21,000-26,000 jobs**
- **Total Alaska occupational licenses = 27,000+**
 - **physicians, nursing, pharmacy, physical and occupational therapy, counseling, psychology, social work**

Employer data: Alaska Economic Trends, Alaska Dept. of Labor, July 2011

Licensing data: Alaska Dept. of Labor as of 1/4/13

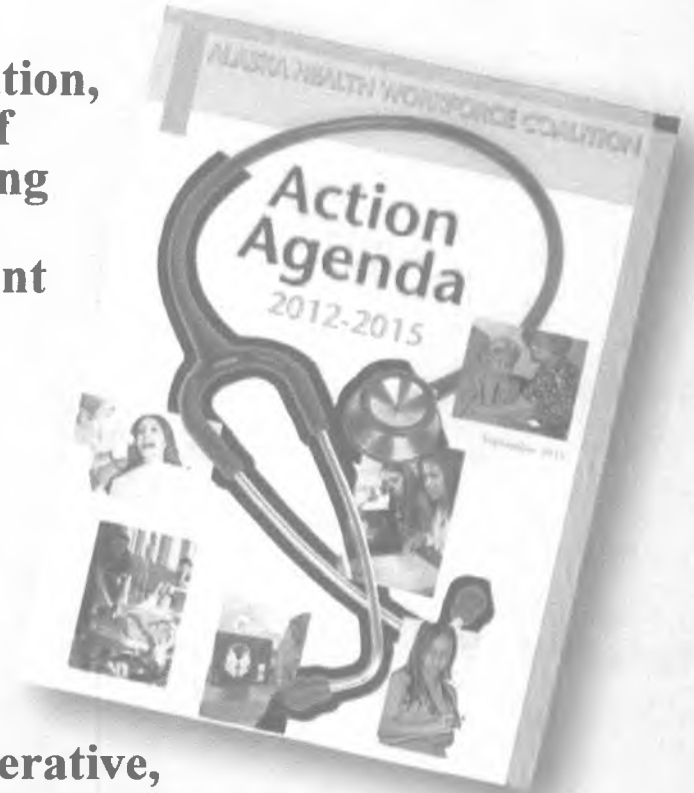
Alaska Health Workforce Coalition

- **Core Team**

- The Trust, departments of Labor, Education, Health and Social Services; University of Alaska, Alaska State Hospital and Nursing Home Association, Alaska Primary Care Association, Alaska Workforce Investment Board and Alaska Native Tribal Health Consortium

- **Coalition**

- Health Commission, AFL/CIO Alaska Nurses Association, U.S. Dept. of Labor, Providence Health and Services, Fairbanks Memorial Hospital, Laborers Local 341, Alaska Area Health Education Centers, Trust Training Cooperative, Alaska Rural Behavioral Health Training Academy, Alaska Behavioral Health Association, service providers, non-profit agencies, faith-based organizations and Alaska Native Health Board



Strategic Thinking

- **Engage, Train/Educate, Recruit & Retain**

Health Workforce Coalition Action Priorities 2012-2015

Occupational Priorities	Systems Change and Capacity Building
Primary Care Providers	Loan Repayment and Incentive Programs
Direct Care Workers	Training and Professional Development
Behavioral Health Clinicians	Aligning Regulatory Policies that Impact the Health Workforce
Clinicians	Engage and Prepare Alaska Youth for Health Careers
Physical Therapists	Health Workforce Recruiting
Nurses	Health Workforce Data
Pharmacists	

Results for Beneficiaries

- **1,684 providers across Alaska attended 2,126 distance delivery and on-site training sessions on behavioral health related topics through the Trust Training Cooperative in FY12**
- **695 professionals attended Training and Technical Assistance for Providers program, increasing providers' capacity to respond to disability-related abuse cases**
- **2,618 individuals received distance delivery and on-site training on autism through Autism Resource Center**
- **1,521 students enrolled in behavioral health training, of which 295 received a degree, through University of Alaska in 2011 (2012 data not available)**
- **850+ healthcare providers, stakeholders and policymakers attended presentations and educational events about the Alaska Health Workforce Coalition**

Ahead in FY14

- **Funding Alaska Health Workforce Coalition Coordinator**
- **Analyzing and applying results of the 2012 Vacancy Study**
- **Supporting development of a Graduate Certificate in Marriage and Family Therapy (LMFT) program at University of Alaska**
- **Securing a permanent home within UA system for non-academic training and professional development for health careers**

Ahead in FY14

	<u>Trustees Recommended:</u> MHTAAR	<u>GF/MH</u>	<u>Gov. GF/MH</u>
<u>Recruitment & Retention</u>			
• Loan Repayment & Incentives	\$ 200.0		
• Workforce Marketing	100.0		
<u>Training & Education</u>			
• UAA Interdisciplinary Education in Children's Mental Health		\$50.0	\$ 0.0
• Trust Training Cooperative & ARBHTA	955.0		
• Interpersonal Violence Prevention for beneficiaries	80.0		
• Specialized skills & service training on serving cognitively impaired offenders	55.0		
• Technical assistance & implementation of D.A.R.T. Teams in targeted communities	210.0		
• AHEC		652.0	0.0
• Alaska Native Community Advancement in Psychology (ANCAP)		50.0	50.0
<u>Focus Area Administration</u>			
• Workforce Coordinator	180.0		
	<u>Trustee Recommended:</u> MHTAAR	<u>GF/MH</u>	<u>Gov. GF/MH</u>
<u>FY2014 Budget Increment Totals</u>	\$1,780.0	\$752.0	\$50.0

Funding in thousands of dollars

Governor's budget amount is shown in red when it is lower than the Trustees' recommendation

Beneficiary Projects Initiative

- **Community need:**
 - peer-based recovery support programs and peer workforce to provide support to others with similar experiences
 - community-based peer support and other peer-based recovery programs to help prevent need for more expensive, intensive levels of service, including hospitalization and/or incarceration
 - recovery support for persons with high severity and complex social and behavioral health issues who do not fare well in traditional services
- **Partners:**
 - 27 beneficiary grantee organizations since 2006
 - Alaska Peer Support Consortium
 - Divisions of Behavioral Health, Senior & Disability Services, Vocational Rehabilitation
 - Trust Training Cooperative, Center for Human Development
 - Advisory Board on Alcoholism and Drug Abuse, Alaska Mental Health Board, Governors Council on Disabilities and Special Education, Alaska Commission on Aging

Strategic Thinking

- **Funding and technical assistance to support safety, effectiveness and sustainability of peer programs and services throughout Alaska**
- **Effective collaborations across service system, advocacy groups and coalitions**
- **Training and education for peer support workforce**
- **Integration of peer support specialists across service delivery systems**
- **Mini Grants to improve beneficiaries' quality of life**
- **Small Project Grants for small, beneficiary-focused projects**

FY12 Beneficiary Mini Grants

Beneficiary Group	Number of Beneficiaries	Amount Awarded
Alzheimer's Disease and Related Dementia	270	\$246,132
Developmental Disabilities	186	\$238,729
Behavioral Health	376	\$573,285
Total	832	\$1,058,146

Maximum grant = up to \$2,500 per person per year

FY12 Small Project Grants

- **\$250,000 budgeted annually**
- **25 grants in FY12 totaling \$191,361**
- **Up to \$10,000 each**
- **Innovative new projects or enhancements to existing projects of direct benefit to beneficiaries**
- **Organizations in Anchorage, Chugiak, Eagle River, Homer, Juneau, Kodiak, North Pole, Palmer, Scammon Bay, Sitka, and Tanacross**

Results for Beneficiaries

- **Promotes recovery, stability and wellness**
- **Provides sense of empowerment and connection**
- **Reinforces consumer choice in managing recovery**
- **Wide range of beneficiary-led programs statewide**
 - **peer-support services**
 - **recovery-community support programs**
 - **housing**
 - **clubhouses**
 - **drop-in centers**
 - **community outreach and engagement**
 - **illness self-management**
 - **alternatives to residential treatment**
 - **supported employment**
 - **training and education**

Ahead in FY14

Trustee Recommended: MHTAAR Authority Grant GF/MH Gov. GF/MH

Grant Funds for Projects

- BPI Program Grants \$1,620.0

Technical Assistance (TA)

- TA for beneficiary groups & agencies 265.0
- Partners in Policymaking \$200.0

Program Management

- Initiative Administration 100.0
- Beneficiary & family leadership conference 80.0
- Evaluation 30.0

Consumer choice & expanded services

- Mini Grants – Behavioral Health 909.6
- Mini Grants – Alzheimer’s Disease and Related Dementia 286.3
- Mini Grants – Developmental Disabilities 250.3
- Small Projects Grants 250.0
- Micro-Enterprise Small Business Capital 125.0 \$ 25.0 \$25.0

Trustee Recommended: MHTAAR Authority Grant GF/MH Gov. GF/MH

FY2014 Budget Increment Totals \$ 575.3 \$3,540.9 \$ 25.0 \$25.0

Funding in thousands of dollars

FY14 Joint Legislative Priorities

- **Shared with all beneficiary advisory boards**
 - **long-term support services for people with disabilities**
 - **Complex Behaviors Collaborative**

**Advisory Board on Alcoholism
and Drug Abuse**



Alaska Mental Health Board



GOVERNOR'S COUNCIL
ON DISABILITIES &
SPECIAL EDUCATION

**Alaska Commission
on Aging**

Thank You

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The TRUST

The Alaska Mental Health
Trust Authority

www.mhtrust.org

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The TRUST
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Alaska Mental Health Trust Land Office

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Anchorage, AK 99503

We are all Alaskans.
Parents, students, musicians, athletes...
But that's not the whole picture.



We all have One in four Alaskans struggles with

It could be someone you know, a loved one, co-worker, friend or neighbor.
But fear of being labeled can be as challenging as the disease itself.

You know me....

JOE

I work at The Wellness Innovations Center and I'm active in my community. In my early 20s I lost my job and apartment and ended up in a state mental hospital. I was diagnosed with schizoaffective disorder. It has been tough, but with treatment and services my life is back on track.



ALEXANDRIA

My life on the autism spectrum has pros and cons. I can memorize anything that interests me with little effort. But often I feel overwhelmed and disorganized. I had a lot of trouble learning what to say and do in certain settings and was seen as a weirdo in school. To fit in, I experimented with drugs and alcohol. Since then, I've learned to cope by educating myself about my disorder. I will think and do things differently than most people, but that's okay. I may be quirky, but I'm lovable, too.



SHARON

I'm a single mom and my son is the love of my life. I have a bachelor's degree in Criminal Justice and I'm looking forward to a bright future. During my childhood though, my future was dark. I endured repeated abuse and in adulthood was diagnosed with post traumatic stress disorder. The right diagnosis, treatment and support from my peers have helped me achieve recovery.



challenges.

a treatable mental health condition.

neighbor. It might be the person you least expect. It might even be you.

Help break the stigma associated with mental illnesses and addiction.



KALYNN

Today, my family is together and strong, but we weren't always that way. When I was young, I experienced a traumatic brain injury. At 11, I started using drugs and alcohol and by 14 was sent out of state for mental health and substance abuse treatment. Now, I am back home with access to the treatment and support I need.



ALVIN

I am a productive tax-paying citizen. I work as an employment specialist with Anchorage Community Mental Health Services, but for a long time I couldn't work or support myself. With help from Alaska Psychiatric Institute and others, I was diagnosed and found support and resources that helped me on the road to recovery.



MINDY

I graduated from the University of Alaska with a degree in Human Services. Many people thought I wouldn't succeed because I have a fetal alcohol spectrum disorder (FASD). I was successful because I learned about FASD and found the right services and supports. I am a testament to the different abilities of people affected by FASD: we are capable.

Treatment works.

Recovery happens.

Resources are available.

Take the first step. Get help for yourself or someone you know.

FOR INFORMATION:

ABOUT MENTAL HEALTH

Substance Abuse and Mental Health Services Administration — Information on mental health conditions and how to treat them. Visit www.samhsa.gov

Mental Health America — Learn about specific mental health conditions and effective treatments. Visit www.nmha.org

ABOUT TREATMENT SERVICES

Alaska 211 — Health and human services information and referral phone line and website. Dial 211 or 1 (800) 478-2221 or visit www.alaska211.org

Alaska Mental Health Board — Statewide Behavioral Health Resource Guide. 1 (888) 464-8920 or <http://hss.state.ak.us/amhb/>

ABOUT RECOVERY AND PEER SUPPORT SERVICES

Alaska Mental Health Consumer Web (Anchorage) — Peer support, resource development and consumer directed programs that help people improve their lives. (907) 222-2980 or www.akmhcweb.org

Wellness Innovations Center (Anchorage) — Peer support for people in mental health recovery, helping each other move forward. (907) 562-7900

Polaris House (Juneau) — Clubhouse services for those seeking support or wanting to support others through recovery. (907) 780-6775

NAMI-Alaska — Support for mental health consumers, family members and caregivers. Visit www.nami.org

Alaska Peer Support Consortium — Information, education and advocacy on behalf of many peer support organizations. Visit www.akpeersupport.org

Medicare Information Office — One-on-one counseling, education and outreach to Medicare beneficiaries and their families. 1 (800) 478-6065 or <http://hss.state.ak.us/dsds/medicare/>

TO GET INVOLVED:

Sound Minds in Sound Bodies Campaign — Take care of your own mental and emotional health and help your friends and family too. Visit www.hss.state.ak.us/abada/sound.htm

Mental Health First Aid — Learn how to identify when someone is in crisis and how to help. For information, contact Chris Gunderson, Director of Training and Development at (907) 222-2366.

Alaska Division of Vocational Rehabilitation — Job seekers visit <http://labor.state.ak.us/dvr/> to find a local Job Center. Employers contact Business Outreach Specialist, Micky Franks, 1 (888) 330-6468 to hire a qualified employee with a disability.

Alaska Mental Health Board — For more ways to get involved, call 1 (888) 464-8920 or visit <http://hss.state.ak.us/amhb/>

Advisory Board on Alcoholism
and Drug Abuse



Alaska Mental Health Board

<http://hss.state.ak.us/amhb/>
(888) 464-8920

The TRUST
The Alaska Mental Health
Trust Authority
www.mhtrust.org

TRUSTEES

Dr. William Doolittle . . . Chair
Laraine Derr Vice Chair
Paula Easley Secretary/Treasurer
Mike Barton
Mary Jane Michael
Larry Norene
Russ Webb

TRUST STAFF

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Kevin Buckland Chief Financial Officer
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Steve Williams Program Officer
Miri Smith-Coolidge . . Program Special Assistant
Lucas Lind Grants Administrator
Michael Baldwin Grants Accountability Manager
Marilyn McMillan . . . Budget Coordinator
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Vickie Scaife Administrative Assistant

AN OVERVIEW OF The Trust



The TRUST

The Alaska Mental Health
Trust Authority

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April 2012

The TRUST

The Alaska Mental Health
Trust Authority

A Catalyst For Change And Improvement

Comprehensive Integrated Mental Health Program. The Trust and the Department of Health and Social Services jointly convene other state agencies, beneficiary advisory groups and key stakeholders to develop and revise a Comprehensive Integrated Mental Health Plan for delivering these services to Trust beneficiaries. The plan is reviewed and updated in five-year increments to ensure the plan is addressing the needs of Trust beneficiaries.

The plan looks at the current status of Trust beneficiaries and seeks to make long-term improvements in their health, safety, quality of life and economic security. The plan also examines current service delivery systems and identifies any service gaps. Finally, the plan is useful in indicating future program needs.

HISTORY

Prior to statehood, there were limited services in the Territory of Alaska for anyone with mental illness, addictions or other mental disabilities. A person with any of these conditions could be prosecuted as "an insane person at large" and, if convicted, was sent by the federal government to live in Morningside Hospital, a mental institution in Oregon. During Alaska's transition to a state, Congress passed the Alaska Mental Health Enabling Act of 1956, transferring responsibility for providing mental health services from the federal government to the Territory and, ultimately, the State of Alaska. The act established the Alaska Mental Health Trust as a perpetual trust and granted Alaska one million acres of land that would be managed to generate income for a comprehensive integrated mental health program.

Although the Alaska Legislature held a fiduciary responsibility to manage the land on behalf of Alaskans with mental disabilities, it did not do so. By 1982, only a fraction of the land remained under state ownership when 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 in cash.

GOVERNANCE

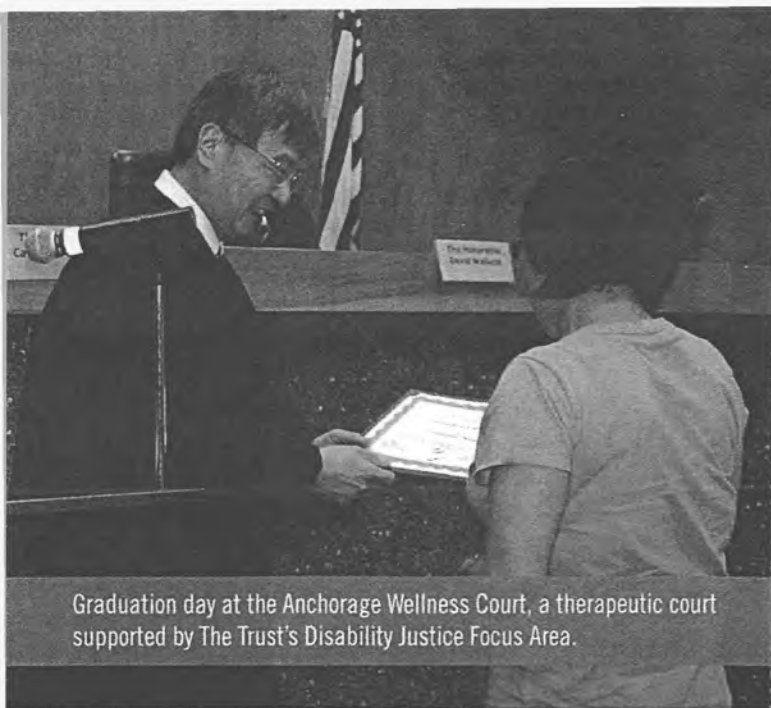
The 1994 settlement also established a seven-member, independent Board of Trustees to manage the Trust fund on behalf of the beneficiaries. Trustees are appointed by the governor and confirmed by the Legislature for five-year, staggered terms. Trustees are officers of the corporation and have a fiduciary responsibility to enhance and protect The Trust's cash and non-cash assets.

TRUST ASSETS

The Trust contracts with several organizations to manage our assets. The Alaska Permanent Fund Corporation and the Alaska Department of Revenue Treasury Division manage The Trust's cash assets. The Trust contracts with the Trust Land Office, a unit within the Alaska Department of Natural Resources, to manage our land and other non-cash assets. Revenue-generating uses of Trust land include land leasing and sales; real estate investment and development; commercial timber sales; mineral exploration and production; coal, oil and gas exploration and development; and sand, gravel and rock sales.



The Trust contracts with the Trust Land Office to manage our cash and non-cash assets, such as buildings, timber, minerals, and coal, oil and gas developments.



Graduation day at the Anchorage Wellness Court, a therapeutic court supported by The Trust's Disability Justice Focus Area.

TRUST FUNDING

The Trustees adopt operating and capital budgets in two-year cycles, but by state statute must submit annual recommendations to the governor and Legislature regarding expenditures of Trust income and other state funds for the state's Comprehensive Integrated Mental Health Program. These expenditures comprise the Mental Health Budget Bill and must be approved by the Legislature.

Trustees also set aside a portion of our annual budget for authority grants, which are administered directly by The Trust. Authority grants are available for partnerships, small projects and mini-grant programs for behavioral health conditions, developmental disabilities and Alzheimer's disease and related dementia. These grants are awarded at the discretion of the Board of Trustees and are available to non-profit organizations, service providers, tribal entities, government agencies and other groups that serve Trust beneficiaries. Individuals, by regulation, are not eligible to receive grants from The Trust.

For more information, see Grant Opportunities at www.mhtrust.org or call the Grants Administrator at 907-269-7999.

TRUST FOCUS AREAS

The Trust, with input from our many stakeholders, selects several programmatic areas on which to focus planning, development and funding that will have broad and long-term impacts on the systems that serve beneficiaries. Currently The Trust is focusing on five program areas that address issues with significant impact on Trust beneficiaries:

1. **Bring the Kids Home** – reforming Alaska's mental health care for children and adolescents so they are diagnosed earlier and are treated as close to home as possible;
2. **Affordable Appropriate Housing** – increasing a continuum of housing options for Trust beneficiaries;
3. **Disability Justice** – reducing the involvement and recidivism of Trust beneficiaries in the criminal justice system;
4. **Beneficiary Projects Initiative** – supporting grassroots, peer-to-peer programs for Trust beneficiaries;
5. **Workforce Development** – creating an available and competent workforce for Trust beneficiary service providers.

INFORMATION

To learn more about The Trust, our focus areas and funding opportunities, visit www.mhtrust.org or call 907-269-7960.



The Trust is working with stakeholders around the state to reform Alaska's mental health system of care for children and adolescents.



The Trust is a key player in Alaska's efforts to develop and retain a capable, competent workforce for providers who serve Trust beneficiaries

THE TRUST

The Alaska Mental Health Trust Authority is a state corporation that administers the Alaska Mental Health Trust. The Trust is a perpetual trust that operates much like a private foundation, using our resources to ensure Alaska has a comprehensive integrated mental health program for Trust beneficiaries. Our mission is to act as a catalyst for change and improvement in the systems that serve Trust beneficiaries.

BENEFICIARY GROUPS

Trust beneficiaries include the following individuals:

- people with mental illness,
- people with developmental disabilities,
- people with chronic alcoholism and other substance related disorders,
- people with Alzheimer's disease and related dementia, and
- people with traumatic brain injury.

ADVISORS

Trustees and Trust staff work closely with four statutory advisory boards that represent Trust beneficiaries:

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

The Commissioners of Health and Social Services, Natural Resources, and Revenue are also statutory advisors to the Trust, providing input about issues within their departments that relate to Trust beneficiaries.

COMPREHENSIVE INTEGRATED MENTAL HEALTH PROGRAM

The Trust plays many roles in ensuring there are adequate systems in place and services available for Trust beneficiaries. Trustees and Trust staff provide leadership in advocacy, planning, implementing and funding of the state's

FACT SHEET

Overview

The Alaska Mental Health Trust Authority is a state corporation that administers the Alaska Mental Health Trust, a perpetual trust managed on behalf of Trust beneficiaries. The Trust operates like a private foundation, using its resources to ensure that Alaska has a comprehensive integrated mental health program to provide services for Trust beneficiaries.

Trust Beneficiaries

Trust beneficiaries include:

- people with mental illness,
- people with developmental disabilities,
- people with chronic alcoholism and other substance related disorders,
- people with Alzheimer's disease and related dementia, and
- people with traumatic brain injury resulting in permanent brain injury.

Trust Governance

The Trust is overseen by a seven-member Board of Trustees appointed by the governor and confirmed by the Legislature. The appointments are for five-year, staggered terms. Current Trustees are:

- Dr. William Doolittle, Chair
- Mike Barton, Vice Chair
- Paula Easley, Secretary/Treasurer
- Laraine Derr
- Mary Jane Michael
- Larry Norene
- Russ Webb

Trust Assets

The Trust employs the expertise of several organizations to manage its cash and non-cash assets. The Alaska Permanent Fund Corporation manages The Trust's cash assets. The Trust Land Office, a separate unit within the Alaska Department of Natural Resources, manages the land and other non-cash assets on behalf of The Trust. 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; and sand, gravel and rock sales.

Trust Funding

The Trustees annually submit recommendations to the governor and Legislature regarding expenditures of Trust income and other state funds to support the state's Comprehensive Integrated Mental Health Program. These expenditures comprise the Mental Health Budget Bill and must be approved by the Legislature.

In addition, the Trustees allocate a portion of The Trust's annual budget for grants that are administered directly by The Trust. These grants are available for partnerships, small projects and mini-grant programs. Grants are awarded at the discretion of the Board of Trustees or Trust staff and are available to non-profit organizations, service providers, tribal entities, governmental agencies and other groups that serve Trust beneficiaries.

Trust Focus Areas

The Trust has selected five program areas to focus significant planning and funding. These focus areas are intended to make long-term impacts on the systems that serve beneficiaries, increasing and improving services for Trust beneficiaries:

1. **Bring the Kids Home** – reforming Alaska's mental health care for children and adolescents so they are diagnosed earlier and are treated as close to home as possible;
2. **Affordable Appropriate Housing** – increasing the housing options available to Trust beneficiaries;
3. **Disability Justice** – reducing the involvement and recidivism of Trust beneficiaries in the criminal justice system;
4. **Beneficiary Projects Initiative** – supporting grassroots, peer-to-peer programs for Trust beneficiaries;
5. **Workforce Development** – creating an available and competent workforce for Trust beneficiaries and social service providers.

(more)

Trust Advisors and Partners

The Trust works closely with several advocacy boards that represent Trust beneficiaries:

- **Advisory Board on Alcoholism and Drug Abuse**
 - 888-464-8920 (toll free) or visit <http://www.hss.state.ak.us/abada>
- **Alaska Mental Health Board**
 - 888-464-8920 (toll free) or visit <http://hss.state.ak.us/amhb>
- **Governor's Council on Disabilities and Special Education**
 - 888-269-8990 (toll free) or visit <http://health.hss.state.ak.us/gcdse>
- **Alaska Commission on Aging**
 - 907-465-3250 or visit <http://www.alaska.aging.org>
- **Alaska Brain Injury Network**
 - 888-574-2824 (toll free) or visit <http://www.alaskabraininjury.net>
- **Statewide Suicide Prevention Council**
 - 800-770-1672 (toll free) or visit <http://www.hss.state.ak.us/suicideprevention>

####

For more information, contact: Vivian Hamilton at 907-334-2531 or vivian.hamilton@alaska.gov

January 2013

The TRUST

The Alaska Mental Health Trust Authority

Trust Focus Areas

The Alaska Mental Health Trust Authority is focusing significant planning and funding on the following program areas to address issues with significant impact on Trust beneficiaries:

1. **Bring the Kids Home** – reforming Alaska’s mental health care system for children and adolescents so they are diagnosed earlier and are treated as close to home as possible;
2. **Disability Justice** – reducing the involvement and recidivism of Trust beneficiaries in the criminal justice system;
3. **Affordable Appropriate Housing** – increasing the housing options available to Trust beneficiaries;
4. **Beneficiary Projects Initiative** – supporting grassroots, peer-to-peer programs for Trust beneficiaries;
5. **Workforce Development** – creating an available and competent workforce for Trust beneficiaries and beneficiary service providers.

Trust beneficiaries include:

- People with mental illness,
- People with chronic alcoholism and other substance related disorders,
- People with developmental disabilities,
- People with Alzheimer’s disease and related dementia, and
- People with traumatic brain injury.

January 2013

Overview

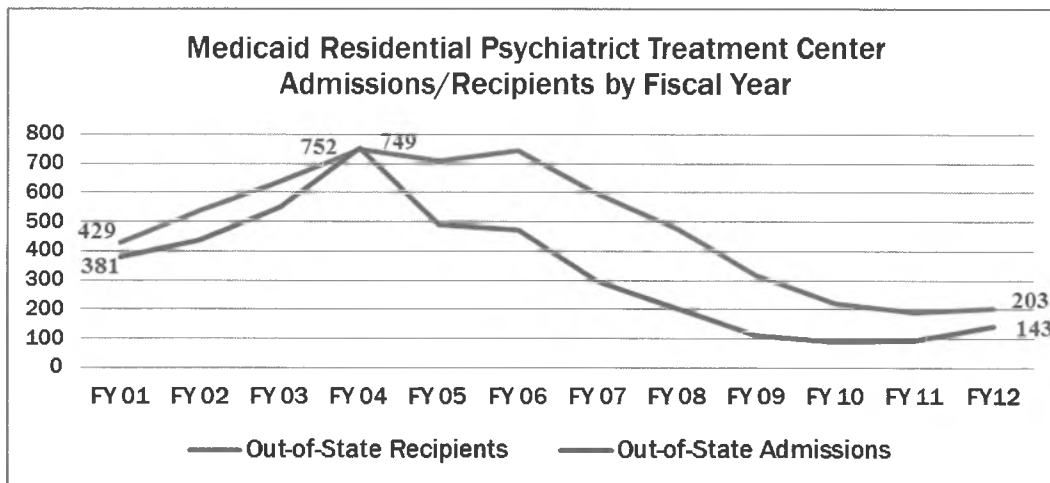
The Alaska Mental Health Trust Authority Bring the Kids Home Focus Area is reforming Alaska's mental health care system for children and adolescents so they are diagnosed earlier and are treated as close to home as possible.

Problem or community need

- 7.2 percent (12,725) of the state's youth are estimated by the Division of Behavioral Health to experience a serious emotional disturbance
- Approximately 35 percent of these youth are Alaska Native
- In FY04, youth admits to out-of-state residential psychiatric treatment centers (RPTC) peaked at 752
- Out-of-state treatment can isolate youth, make it hard for families to participate in treatment, and make transitions home challenging.

Progress

- From FY04 to FY12, out-of-state RPTC admits* **decreased 81 percent** and out-of-state RPTC recipients** **decreased 73 percent** (see chart.)
- Unfortunately, from FY11 to FY12 RPTC admits **increased 49 percent** and RPTC recipients **increased by 5.4 percent** (see chart).
- However, from FY04 to FY12, the rate of RPTC placements per 1,000 Medicaid youth recipients **decreased from 15.5 per 1,000 to just 5.9 per 1,000** – more youth entered the Medicaid service system but proportionately fewer went into RPTC.
- From FY09 to FY12 youth served in community-based mental health **increased by 13.7 percent**
- From FY06 to FY12, Medicaid expenditures for out-of-state RPTC **decreased 64 percent** from \$40 million to \$14.5 million.
- From FY04 to FY12, the RPTC recidivism rate (within one year) decreased from 20 percent to 5 percent.



* Admits = only youth admitted during a fiscal year.

** Recipients = all youth served in a fiscal year, including those admitted a previous year.

Budget priorities for FY14

- *Expanding effective practices:* implement best practices for youth of transition age, youth with co-occurring diagnoses and youth who have experienced complex trauma.
- *Increasing services to families:* expand the scope and quality of in-home and family services and supports. Improve service coordination, family engagement and parent skills training.
- *Intervening earlier:* expand access to services for very young children and their families to prevent development of severe disorders.

For additional information, contact:

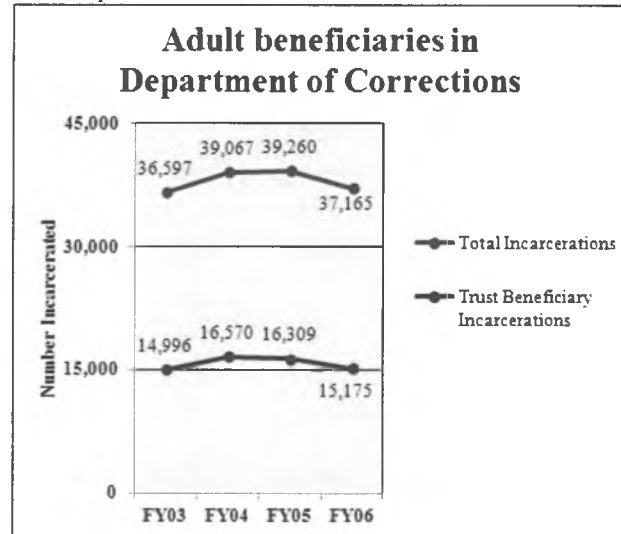
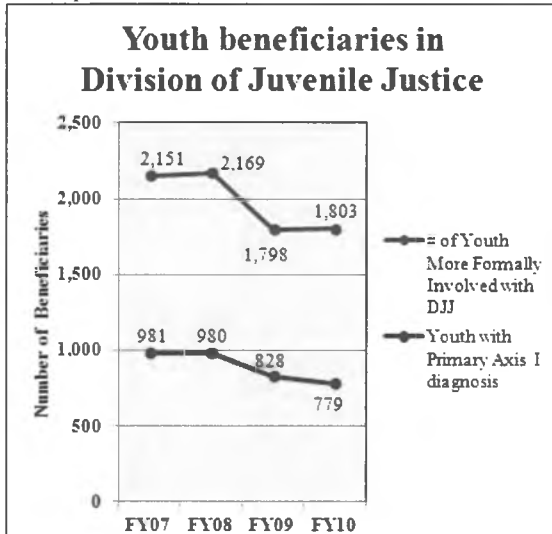
Brita Bishop, Bring the Kids Home Coordinator
 Department of Health and Social Services
 907-465-4994
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Overview

The Alaska Mental Health Trust Authority Disability Justice Focus Area is aimed at reducing the involvement and recidivism of Trust beneficiaries in the criminal justice system. Trust beneficiaries include people with mental illness, chronic alcoholism and other substance related disorders, developmental disabilities, Alzheimer's disease and related dementia, and traumatic brain injury.

Problem

- 43 percent of youth involved with the juvenile justice system are Trust beneficiaries.¹
- 42 percent of individuals incarcerated in the Alaska Department of Corrections are Trust beneficiaries.²



- Incarcerated beneficiaries:
 - have more difficulty adjusting to incarceration
 - tend to commit more frequent violations of prison rules
 - are more likely to be victimized by other prisoners
 - spend a disproportionate amount of time in custody
 - are at increased risk for re-incarceration for technical violations of their conditions of release (which do not constitute a crime) due to inadequate release planning for re-entry into Alaska communities.
- Hundreds of beneficiaries are incarcerated each year for their “safety” under AS 47.37 because detoxification services are not available.
- Trust beneficiaries are at increased risk of financial, physical and sexual victimization and exploitation because they are more vulnerable.

Budget priorities for FY14

- Increasing capacity for Department of Corrections offender reentry programs – *Assess, Plan, Identify, and Coordinate (APIC)* and *Institutional Discharge Plus (IDP)* programs
- Expanding therapeutic courts to targeted communities
- Increasing Department of Corrections mental health clinical capacity
- Increasing community treatment capacity statewide for therapeutic court participants.

For additional information, contact:

Steve Williams, Trust Program Officer
 907-269-7697
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January 2013

¹ FY10 DSM-IV-TR Summary, Division of Juvenile Justice, Department of Health & Social Services

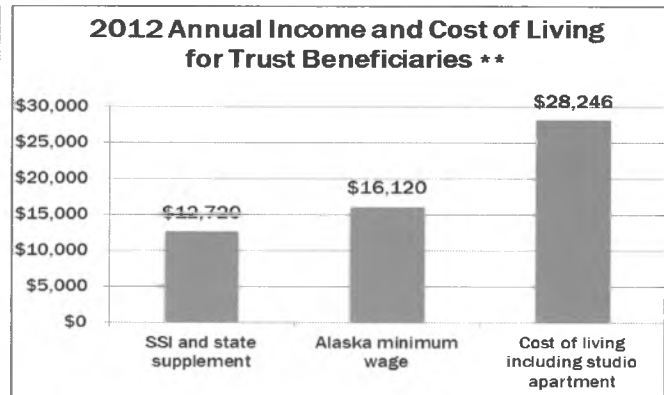
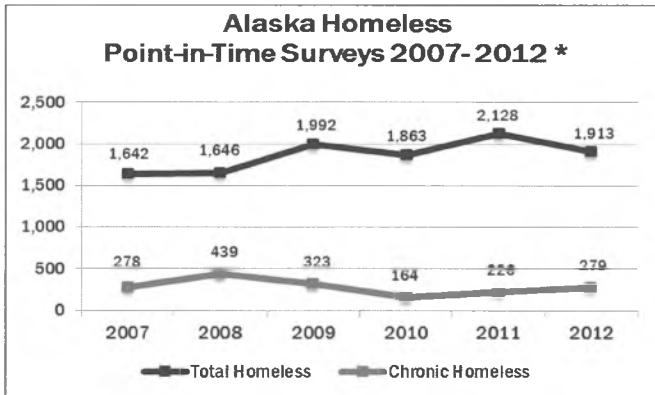
² Study of Trust Beneficiaries in the Alaska Department of Corrections – 2007 (Hornby Zeller Associates)

Overview

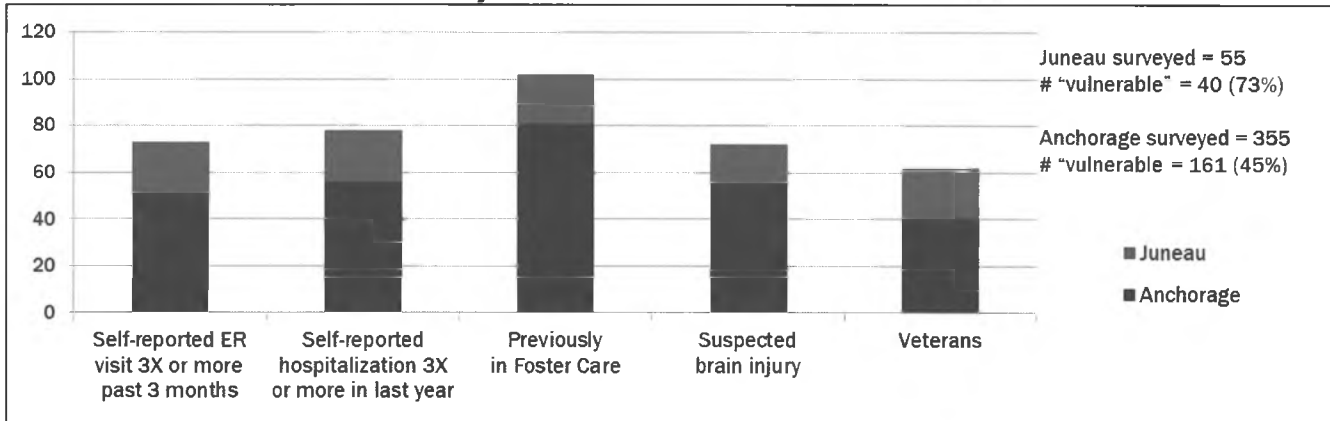
The Alaska Mental Health Trust Authority Affordable Appropriate Housing Focus Area is increasing the housing options available for Trust beneficiaries, including programs that increase tenancy and tenure in affordable housing for beneficiaries who are currently or at risk of becoming homeless, institutionalized or incarcerated. Trust beneficiaries include people with mental illness, chronic alcoholism and other substance related disorders, developmental disabilities, Alzheimer's disease and related dementia, and traumatic brain injury.

Problem

- The number of chronically homeless people identified in the 2012 HUD count rose 19 percent over prior year.
- The high cost of living versus beneficiaries' earnings.



Vulnerability Assessment of Homeless Individuals***



Sources: *HUD Point-in-Time annual surveys ** Soc. Sec. Admin, Alaska Dept. of Labor, National Low Income Housing Coalition
***Juneau Homeless Coalition and Anchorage Coalition on Homelessness

Support services + housing = results

- Bridge Home and more intensive community outreach models serve more than 200 in the Anchorage area.
- Replicating *Housing First* for beneficiaries with alcohol addiction or other disabling conditions in settings that provide robust social services.
 - Karluk Manor tenants stabilized after one year with 78% retention (compared to 80% in similar programs).
 - Additional programs are in the planning stages in Anchorage, Juneau and Nome.

Budget and policy priorities for FY14

- Alaska Housing Finance Corporation Homeless Assistance Program and Special Needs Housing Program
- Long-Term Care Strategic Planning

For additional information, contact:

Nancy Burke, Trust Senior Program Officer
907-269-7961 nancy.burke@alaska.gov

Overview

The goal of the Alaska Mental Health Trust Authority Workforce Development Focus Area is to ensure service providers across the state have access to a stable, capable, culturally competent workforce to serve Trust beneficiaries, their families and communities. Trust beneficiaries include people with mental illness, chronic alcoholism and other substance related disorders, developmental disabilities, Alzheimer's disease and related dementia, and traumatic brain injury.

Problem*

- Alaska is expected to add 38,749 jobs between 2010 and 2020, an increase of 12 percent.
- Health care and social service jobs will be booming through 2020 as the population of Alaskans age 65 and up is expected to grow by 89 percent.
- Health care and social service jobs, which will benefit from the needs of an aging population, are projected to grow by about 31 percent.
- Ambulatory health care – which includes practitioners, outpatient care centers, and home health services – will gain 5,860 jobs, or 28 percent, and nursing homes and community elder care facilities will also show strong growth.
- The aging population will also boost social services, adding about 2,400 jobs – up 25 percent for the 10-year period.
- Health care and social service jobs will be responsible for one-third of the total jobs added over the projection period.
- These jobs will also become a larger share of the state's employment, growing from 12.8 percent in 2010 to 15 percent in 2020.
- There are extremely high vacancy rates in many critical health occupations.

Budget priorities for FY14

- Analyzing the results of the 2012 Vacancy Study, a multi-faceted, detailed review of more than 160 health occupations, and applying the information to planning at the sub-specialty level.
- Supporting a multidisciplinary collaboration among University of Alaska faculty to develop a Graduate Certificate in Marriage and Family Therapy (LMFT) program that will meet requirements for licensure.
- Completing the 43 Alaska Health Workforce Coalition Action Agenda 2012-2015 strategies and beginning to draft the Action Agenda 2015-2018.
- Working with partners to secure a permanent home within the University of Alaska for non-academic training and professional development for health careers.
- Supporting loan repayment and other incentive strategies for health professionals.
- Supporting increments for University of Alaska health programs, such as the Area Health Education Centers (AHEC), physical therapy and pharmacy.

For additional information, contact:

Kathy Craft, Alaska Health Workforce Coordinator

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The TRUST

The Alaska Mental Health Trust Authority

January 2013

Overview

The Alaska Mental Health Trust Authority Beneficiary Projects Initiative Focus Area supports and funds grassroots, beneficiary-driven, peer-to-peer programs and a grants program that directly improves the lives of Trust beneficiaries. Trust beneficiaries include people with mental illness, alcoholism and other substance related disorders, developmental disabilities, Alzheimer's disease and related dementia, and traumatic brain injury.

Paralleling a growing national movement, Trust beneficiaries are working together to make changes in their lives, in the health care system and in society. Peer-based service models of care are based on the principle of mutual support, have been tested in multiple environments and are grounded in the values of community and relationship.

Strengthening Community

- Increasing peer-based recovery support programs and peer workforce to provide support to others with similar experiences and to enhance Alaska's continuum of care for beneficiaries.
- Developing community-based peer support and other forms of peer-based recovery management programs to help prevent the need for more expensive, intensive levels of service, including hospitalization and/or incarceration.
- Sustaining recovery support for persons with high severity and complex social and behavioral health issues who do not fare well in traditional services.¹

Budget priorities for FY14

- Foster evidence-based models of peer support, e.g., criminal justice² and addiction recovery.
- Develop peer support programming in new regions across Alaska and across beneficiary groups.
- Develop the peer workforce and competencies for peer support specialist positions.
- Integrate peer support into community health and behavior health programs statewide.

For additional information, contact:

Katie Baldwin-Johnson, Trust Program Officer
907-269-1049
katie.johnson@alaska.gov



January 2013

¹ White, W. Boyle, M. and Loveland, D. (2003) *Recovery Management: Transcending the Limitations of Addiction Treatment*. Behavioral Health Management 23(3):38-44.

² Davidson, L., & Rowe, M. (2008). *Peer support within criminal justice settings: The role of forensic peer specialists*. Delmar, NY: CMHS National GAINS Center.

WHAT IS THE TRUST LAND OFFICE?

The Trust Land Office (TLO) is a unit attached to the Department of Natural Resources that is specifically responsible for managing the land and other natural resources owned by the Alaska Mental Health Trust Authority (The Trust). The TLO generates revenue by leasing and sales of land; real estate investment and development; commercial timber sales; mineral exploration and production; coal, oil and gas exploration and development; and sand, gravel and rock sales.

WHAT IS THE ALASKA MENTAL HEALTH TRUST AUTHORITY?

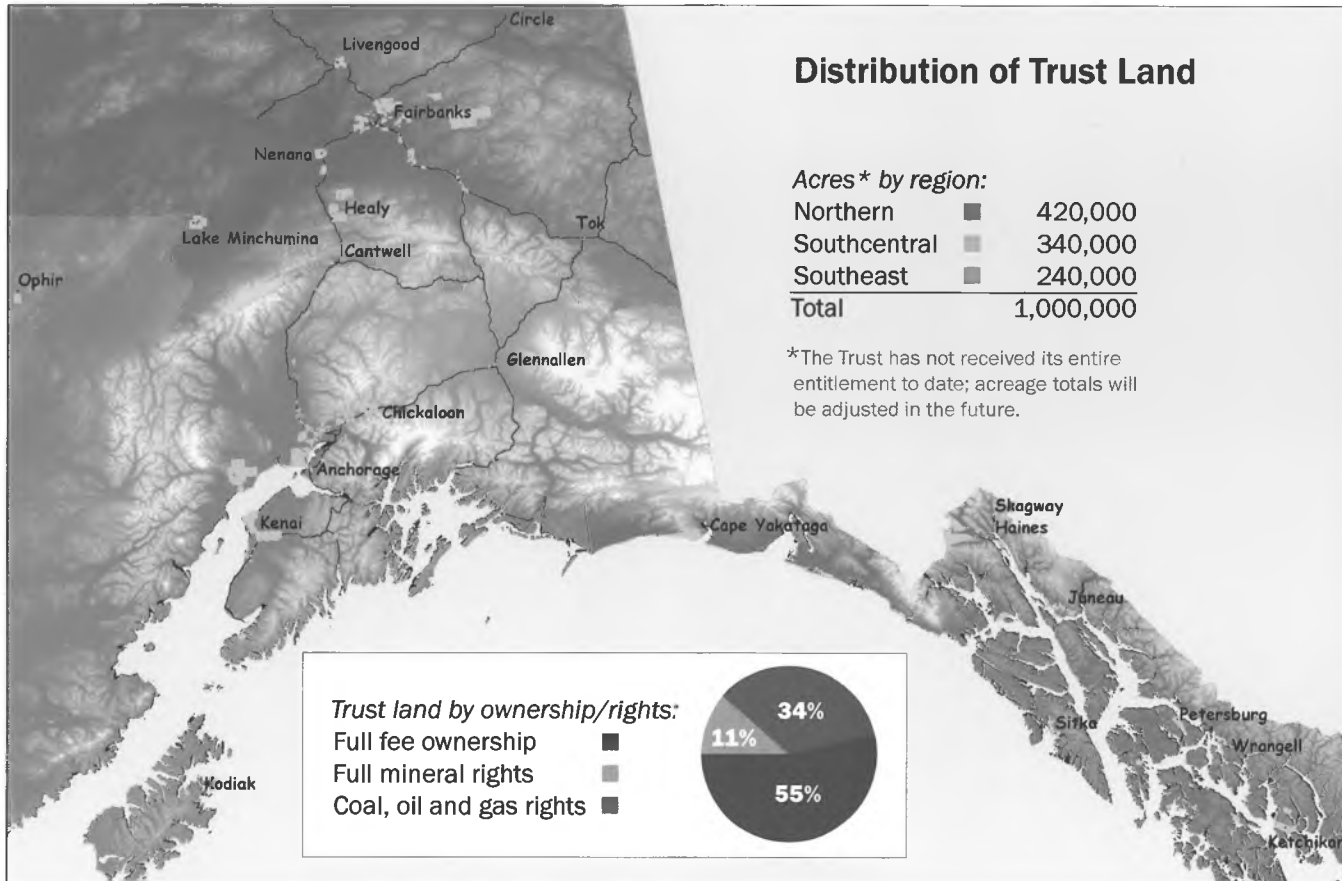
The Trust is a state corporation that administers the Alaska Mental Health Trust, a perpetual trust managed for the benefit of people with mental illness, developmental disabilities, chronic alcoholism and other substance related disorders, Alzheimer's disease and related dementia, and traumatic brain injury. The Trust operates like a private foundation, using its resources to ensure that Alaska has a comprehensive integrated mental health program. The Trust annually budgets approximately \$26 million to support services and programs for Trust beneficiaries.

WHY DOES THE TRUST OWN LAND?

Prior to statehood, Alaska did not have a mental health system. Individuals with a mental disability, such as a mental illness, Down syndrome, dementia or chronic alcoholism, could be charged as an "insane person at large" and sent by the federal government to a mental hospital in Oregon. In 1956, Congress passed the Alaska Mental Health Enabling Act, entitling the Territory of Alaska to select one million acres of federal land to be used for revenue generation to support mental health services after Alaska became a state.

WHAT IS THE TLO's STEWARDSHIP ROLE?

In addition to revenue generation, the TLO is charged with managing Trust lands prudently, efficiently and with accountability to The Trust and its beneficiaries. The TLO carries out its stewardship role by managing and protecting the inherent value of The Trust's real property portfolio for today's development opportunities and into perpetuity. Preservation responsibilities include evaluating and monitoring a long-term asset management strategy, restoration or reclamation projects, conservation easements and trespass/access controls.



CURRENT PROJECTS ON TRUST LAND

MINERAL:

Most of the mineral assets managed by the TLO are located on Trust land in the Interior and Southeast Alaska. Prospective mineral tracts are typically offered for exploration and development through a competitive leasing process. There has been heightened interest in leasing Trust land for gold exploration in recent years. Development of the Ft. Knox Mine and exploration at Livengood are the most visible producing and developing mines. In addition, there are several placer leases on Trust land where miners are re-mining historical workings. When completed, they will use modern reclamation techniques to restore the land for future Trust uses.

COAL and UNDERGROUND COAL GASIFICATION:

A large portion of original Trust land was specifically selected for its abundance of coal and associated revenue-generating potential. The Trust holds active coal leases near Tyonek, Healy and Chickaloon. In addition, about 167,000 acres are under coal exploration licenses for deep coal deposits which could lead to leases being developed as Underground Coal Gasification units. Products from these leases could range from syn-gas used to power electric turbines to sulfur-free diesel or aviation fuel.

OIL and GAS:

The Trust holds oil and gas interests throughout the Cook Inlet area and Nenana Basin. Leases have been executed with five companies and approximately 120,000 acres are currently leased. Extensive seismic work and test drilling are underway on Trust land on both sides of Cook Inlet.



Natural gas well on Trust land on the Kenai Peninsula



Gold-bearing granite mined at Ft. Knox near Fairbanks

TIMBER:

The Trust's forest resources are located throughout Alaska. Timber sales have accounted for about 25 percent of the TLO's income over the last few years. The Trust is working with the U.S. Forest Service on a land exchange that would allow the TLO to maximize The Trust's assets and maintain revenue while preserving old growth forests bordering seven communities in Southeast Alaska.



Ken Graham Photo

Orthopedic Physicians Anchorage building on Trust land in U-Med District

REAL ESTATE:

Some land owned by The Trust is located in areas that are well suited for residential or commercial use. These lands are made available to the public through commercial and residential leasing and an ongoing residential and commercial subdivision program. Real estate investments and developments are selected for their long-term income potential for The Trust.

LAND SALES and MANAGEMENT:

Land sales and land use activities have contributed more than 50 percent of the total revenue generated by the TLO from inception. Trust lands generate revenue throughout the state in the form of leases, licenses, and easements. TLO land managers also sell Trust land through either the annual competitive land sale program or negotiated land sales.

2013 Legislative Orientation: Mental Health Budget Bill

Alaska Mental Health Trust Authority

January 28, 2013



Territorial Days

- **All mental disabilities lumped together**
- **“Insane Person At Large” - a territorial crime**
- **Federal marshals transported to Morningside Hospital in Oregon**
- **Many never returned to Alaska**
 - **Trust history project calls them “The Lost Alaskans”**

2



Enabling Act of 1956

- **Phased out operational support to wean Alaska off federal dole**
- **Cash payment for construction of API and purchase of Harborview**
- **1 million acres of land in trust to generate money to pay for ongoing expenses**
- **State Legislature appointed as trustee**

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Litigation

- **Weiss v. State filed as class action in 1982**
 - alleges breach of trust
 - class broadly defined
- **Alaska Supreme Court rules in 1985 that trust must be reconstituted, but only about 50% of original land remains in State ownership**
- **Court injunction freezes all activity on all trust land**

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Beneficiaries

- **People with mental illness**
- **People with chronic alcoholism and other substance use disorders**
- **People with developmental disabilities**
- **People with Alzheimer's disease and related dementia**
- **People with traumatic brain injury**

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Settlement Attempts

- **Specially appointed commission values trust land at \$2.2 billion**
- **1987, 1990, 1991 - major settlement attempts based on percentage of general fund revenues or land swaps failed**
- **After 1991 settlement attempt is rejected by Judge Meg Greene, “unholy alliance” of stakeholders gathers to craft final settlement package**

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1994 - Settlement at Last!

- **Designation of 995,502 acres to be managed by a special unit within DNR**
 - 341,421 acres subsurface estate
 - 104,286 acres hydrocarbon interest
 - 549,795 acres fee simple
- **Appropriation of \$200 million to a trust fund to be managed by the Alaska Permanent Fund Corporation**
 - \$386.4M at June 30, 2012

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1994 - Settlement at Last!

- **Creation of the Alaska Mental Health Trust Authority to act as trustee**
- **Separate appropriations bill for mental health program – Mental Health Budget Bill**
- **Comprehensive Integrated Mental Health Program Plan required**
- **Four advisory boards make policy, program and budget recommendations to Trustees**
- **DNR, DOR, DHSS Commissioners designated as advisors to The Trust**

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Trust Mission Statement

The Alaska Mental Health Trust Authority (The Trust) administers the Mental Health Trust to improve the lives of beneficiaries.

Trustees have a fiduciary responsibility to protect and enhance trust assets in perpetuity for the beneficiaries.

The Trust provides leadership in advocacy, planning, implementing and funding of the Comprehensive Integrated Mental Health Program; and acts as a catalyst for change.

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The Trust Authority Roles

- **Oversee management of Trust assets**
Safeguard annual payout from principal
 - currently 4.25%
- **Maintain budget reserve account**
- **Inflation proof principal to preserve Trust for future generations**
- **Develop Comprehensive Integrated Mental Health Plan with DHSS and advisory boards**
- **Spend Trust income**
- **Separate Mental Health Budget Bill**
 - recommend to Governor and Legislature how the State should spend general fund resources

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Beneficiaries by the Numbers

- **21,754** Alaskans age 18+ have a serious mental illness
- **12,725** children have a serious emotional disturbance
- **7,584** Alaskans have Alzheimer's disease or related dementia
- **11,900** Alaskans have a traumatic brain injury
- **12,784** Alaskans have developmental disabilities
- **20,000** Alaskan adults are dependent on alcohol

* Source: Alaska Scorecard – Key Issues Impacting Alaska Mental Health Trust Beneficiaries – December 2012

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The Budget Process – A Separate Appropriation Bill

- **Trustees recommend annual operating and capital budgets by September 15 (required by statute)**
- **Types of funds in the Mental Health Budget:**
 - **GF/MH – general fund/mental health**
 - **MHTAAR – mental health trust authority authorized receipts**
 - **MH Admin – funds to operate The Trust**
 - **Alaska Housing Finance Corporation dividends**
 - **Alcohol tax receipts**

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FY2014 Mental Health Budget

GF/MH	\$ 210,521.2
MHTAAR	\$ 12,884.7
Alcohol tax receipts	\$ 20,140.2
AHFC	\$ 8,050.0
MH Admin	\$ 3,345.5
TOTAL	\$ 254,941.6

Funds in millions of dollars

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Bring the Kids Home

- **Problem:**
 - FY04 700+ youth treated at residential psychiatric treatment centers (RPTC) outside Alaska
 - cost = \$40+ million in Medicaid *leaving* Alaska
- **Progress:**
 - reversed the trend – total RPTC admissions dropped 59%, out-of-state dropped 81% and in-state rose 20% from FY04-FY12
 - expanded in-state care - added about 300 new beds
 - increased early detection and intervention
 - expanded community-based services so youth are diagnosed earlier and treated closer to home

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Disability Justice Focus Area

- **Problem:**
 - 43% of youth in juvenile justice system are Trust beneficiaries
 - 42% of incarcerated adults are beneficiaries
- **Progress:**
 - 15 therapeutic courts for adults and juveniles
 - increased clinicians in adult corrections and juvenile justice facilities
 - built Fairbanks Detox and Bethel Sobering Center
 - 75% reduction in protective custody holds in Bethel
 - re-entry planning starts when person is booked into jail

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Affordable Appropriate Housing

- **Problem:**
 - 1,913 Alaskans homeless in HUD point-in-time survey January 2012
 - Chronically homeless increased 19% in one year
 - High cost of living vs. homeless or low income person's income
- **Progress:**
 - \$10 million in Governor's capital budget
 - increased requests for AHFC grants
 - replicating *Housing First* model targeting most vulnerable and costly homeless individuals
 - Anchorage, Fairbanks programs operating
 - Anchorage, Juneau, Nome planning

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Workforce Development

- **Problem:**
 - shortage of health care workers near crisis level
 - jobs projected to increase 31% from 2010-2020
 - high turnover, especially in rural areas
 - lack of training/education in state and lack of continuing education for licensure and certification
- **Progress:**
 - merged Trust focus area partners with Alaska Health Workforce Coalition, a public-private partnership
 - core competencies developed and implemented across the state for direct service workers

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Beneficiary Projects Initiative

- **Empowers beneficiaries to develop grass-roots peer-run projects**
 - emphasizes prevention, education, early intervention
 - helps reduce need for more expensive, intensive levels of service -- hospitalization, incarceration
- **Offers funding and technical assistance**
- **Progress:**
 - 27 beneficiary-run programs received grants
 - Alaska Peer Support Consortium formed
 - participants find their own path to recovery
 - integration of peer support across service delivery systems

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New Efforts

- **Recover Alaska**
 - initiative lead by Rasmuson Foundation, includes The Trust, Mat-Su Health Foundation, DHSS and other stakeholders
 - goal to help individuals, families and communities in Alaska “recover” from impacts of alcohol
 - focus on systems, policy, statutory and practice changes that will lead to long-term improvements
- **Title 4 review**
 - partnership with Alcohol Beverage Control Board, which is convening stakeholders to review and possibly recommend changes to Alaska’s alcohol beverage control statutes in Title 4

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Thank You

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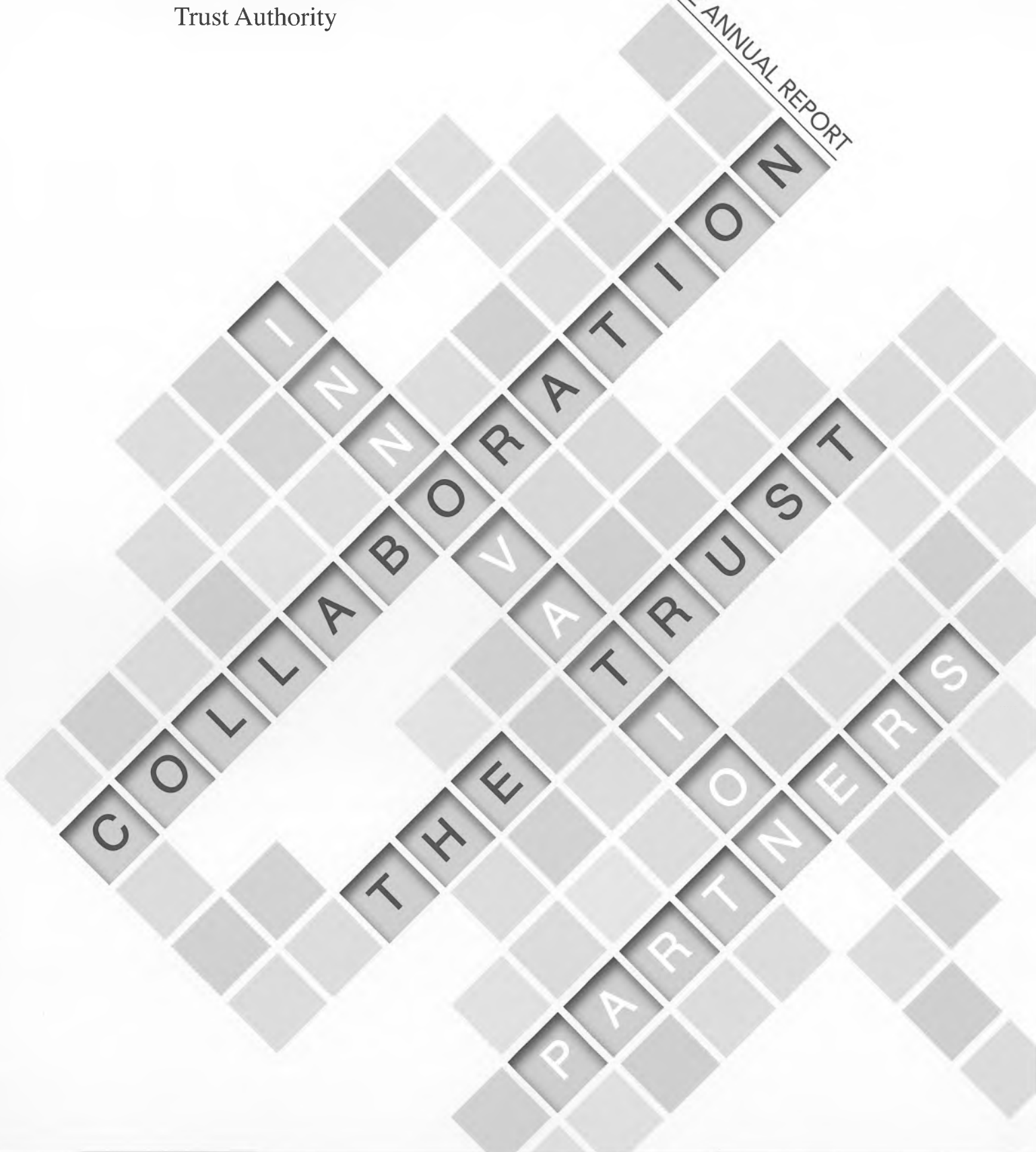
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2012 ANNUAL REPORT



BOARD OF TRUSTEES

Dr. William Doolittle, Chair
Mike Barton, Vice Chair
Paula Easley, Secretary/Treasurer
Laraine Derr
Mary Jane Michael
Larry Norene
Russ Webb

TRUST BENEFICIARIES

People who experience mental illness
People with developmental disabilities
People who experience chronic alcoholism and other substance related disorders
People with Alzheimer's disease and related dementia
People with traumatic brain injury

TRUST ADVISORS

Advisory Board on Alcoholism and Drug Abuse
Alaska Mental Health Board
Governor's Council on Disabilities and Special Education
Alaska Commission on Aging
Alaska Brain Injury Network
Commissioner of Health and Social Services
Commissioner of Corrections
Commissioner of Revenue
Commissioner of Natural Resources



COLLABORATION: IMPROVING THE LIVES AND CIRCUMSTANCES OF TRUST BENEFICIARIES IN FY12

In reflecting on our FY12 accomplishments, collaboration stands out as a primary factor in helping us reach our goals. Throughout the year we worked in tandem with advisory groups, state agencies, social service providers, tribal organizations, community leaders and the Legislature to stimulate change and improvement in Alaska's mental health continuum of care. For this reason, we have chosen "Collaboration" as our theme for this year's annual report.

The foundation for collaboration is building strong, effective relationships. The Trust has played a leadership role in convening key stakeholders and creating opportunities for us all to focus collectively on issues impacting Trust beneficiaries and their families. Following are examples of how, through collaboration, we made significant advances in FY12.

BRING THE KIDS HOME: Bring the Kids Home is perhaps our most enduring example of collaboration. We began this initiative in 2004 with the Department of Health and Social Services. The successes we have achieved were only possible because the key stakeholders needed to reform the children's mental health system in Alaska came to the table with us and stayed at the table. Today, fewer Alaska children are in out-of-state residential psychiatric treatment centers. More importantly, we have increased in-state treatment capacity and children are being treated earlier, closer to home and in less costly levels of care.

BENEFICIARY PROJECTS INITIATIVE: We are seeing tremendous growth in the peer support movement in Alaska because of the Beneficiary Projects Initiative. More beneficiaries are engaged in developing their own systems of care, reducing the need for costlier institutionalization. Much of that success is attributable to the collaboration between The Trust, the Alaska Peer Support Consortium, the Alaska Division of Behavioral Health, community behavioral health providers and peers. This group worked throughout FY12 to integrate and expand peer support into traditional behavioral health services across the state.

AFFORDABLE APPROPRIATE HOUSING: We have been a leader in Alaska's "housing first" movement for several years, advocating that finding a safe place to live is an essential step in the recovery process for people who are homeless and who also experience a disabling condition. A hotel owner was the pivotal player in a collaboration last year that resulted in a unique housing project in Fairbanks. The Trust worked with the business owner and Tanana Chiefs Conference (TCC), a tribal consortium of 42 Interior Alaska villages, to create a facility that combines housing and on-the-job training for residents, with hotel rooms for TCC clients. Now housing first projects are planned for Juneau and Nome.

DISABILITY JUSTICE: In FY12, we attended the 10th graduation from the Crisis Intervention Team Academy in Anchorage. The academy is a collaboration among The Trust, the Anchorage Police Department and NAMI Anchorage. This intensive, 40-hour training equips first responders to safely and respectfully handle crisis calls involving Trust beneficiaries. After 10 years, hundreds of first responders across the state can go to work each day with the tools they need to help them assist beneficiaries they encounter.

WORKFORCE DEVELOPMENT: The old adage that "there is strength in numbers" has proved true for our Workforce Development Focus Area. We have recognized that, in order to successfully grow and maintain an adequate workforce to serve Trust beneficiaries, Alaska needs a unified workforce development plan across all health care occupations. As a result, The Trust and our workforce development partners in FY12 merged with the Alaska Health Workforce Coalition, a public-private partnership created to address broad health workforce issues in Alaska. This will ensure that training and recruitment for jobs working with Trust beneficiaries will remain a priority across the state.

OUR ROLE AHEAD: The Trust occupies a unique place in our state government. While we are a state corporation, we operate much like a private foundation. Our funding helps support capital projects, demonstration programs, partnerships, technical assistance and much more. These efforts require careful, prudent management of our cash and non-cash assets to ensure sufficient resources are available for the future. The Trustees and Trust staff take this responsibility seriously and are committed to continued collaborations with Governor Parnell, the Legislature and all our partners to improve the lives and circumstances of Trust beneficiaries.



A handwritten signature in black ink, appearing to read "William Doolittle".

William Doolittle, M.D.
Chair



A handwritten signature in black ink, appearing to read "Jeffrey L. Jessee".

Jeffrey L. Jessee
Chief Executive Officer

COLLABORATION: WORKING TOGETHER TO ENSURE JUSTICE FOR BENEFICIARIES

Navigating the criminal justice system can be challenging and frustrating for the average citizen. For Trust beneficiaries, who often are not aware of the resources, rights and opportunities they may have, it can be overwhelming. As a result of their disabilities, Trust beneficiaries have an increased risk of involvement with the justice system, both as defendants and as victims. Each year hundreds of beneficiaries are jailed, even if they have committed no crime, because adequate service alternatives are not available to provide for their safety and treatment.

Collaboration is the key to minimizing Trust beneficiaries' involvement in the criminal justice system and ensuring that any incidents that do arise have the most positive outcome possible. The Trust works closely with partners in the Disability Justice Focus Area to develop and implement strategies aimed at protecting vulnerable citizens, promoting public safety and creating healthier communities.

JUNEAU THERAPEUTIC COURT

The Trust has a long history of supporting therapeutic courts, starting in 1998 with the Anchorage Coordinated Resources Project, which established the state's first

therapeutic court. Over the years, the program has continued to expand throughout the state. In FY12, The Trust worked with partners in Juneau to plan and launch the state's 15th therapeutic court, the Juneau Coordinated Resources Project, which focuses on Trust beneficiaries charged with misdemeanor crimes.

CRISIS INTERVENTION TEAM TRAINING

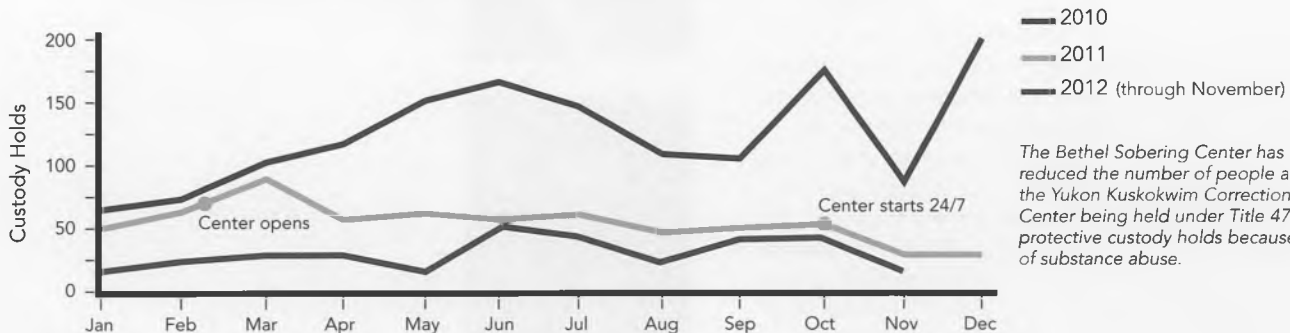
Crisis Intervention Team Academy was established in 2001 as a collaboration between The Trust, the Anchorage Police Department and NAMI Anchorage. Every year since, these community partners have worked together to provide an intensive training academy that equips first responders with skills to respond in a respectful manner to crisis calls involving Trust beneficiaries, ensuring public safety while maintaining each individual's dignity. In FY12, the 10th class graduated from this academy. To date, there are 73 sworn active Anchorage police officers and more than 100 other first responders who have graduated and who now bring to their jobs a better understanding of how to work with beneficiaries, their families and the public to promote positive outcomes.



BETHEL SOBERING CENTER

FY12 marked the first full fiscal year of operations for the Bethel Sobering Center, a successful collaboration between the Yukon Kuskokwim Health Corporation, the City of Bethel, the Department of Health and Social Services, Bethel Community Service Foundation and The Trust. Previously, when law enforcement personnel were called to address substance abuse situations in the region, their only option was a protective custody hold at Yukon Kuskokwim Correctional Center. Establishment of the Bethel Sobering Center has resulted in a dramatic decrease in the number of Trust beneficiaries being jailed for non-criminal activity simply because adequate service alternatives are not available to provide for their safety. During FY12, the center expanded its hours of operations to 24/7, ensuring this safe and appropriate alternative to the prison system is available around the clock.

Yukon Kuskokwim Correctional Center Protective Custody Holds Census



The Bethel Sobering Center has reduced the number of people at the Yukon Kuskokwim Correctional Center being held under Title 47 protective custody holds because of substance abuse.

COLLABORATION: CREATING SAFE, AFFORDABLE BENEFICIARY HOUSING

It is easier to collaborate with someone who works the same way you do, with the same priorities, goals and limitations. But the most valuable and successful collaborations are often those efforts that involve partners who are very different, united by one common goal. That is the case with The Trust's Affordable Appropriate Housing Focus Area, which has been advanced by creative collaborations between The Trust and our partners, including nonprofits, state and local governments, tribal organizations and community groups. The shared goal: Provide safe, affordable homes for Trust beneficiaries and other vulnerable Alaskans.

As a result of these collaborative efforts, many Trust beneficiaries have been assisted by supportive housing programs across the state in the past year. Safe, affordable, accessible and appropriate housing is cited repeatedly as a key resource Trust beneficiaries need to become stable in order to continue their recovery and reconnect with the community.

HOUSING FIRST

The Trust has been a leader in Alaska's "housing first" movement, which is built on the philosophy that people who experience homelessness and a disabling condition or substance use disorder must first have a safe place to live in order to be able to successfully address their behavioral health needs. In FY12, housing first projects in Alaska continued to expand, thanks to the cooperation of local governments, agencies and community members.

In 2012, a unique partnership between Tanana Chiefs Conference (TCC), a tribal consortium of 42 interior Alaska villages, and a private business owner in Fairbanks allowed TCC to implement a project that

provides a combination of housing and on-the-job training. The TCC project offers 47 residential units for chronically homeless individuals with addictions or other disabling conditions, along with adjacent hotel rooms for TCC clients who need short-term accommodations while seeking medical services in Fairbanks. This innovative approach to housing first offers tenants opportunities for training and employment in hotel operations, laundry and food services.

As of June 2012, the project had 10 tenants who were already showing decreases in use of community emergency services such as Community Service Patrol. Members of the Fairbanks community have partnered with the TCC project to provide valuable volunteer services, including fixing appliances, holding community talking circles and conducting Sunday worship services.

LONG-TERM CARE PLANNING

The Trust continues to collaborate with our partners as part of a statewide planning effort that is examining the continuum of long-term care resources available to Trust beneficiaries and developing plans to address the increasing need for housing, especially for people who experience developmental disabilities or Alzheimer's disease and related dementia.

Alaska has the nation's fastest growing senior population. According to the Alaska Department of Labor and Workforce Development, Alaskans age 60 and older account for 12 percent of the state's population, a 53 percent

increase since 2001. As the number grows, demand is accelerating for affordable, accessible senior housing units and social services, and the health care workforce to care for this population.



COLLABORATION: PRODUCING BETTER OPTIONS AND OPPORTUNITIES FOR YOUTH

Working together is rewarding. Working together on behalf of someone who needs your help is doubly so. When it comes to helping young people, The Trust and our partners know we are working together not only for our youth but for their families, their communities and the whole state. The challenges can be complex, but the rewards are infinite.

Bring the Kids Home (BTKH) is a collaboration between The Trust and the Department of Health and Social Services aimed at reducing unnecessary, costly, out-of-state placement for Alaska children who experience severe emotional disturbances. Collaboration and cooperation are keys to the success of this initiative. The Trust resources invested in BTKH have leveraged funding from DHSS to pursue joint efforts with family and youth advocates, advisory boards, service providers, tribal organizations, educational representatives and other interested parties to effect system change for young Trust beneficiaries and their families.

TRANSITION TO ADULT INDEPENDENCE

These group efforts have paid off during FY12. For example, measurable results have been

seen from the Transition to Independence Process (TIP), which is an evidence-based process to improve outcomes for youth with severe emotional and behavioral problems as they transition to adulthood. This is a time at which Trust beneficiaries are particularly vulnerable, as the range of services available to them changes along with their rights and responsibilities. Housing issues and run-ins with the law are not uncommon. TIP grantees in Anchorage, the Mat-Su area, Fairbanks, Juneau, Sitka and Ketchikan work to provide stability for beneficiaries during this time. TIP's positive impact on participants' lives can be measured not just in individual success stories but in data. For instance, for children served for a full year, the TIP program at Denali Family Services had the following results:

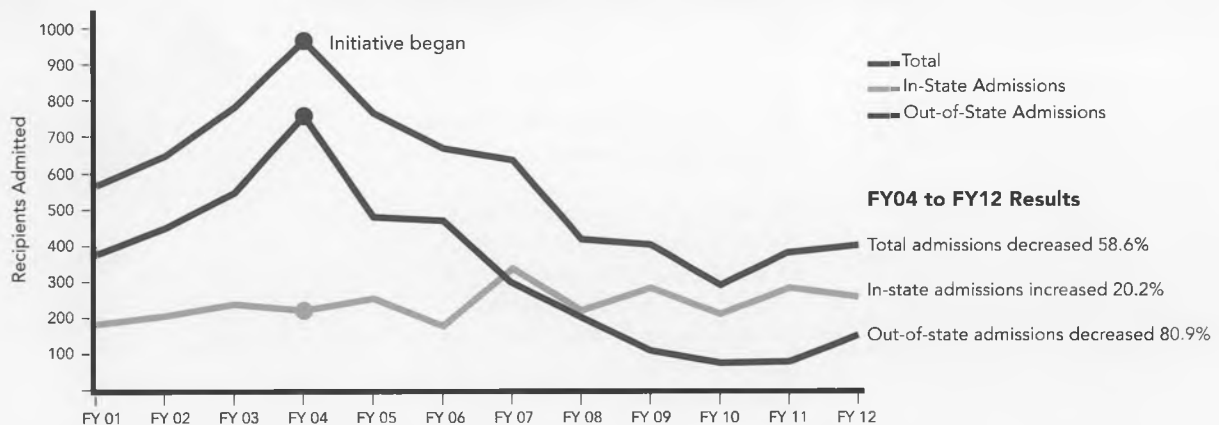
- 88 percent of TIP youth had a housing plan;
- 91 percent made progress on treatment, and 94 percent avoided hospitalization;
- no TIP youth attempted to run away from treatment, and 97 percent had no incidents of arrest or incarceration;
- 67 percent of youth were enrolled in an educational process. Of those not in an educational process, 58 percent had graduated and all, but one, were employed.

COMMUNITY-BASED SERVICES

As a result of programs like TIP, Bring the Kids Home has shifted services back to Alaska and closer to children's homes and families. Since FY04, out-of-state admissions to residential psychiatric treatment centers (RPTCs) have declined by 80.9 percent, and overall RPTC admissions (in-state and out-of-state) have decreased by 58.6 percent. Since FY09, the number of children experiencing severe emotional disturbances who received community-based services in Alaska has increased nearly 12 percent.



Residential Psychiatric Treatment Center Admissions



Source: DHSS/Div. of Behavioral Health/Policy & Planning/ Research Unit - Based on Medicaid Expenditures

COLLABORATION: ENGAGING BENEFICIARIES IN DEFINING THEIR OWN SYSTEMS OF CARE

True collaboration not only requires participants to invest their energy, they also must commit to respect one another's opinions and recognize the value of collective effort and thought. When this commitment is honored, it results in the kind of momentum that has been embraced by Alaska stakeholders engaged in the peer support movement.

Peer support initiatives advanced in FY12 due to successful partnerships in several key areas. The Statewide Peer Support Implementation Work Group, comprised of the Alaska Peer Support Consortium, the Division of Behavioral Health, The Trust, community behavioral health providers and peers, worked collectively to strengthen, expand and integrate peer support into traditional behavioral health services across the state.



Graduates celebrate completing Mental Health First Aid training

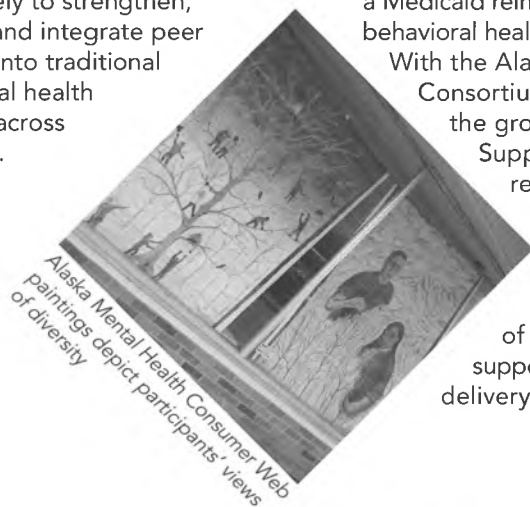


Alaska powerlifter won gold at Special Olympics World Games

PEER SUPPORT AVAILABILITY

With leadership from the Division of Behavioral Health, the group crafted language to define peer support as a Medicaid reimbursable service for behavioral health providers in Alaska.

With the Alaska Peer Support Consortium leading the effort, the group finalized the Peer Support 101 Manual, a resource designed to guide community behavioral health providers through the process of establishing peer support within their service delivery systems.



Alaska Mental Health Consumer Web paintings depict participants' views of diversity

FORENSIC PEER SUPPORT

In FY12, the Alaska Peer Support Consortium was awarded federal funding to develop forensic peer support in Alaska. This program will provide opportunities for people transitioning into the community from correctional settings to engage with peers who can support them as they adjust to their new lives. Along with existing Trust-funded peer support programs, the consortium, The Trust and the Department of Corrections pulled together to foster a new, up-and-coming peer program focused on Alaskans who have past experience in the criminal justice system and their role in helping others avoid reincarceration and increasing successful community reintegration.

SMALL PROJECT GRANTS

The Trust annually provides small project grants of up to \$10,000 for innovative projects or enhancements to existing projects that are of direct benefit to Trust beneficiaries. In FY12, The Trust awarded 25 small project grants totaling \$191,361 to organizations in Anchorage, Chugiak, Eagle River, Homer, Juneau, Kodiak, North Pole, Palmer, Scammon Bay, Sitka and Tanacross.

FY12 Mini Grants to Individual Beneficiaries

Beneficiary Group	Amount Awarded	Beneficiaries Served
Alzheimer's Disease and Related Dementia	\$246,132	270
Developmental Disabilities	\$238,729	186
Behavioral Health	\$573,285	376
TOTAL	\$1,058,146	832

The Trust Mini Grants Program provides individuals within all our beneficiary groups with up to \$2,500 for a broad range of equipment, supplies and services to improve their quality of life, increase independent functioning, and help them attain and maintain healthy and productive lifestyles. Mini grants are based on need and are only awarded to an agency on behalf of the beneficiary.

COLLABORATION: BUILDING AND MAINTAINING AN ADEQUATE WORKFORCE

Collaboration requires consistency. In no Trust focus area is this truth as apparent as in Workforce Development. Recognizing the need for a unified plan for workforce development across the large number of health care occupations in Alaska, The Trust's Workforce Development Focus Area partners in FY12 merged with the Alaska Health Workforce Coalition, a public-private partnership created to address broad health workforce issues in the state. As part of the merger, The Trust provides ongoing funding to staff the coalition and Trust workforce issues remain an active part of the coalition's initiatives.

The coalition in FY12 completed its Action Agenda 2012-2015 and designed a scorecard for measuring progress. The Action Agenda includes strategies that advance health career opportunities for Alaskans, both urban and rural, from high school students to physicians. Investments in Alaska's health workforce will generate tangible results, relieving the pressures of providing access to seniors, reducing the demand for Outside or temporary workers and providing the next generation with career ladders to stable, well-paying jobs that foster community well-being.

DEVELOPMENT AND TRAINING

The need for professional development and non-academic training is consistent across all health occupations in Alaska. This includes courses, certifications and other mechanisms that advance a person's skills and expertise, enhance career progression, or comply with regulatory requirements. The Alaska Core Competencies for Direct Care Workers and the related Assessment Tools were implemented in FY10 and FY11. During FY12, a training pilot on the core competency



Full Lives Conference in Bethel drew 61 direct service workers



Full Lives attendees shared their musical talents

curriculum was conducted for direct care workers from different health and human service sectors. The pilot helped identify what curriculum aspects worked well and generated feedback for improvement.

LOAN REPAYMENT AND INCENTIVES

The Trust and our workforce partners worked collaboratively in FY12 to ensure the Health Care Professions Loan Repayment and Incentive Program was funded by the Legislature. Once regulations are implemented, this program will assist up to 90 professionals in repaying their student loans, each with a three-year agreement to work in Alaska.

VACANCY STUDY

Workforce stakeholders worked together to revise the Workforce Vacancy Study to be more comprehensive. Results from the 2012 study will allow the health care industry to correlate health occupations to the classifications used by the Department of Labor and Workforce Development and enable multiple, robust data sets to be compared and correlated in the future. This data collaboration will lead to a better understanding of how, why and where Alaska has health occupation vacancies.

Health Workforce Coalition Action Priorities 2012-2015

Occupational Priorities	Systems Change and Capacity Building
Primary Care Providers	Loan Repayment and Incentive Programs
Direct Care Workers	Training and Professional Development
Behavioral Health Clinicians	Aligning Regulatory Policies that Impact the Health Workforce
Clinicians	Engage and Prepare Alaska Youth for Health Careers
Physical Therapists	Health Workforce Recruiting
Nurses	Health Workforce Data
Pharmacists	

COLLABORATION: INVESTING TODAY FOR A HEALTHY TOMORROW

The majority of Trust cash assets are commingled with the Alaska Permanent Fund and invested in conformance with a broad asset allocation plan monitored by the Alaska Permanent Fund Corporation (APFC). Trust assets are further diversified with a portion of budgetary reserves held in equities, fixed income and cash managed by the Department of Revenue Treasury Division. Finally, Alaska Statute tasks the Trust Land Office (TLO) in the Department of Natural Resources with managing nearly one million acres of Trust land and other non-cash assets. The cumulative result is that The Trust benefits by having our considerable assets invested across a diversified portfolio of asset classes to safeguard and enhance the long-term value of Trust cash and non-cash assets.

The Trust had \$12 million in total revenues during FY12, down significantly from \$97.4 million during FY11. FY12 expenditures consequently outpaced revenues by \$14.2 million.

Returns on Trust principal and budget reserves invested alongside the Alaska Permanent Fund were relatively flat, returning \$67,000 on \$404.8 million in beginning net assets before paying operating expenses attributable to the

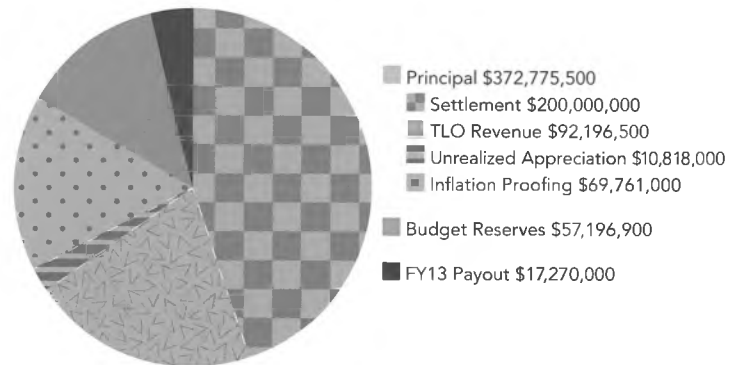
investments. Net of expenses, these investments lost \$828,000 or minus 0.27 percent. However, maintaining a diversified portfolio structure functioned as designed in a challenging market environment.

Similarly the investments managed by the Treasury Division had solid gains on bond holdings that more than offset losses experienced on the stock holdings under their management. Overall, the results were a \$930,000 gain on \$41.8 million in budgetary reserves, equating to a 2.2 percent positive return for the fiscal year. Cash balances managed by the Treasury Division also resulted in an additional \$535,000 in interest earnings.

The TLO used land assets to generate \$4.4 million in revenue allocable to principal and an additional \$5 million in spendable revenue primarily from coal lease bonus bids, interest on financed land sales and rental income on TLO-managed real estate holdings.

The Trust maintains budget reserves to ensure sufficient annual payouts

Trust Cash Assets at End of FY12

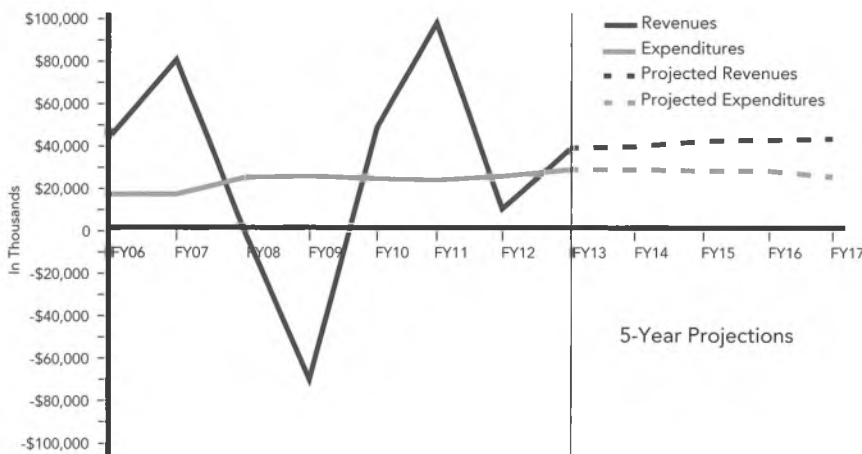


are available to maintain programs even when markets are flat or experience declines. The rate used to calculate the annual payout disbursement, representing the bulk of annual Trust funding, remained at 4.25 percent and is applied on the trailing four-year-average principal and budget reserve balances. The averaging provides a smoothing of peaks and valleys created when financial markets experience significant volatility, which has become increasingly the norm in recent years. Recently The Trust also implemented averaging to smooth other components of the overall Trust funding formula and reduce volatility associated with revenue peaks and valleys.

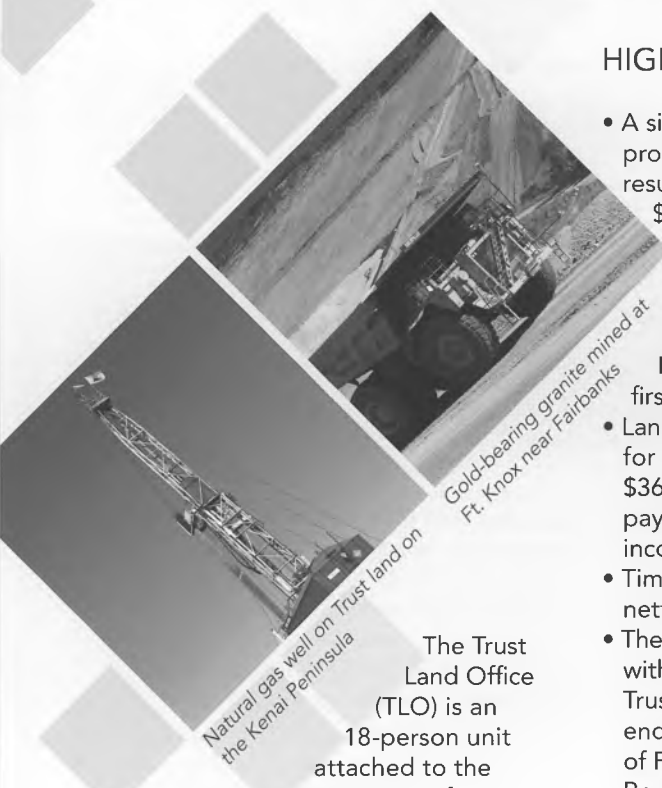
As a result of the FY12 financial performance, the following funding is projected to be available for FY13:

- disbursement (payout) rate of 4.25 percent, for a payout of \$17,270,000;
- average resource management spendable revenue was \$3,201,000;
- average interest earned on cash balances managed by Treasury totaled \$808,000;
- average funds made available from previous lapsed appropriations was \$3,744,000;
- total funding projected to be available for FY13 (after accounting for one-time adjustments) is \$26,723,000.

Revenue and Expenditures



COLLABORATION: MANAGING OUR LAND AND RESOURCES FOR SUSTAINABILITY AND GROWTH



Natural gas well on Trust land on the Kenai Peninsula

Gold-bearing granite mined at Ft. Knox near Fairbanks

The Trust Land Office (TLO) is an 18-person unit attached to the Department of

Natural Resources that manages approximately one million acres of land and other natural resources throughout Alaska on behalf of Trust 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 bonus bids from Trust land uses and 15 percent of timber revenue are considered "spendable income," which is available to The Trust for use on programs and operating expenses in the following fiscal year. Land sale revenue, hydrocarbon and mineral royalties, and 85 percent of timber revenue are considered "principal" and deposited in The Trust corpus.

Gross revenues from the TLO in FY12 totaled about \$9,638,000, of which about \$5,080,000 was spendable income and about \$4,371,000 was principal revenue.

HIGHLIGHTS OF FY12

- A significant effort was made to promote The Trust's mineral assets, resulting in revenue in excess of \$2.5 million.
 - A record \$3 million bonus bid was received for coal leases at Chickaloon.
 - Gas production on the Kenai Loop field generated the first gas royalties from Trust land.
- Land sales generated \$1,279,878 for the principal fund, and \$367,486 in interest from land sales payments was contributed to the income fund.
- Timber sales in Southeast Alaska netted \$557,036 in revenue.
- The TLO made significant progress with the U.S. Forest Service – Trust land exchange, including endorsement just after the end of FY12 from the Tongass Futures Roundtable.
- The Trustees approved a real estate acquisition and management plan that allows the TLO to maximize income revenue production while maintaining asset value relative to inflation.
- Land leases, rents, licenses and permits contributed \$717,592 to the income fund.
- Rezoning of Yosemite East in the Eagle River Hiland Drive area and Tract C-2 in the Anchorage U-Med District increased development potential and market value of these properties.

TLO Contributions

Principal Cash Revenue*	\$92 Million
Real Estate Acquisitions	\$ 7 Million
Income*	\$39 Million
Total**	<u>\$138 Million</u>

* Land sale revenue, hydrocarbon and mineral royalties, and 85 percent of timber revenue are principal revenue. Rents, fees and 15 percent of timber revenue are spendable income.
 ** Estimate of cumulative contributions from the TLO since reconstitution of the Trust.

FUTURE FOCUS

The TLO will continue developing long-term plans for The Trust's natural resource portfolio and working with local communities and individuals to increase public awareness of Trust lands and its mission.

Activities on key projects will include:

- pursuing mining, coal, and oil and gas projects including expansion of the Fort Knox gold mine facilities;
- finalizing an "Agreement to Initiate" that will begin the formal process for the U.S. Forest Service – Trust land exchange;
- pursuing opportunities that match new infrastructure developments, such as fiber optics, with Trust land to increase spendable income;
- analyzing the impact of the proposed Port MacKenzie Rail Extension on Trust land;
- developing recreational residential subdivisions on Trust land for the competitive land sale program;
- pursuing additional development of gas resources on the Kenai Peninsula and in west Cook Inlet;
- administering two timber sales near Kasaan, Prince of Wales Island, and Wrangell;
- continuing environmental cleanup at Icy Bay and conducting a timber inventory for timber sale feasibility.



A timber inventory on Trust land will determine future timber sale feasibility

AHEAD: PROGRAM AND FUNDING PRIORITIES FOR FY14

Each year the Trustees make recommendations to the governor and the Legislature regarding expenditure of Trust income and other state funds to support Alaska's Comprehensive Integrated Mental Health Program. These recommendations comprise the Mental Health Budget Bill. During the 2013 legislative session, The Trust will seek approval of our FY14 operating and capital budgets. Following are program highlights planned for the next fiscal year in each Trust focus area:

AFFORDABLE APPROPRIATE HOUSING

- Continuing our partnership with the Alaska Council on the Homeless and Alaska Housing Finance Corporation (AHFC) to collect baseline data regarding homelessness and housing for Trust beneficiaries and implement the strategies in the Statewide 10-Year Plan to Reduce Homelessness.
- Seeking continued state funding for AHFC's "Homeless Assistance Program" to support individuals transitioning from homelessness through supported housing.
- Continuing to collaborate with the Department of Health and Social Services and other tribal and community partners on a Long-Term Care Strategic Plan for Alaska to reduce the cost of institutional care for people with disabling conditions and the elderly and ensure access to services will meet the needs of our increasing senior population.

BRING THE KIDS HOME

- Continuing the Transition to Independence Process (TIP) to ensure youth transitioning to adulthood have the supports they need to finish school, find employment and housing, and remain safe and healthy.

- Intervening earlier with children and families, increasing the number of young children accessing behavioral health care. From FY08 to FY10, the number under the age of seven who received care increased 12 percent.
- Increasing family treatment. Most youth in Residential Psychiatric Treatment Centers (RPTC) have complex trauma and family substance abuse and mental health problems, but do not receive family services. Our goal is to change these patterns.

DISABILITY JUSTICE

- Increasing access to behavioral health treatment for participants of therapeutic courts.
- Increasing access to mental health treatment for incarcerated adults.
- Reducing juvenile and adult beneficiary criminal recidivism rates.
- Improving community reintegration from juvenile justice and adult correctional facilities.

BENEFICIARY PROJECTS INITIATIVE

- Increasing capacity at peer support organizations through operating funding, technical assistance and partnerships.
- Continuing to advocate for and implementing peer support within community behavioral health settings across Alaska.
- Investing in peer support workforce through training, education, advocacy and collaboration with existing workforce initiatives.

WORKFORCE DEVELOPMENT

- Analyzing the results of the 2012 Vacancy Study, a multifaceted, detailed review of more than 160 health occupations, and applying the information to planning at the sub-specialty level.
- Supporting a multidisciplinary collaboration among faculty from Alaska Pacific University and the University of Alaska to develop a Graduate Certificate in Marriage and Family Therapy (LMFT) program that will meet curriculum requirements for licensure.
- Completing the 43 Alaska Health Workforce Coalition Action Agenda 2012-2015 strategies and beginning to draft the Action Agenda 2015-2018.
- Working with partners to secure a permanent home within the University of Alaska for non-academic training and professional development for health careers.



Top: Barrow hosted Mental Health First Aid training at the Sitka Pioneer Home
Middle: storytelling
Bottom: Helene Wood, certified nursing assistant, and Geneva Tryck

The TRUST

The Alaska Mental Health
Trust Authority

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2011 ANNUAL REPORT

REDEFINING
COMMUNITY

The TRUST

The Alaska Mental Health
Trust Authority

BOARD OF TRUSTEES

Dr. William Doolittle, Chair
Laraine Derr, Vice Chair
Paula Easley, Secretary/Treasurer
Mike Barton
Mary Jane Michael
Larry Norene
Russ Webb

TRUST BENEFICIARIES

People with mental illness
People with developmental disabilities
People with chronic alcoholism and other substance related disorders
People with Alzheimer's disease and related dementia
People with traumatic brain injury

TRUST ADVISORS

Advisory Board on Alcoholism and Drug Abuse
Alaska Mental Health Board
Governor's Council on Disabilities and Special Education
Alaska Commission on Aging
Alaska Brain Injury Network
Commissioner of Health and Social Services
Commissioner of Corrections
Commissioner of Revenue
Commissioner of Natural Resources

2011 OVERVIEW: REDEFINING COMMUNITY

This year we have chosen "Redefining Community" as our annual report theme in recognition of how our efforts on behalf of Trust beneficiaries are changing who and what our community is. Our mission statement states that The Trust "acts as a catalyst for change" to improve the lives of Trust beneficiaries. The changes we seek range from increasing and improving Alaska's mental health continuum of care to reducing the stigma and barriers beneficiaries experience. In driving change, we want to redefine our community as a place where our most vulnerable citizens have access to appropriate treatment and services and are free from discrimination.

The Trust occupies a unique place in Alaska State government. While we are a state corporation, we operate much like a private foundation, using our resources to fund projects and activities that promote change and improvement in Alaska's mental health service delivery system. A large share of The Trust's annual budget provides support for the State's mental health program and funds projects and activities in five focus areas that address issues with significant impact on our beneficiaries. These focus areas are making significant strides in affecting change and redefining our community for beneficiaries. Following is an overview of some of our focus area objectives and how they are reshaping our community.

Disability Justice Focus Area is helping redefine community as a place where treatment and services are viable alternatives to incarceration for youth and adults whose mental disabilities rather than criminal intent have resulted in their incarceration. We are working with a variety of partners to redefine our community as a place where supports are available to prisoners reentering the community so they are less likely to reoffend and can lead productive lives.

Affordable Appropriate Housing Focus Area is redefining community as a place where support services for people battling severe addictions are incorporated into local housing programs. We are assisting several social service providers in developing innovative housing that integrates tenants into the community even before they begin their recovery process.

Bring the Kids Home Focus Area is redefining community as a place where adolescents with behavioral health needs and their families are finding treatment and services close to home and early in their lives. We are working with state agencies, school districts and parents to create schools that provide safe, welcoming environments for youth who experience behavioral health problems, so all children have an opportunity learn.

Beneficiary Projects Initiative supports beneficiaries, their families and caregivers in redefining community as a place where they are actively engaged in their treatment or service delivery. To ensure peer-to-peer services are available, The Trust is assisting in the development and growth of a network of consumer-operated programs and promoting training for those who wish to work in the peer-support community.

Workforce Development Focus Area is redefining community as a place where jobs serving Trust beneficiaries are considered meaningful work and where an adequate, trained workforce is available to fill those jobs.

Creating change, especially lasting change, requires collaboration and commitment. We are joined in our efforts by a host of partners who share our vision for redefining our community on behalf of our beneficiaries. In many instances, we directly engage beneficiaries and family members for guidance and feedback. We also depend on input regarding funding and policy recommendations from the governor-appointed advisory boards that serve as a link between The Trust and individual beneficiaries, their families, caregivers and legal guardians. We also rely on participation and collaboration from a number of state agencies, tribal entities, service providers, funding partners and stakeholders.

The Trustees and Trust staff are committed to working with Governor Parnell, the Legislature and all our partners to continue redefining our community on behalf of Trust beneficiaries.



A handwritten signature in black ink, appearing to read "W. Doolittle".

William Doolittle, M.D.
Chair



A handwritten signature in black ink, appearing to read "Jeffrey L. Jessee".

Jeffrey L. Jessee
Chief Executive Officer



Our community HELPS BENEFICIARIES FIND NEW PATHS



Tracy Stelling during graduation at the Anchorage Wellness Court, a therapeutic court that assists beneficiaries dealing with alcoholism and substance abuse.

Bethel Sobering Center ribbon cutting (l-r): Jack Robert Crow, Rep. Bob Herron, Dr. Paul John, honorary YKHC board member, and Steve Williams.

Trust beneficiaries have an increased risk of involvement with the criminal justice system both as defendants and as victims because of their disabilities. Each year hundreds of beneficiaries are incarcerated, though they have committed no crime, because adequate service alternatives are not available to provide for their safety and treatment. Many more are arrested, prosecuted and incarcerated for minor offenses that result from their mental disabilities rather than criminal intent. The Trust and its partners in the Disability Justice Focus Area are working to reduce the involvement and recidivism of Trust beneficiaries in the criminal justice system and redefining our community as a place that accommodates victims and offenders who are Trust beneficiaries.

Offender Re-entry Pilot. FY11 marked the fourth year the Department of Corrections (DOC) operated a re-entry pilot project focused on Trust beneficiaries. Piloted in Anchorage, Fairbanks, Juneau and the Mat-Su Valley, it is patterned after the evidenced-based practice Assess, Plan, Identify, and Coordinate (APIC). The goals are to ensure continuity of care for Trust beneficiaries transitioning from the correctional system to the community, maintaining public

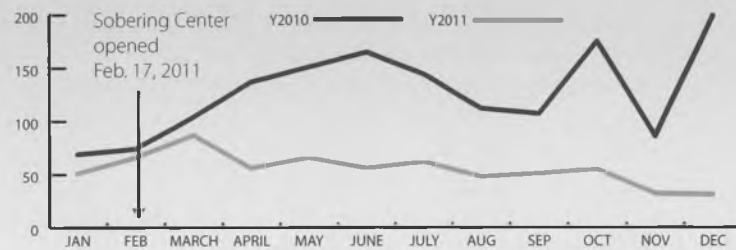
safety and reducing recidivism. It was anticipated that APIC would serve 60 individuals annually; in FY11 it served 143.

Five-Year Re-entry Plan. In FY11, The Trust shared its experience and expertise in prisoner re-entry by participating on a statewide, multi-partner taskforce that unveiled Alaska's first Five-Year Prisoner Reentry Strategic Plan aimed at improving former prisoners' successful community re-integration. The Prisoner Reentry Task Force included leaders from DOC, The Trust, Alaska Court System, Alaska Judicial Council, Alaska State Troopers, Department of Health and Social Services, Nine Star Education and Employment Services, Partners for Progress, Cook Inlet Tribal Council, Alaska Native Justice Center, Victims

for Justice and United Way of Anchorage, many community groups and local governmental agencies.

Bethel Sobering Center. A new 3,100-square-foot sobering center opened in Bethel in FY11. It provides a safe, less costly alternative to the limited resources of the local jail and emergency room for individuals who are at risk of harming themselves or others because of their substance abuse. The \$1.9 million facility was the result of a three-year partnership with the City of Bethel, Yukon Kuskokwim Health Corporation, Department of Health and Social Services, Bethel Community Service Foundation and The Trust. State Sen. Lyman Hoffman and Rep. Bob Herron were instrumental in gaining State capital and operating funds for the project.

YK CORRECTIONAL CENTER PROTECTIVE CUSTODY HOLDS



The Bethel Sobering Center has reduced the number of people at the Yukon Kuskokwim Correctional Center being held under Title 47 protective custody holds because of substance abuse.

Our community PROVIDES A PLACE TO CALL HOME



Grand opening of Karluk Manor, the state's largest Housing First facility, operated by RurAL CAP.



Nugen's Ranch, a residential drug and alcohol treatment program, relocated to a new facility at Point Mackenzie with support from The Trust.

The Trust and our state, non-profit and housing partners in the Affordable Appropriate Housing Focus Area are attempting to redefine our community as a place in which Trust beneficiaries and other vulnerable Alaskans can afford housing that provides a safe, healthy environment. In Alaska, these individuals have many housing challenges due to their need to connect with supportive services and the problems posed by Alaska's high housing costs and remote locations. As a result, safe, affordable, accessible and appropriate housing is cited repeatedly as the key resource Trust beneficiaries need to continue their rehabilitation and recovery, and maintain a healthy lifestyle.

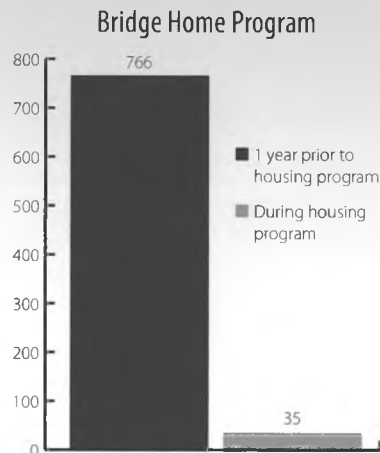
Housing First Grows. Over the last five years, The Trust has funded several Housing First projects that have resulted in increased tenure in safe, stable housing by people with intensive needs. In this model, an individual is safely housed first; then the person's barriers to successful housing are identified and supportive service plans are implemented to ensure long-term stability and healthier living. In FY11, Tanana Chiefs Conference (TCC) of Fairbanks began work on an innovative project that will provide 47 residential units for chronically homeless individuals

with addictions and 56 hotel units for TCC clients who need short-term accommodations while seeking medical services. This innovative housing approach provides opportunities for the Housing First tenants by potentially offering training and employment in hotel services, such as laundry, housekeeping and food service in the hotel restaurant.

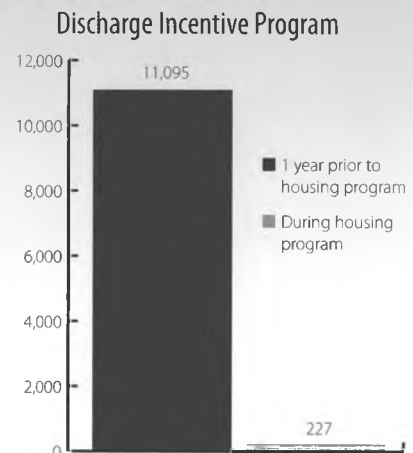
Long Term Care Planning. Alaska has the fastest growing senior population in the nation. According to the Alaska Department of Labor and Workforce Development, there are

more than 85,000 Alaska seniors age 60 and older, representing 12 percent of the state's population, a 53 percent increase since 2001. As the number grows, demand is accelerating for affordable, accessible senior housing units and social services. The Trust joined state agencies, service providers and senior advocates in FY11 as part of a statewide planning effort that is examining the long-term-care resources available for this growing population and developing plans to address the increasing need for housing and health care workforce to care for them.

STABLE, SUPPORTED HOUSING REDUCES JAIL DAYS



N= 4 new participants in FY11. Prior year participants remained stable in housing with a low jail rate of 10 parole violations and 9 new arrests among 52 participants.



Department of Corrections Discharge Incentive program July 1, 2010 to June 30, 2011. Time in program varied per participant. N=75

Our community ENSURES KIDS HAVE OPPORTUNITIES FOR SUCCESS



Fherron Hines at the annual Youth Policy Summit, which helps youth learn and practice advocacy skills.

The Bring the Kids Home (BTKH) Focus Area is reforming Alaska's behavioral health system of care for children by increasing community-based services, improving service quality, coordinating with families, and working with schools to promote healthy learning environments.

Returning Children to Alaska.

BTKH began in 2004 as an initiative to return children with severe emotional disturbances from out-of-state residential psychiatric facilities to treatment in Alaska and to keep additional children from moving into out-of-state care. Funded by The Trust and the Department of Health and Social Services, this initiative is a good example of how The Trust uses its resources to affect system change and redefine our community, so young Trust beneficiaries and their families have access to the resources they need.

Rural Capacity. During FY11, BTKH continued work to expand in-state capacity. Accessing behavioral health services for children in rural Alaska can be challenging for families. The BTKH Rural Tribal Behavioral Health Workgroup assisted tribal organizations in assessing their internal infrastructure to allow expansion of behavioral health services for children and families in their communities. The assessment revealed ways service providers could improve

practices and access federal Medicaid funds to expand their behavioral health services. As a result, on-line training modules are being developed to train rural providers regarding Medicaid.

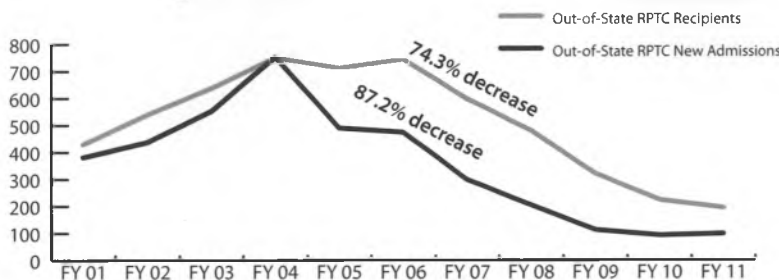
Improving Schools. Faculty, staff, students and families must all be engaged in creating a positive school environment in order for youth with severe emotional disturbances to succeed in the classroom. During FY11, the BTKH Education Subcommittee collaborated with the Department of Education and Early Development and several school districts to implement positive behavior support programs. These programs provide educators, staff and families with the tools to help youth with behavioral health problems integrate into local schools better and help keep them there. They also reduce development of behavioral health problems at school.

Protecting Older Youth. As youth with behavioral health problems reach late adolescence, they tend to stop participating in services. These youth drop out of school more often, and have higher rates of homelessness, joblessness, involvement with the criminal justice system and emergency room admissions. During FY11, BTKH funded start-up of the best practice Transition to Independence Process (TIP) in Anchorage, Fairbanks, Juneau, Sitka and the Mat-Su Valley. TIP helps youth transition into successful, stable adulthood by providing skills to finish school, find employment and housing, and remain safe and healthy.



Weaving A Circle of Care provided training for 254 family members, service providers and foster parents about how to parent kids with poor learning skills and challenging behaviors. This project was funded by The Trust and the Office of Children's Services.

OUT-OF-STATE RESIDENTIAL PSYCHIATRIC TREATMENT CENTERS (RPTC)



Our community EMBRACES PEER SUPPORT



Since its inception in 2005, the Beneficiary Projects Initiative (BPI) has supported development and stabilization of more than 20 grassroots, consumer-operated, peer-to-peer programs. As part of this effort, The Trust has brought together state agencies, peer support organizations and individual advocates to help redefine our community as a place that encourages beneficiaries to actively engage in their recovery and long-term wellbeing.

Federal Recognition. Growth of the peer support movement in Alaska mirrors the national movement, which has been steadily gaining support and recognition from the federal government. For instance, the Substance Abuse and Mental Health Services Administration (SAMHSA) recently drafted a working definition and principles that acknowledge self-determination and self-direction as the foundations for recovery.

Integration In Alaska. In FY11, Alaska joined several other states that now accept peer support services as a Medicaid reimbursable component in the state's behavioral health service delivery system. To foster the use of Medicaid funding for peer support services, the Alaska Peer

Support Consortium, a statewide network of consumer-operated, peer support organizations convened Alaska policymakers, providers and peer support advocates in a day-long summit to collaborate on ways to integrate peer support into Alaska's behavioral health system.

Training/Technical Assistance. The consortium is also becoming a leader in training and technical assistance related to peer support services. The consortium's FY11 biannual training conference, Peer Powered Systems, drew more than 300 peers, family, students, teachers, administrators, social workers, and therapists for two days of workshops about innovative projects and evidence-based models of recovery and wellness. In addition, the consortium collaborated with The Trust and the Division of Behavioral Health to offer service providers technical assistance in developing peer support services.

Small Projects. The Trust annually provides small project grants of up to \$10,000 for innovative projects or enhancements to existing projects that are of direct benefit to Trust beneficiaries. In FY11, The Trust awarded 34 small project grants totaling \$272,744 to organizations

in Anchorage, Copper Center, Fairbanks, Ft. Yukon, Homer, Kenai, Ketchikan, Kodiak, Kongiganak, Kotzebue, Juneau, Saxman, Sitka, Soldotna and Wasilla.



Young musicians at the Fort Yukon Youth Center, which was funded by a small project grant from The Trust.



Jenn Cusick and Jene McNearney celebrate completion of WRAP (Wellness Recovery Action Plan) peer support training.

FY11 MINIGRANTS TO INDIVIDUAL BENEFICIARIES

Beneficiary Group	Amount Awarded	Beneficiaries
Alzheimer's Disease and Related Dementia	\$248, 594	259
Developmental Disabilities	\$222, 852	192
Behavioral Health	\$647, 623	393
TOTAL	\$1,119,069	844

The Trust Mini Grants Program provides individuals within all our beneficiary groups with up to \$2,500 for a broad range of equipment, supplies and services to improve their quality of life, increase independent functioning, and help them attain and maintain healthy and productive lifestyles. Mini grants are based on need and are only awarded to an agency on behalf of the beneficiary.





Our community

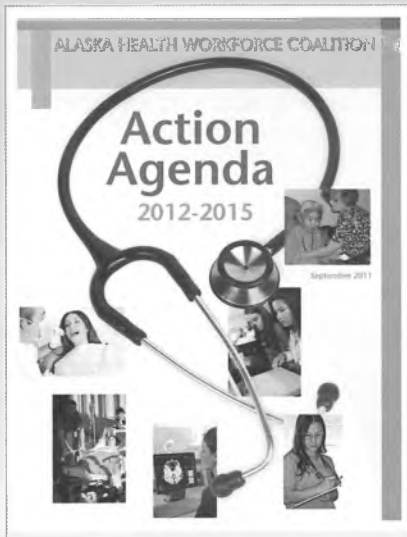
FINDS SERVING BENEFICIARIES IS MEANINGFUL WORK



A vacancy study shows many jobs for clinicians and therapists go unfilled in Alaska, especially in rural areas.

The Trust Training Cooperative is a clearinghouse for beneficiary-related training.

The University of Alaska is educating the next generation of clinical professionals.



The Trust and its workforce partners have merged with the Alaska Health Workforce Coalition to ensure service providers have a trained workforce to serve beneficiaries.



Alaska is experiencing a healthcare workforce crisis, especially in many sectors that serve Trust beneficiaries. In response to this crisis, The Trust partnered in FY07 with several state agencies, service providers, tribal organizations, consumers and the University of Alaska to create the Trust Workforce Development Focus Area. In FY11, The Trust's Workforce Focus Area partners merged with the Alaska Health Workforce Coalition, a public-private partnership created to address health workforce issues. The merger is a significant step toward strengthening and sustaining The Trust's efforts to ensure service providers across the state have access to a capable, culturally competent workforce to serve Trust beneficiaries, their families and communities.

Workforce Plan. The coalition includes government, industry and education partners committed to sharing resources, information and action that address the workforce needs of Alaska's healthcare industry. These needs are outlined in the Alaska Health Workforce Plan, which was adopted by the Alaska Workforce Investment Board as well as The Trust and other coalition members.

Action Agenda. Because the number of occupations that comprise Alaska's health workforce is so large, the coalition realized early on that not all areas of need could be addressed immediately. Therefore, the coalition adopted an Action Agenda that identifies specific objectives to be completed before 2015. It focuses on six occupations and six systemic change initiatives determined by the coalition to be in highest need of attention with strategies that can be implemented and achieved in the short term. Two of the six occupational priorities in the Action Agenda are essential in meeting the needs of Trust beneficiaries. They are direct care workers and behavioral health clinicians.

Training/Education. The Trust Workforce Development Focus Area will continue to fund the Trust Training Cooperative, which provides a clearinghouse for trainings related to Trust beneficiary issues, training when appropriate, and technical assistance and support for agencies creating distance delivery programs. The Trust will also continue to work with the University of Alaska to grow its course offerings that develop clinical professionals who work with people with mental health disorders, alcohol and substance abuse, and co-occurring disorders.

REGAINING PORTFOLIO VALUE



The Trust had \$97.4 million in total revenues during FY11 generated primarily by \$79 million in gains and interest from Trust investments followed by over \$16 million in various revenues generated by the Trust Land Office (TLO) through land sales and natural resource development on Trust lands. The investment gains enabled The Trust to regain the majority of losses experienced during dramatic market declines that began in 2008. The Trust ended the fiscal year with total net assets of \$501.8 million, including principal, budget reserves and capital assets.

Cash Assets. The majority of Trust cash assets (investments excluding land assets managed by the TLO) are invested at the Alaska Permanent Fund Corporation (APFC). Trust investments at APFC increased by \$71.3 million, or 20.3 percent, during FY11 – a marked improvement over the \$17 million return from the prior year.

Budget Reserves. The Trust strives to achieve and maintain adequate budget reserves to ensure continued sufficient annual payouts are available to sustain programs even when markets experience declines. The Trust has a target balance for the budget reserve equal to four years of gross annual payout from investment accounts.

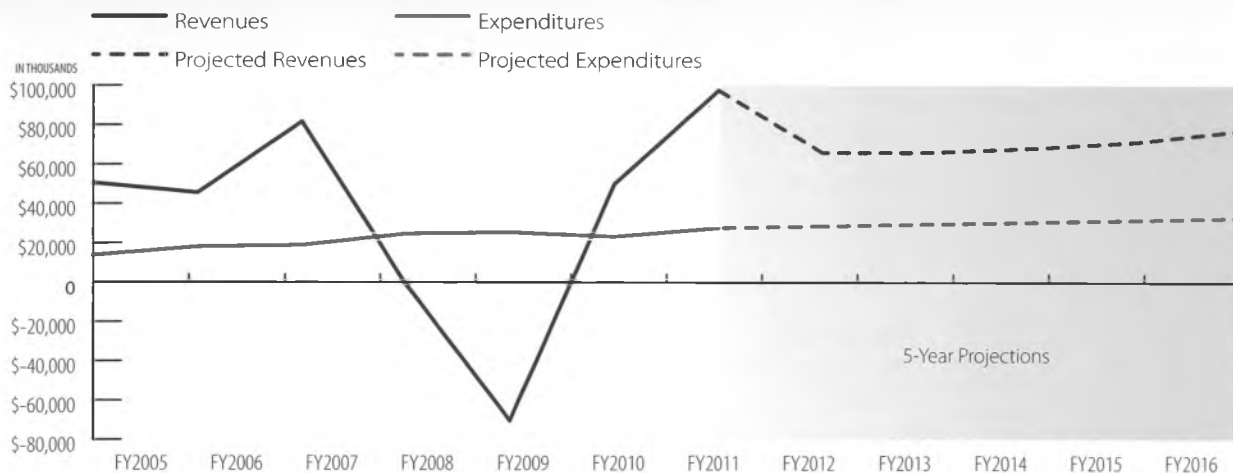
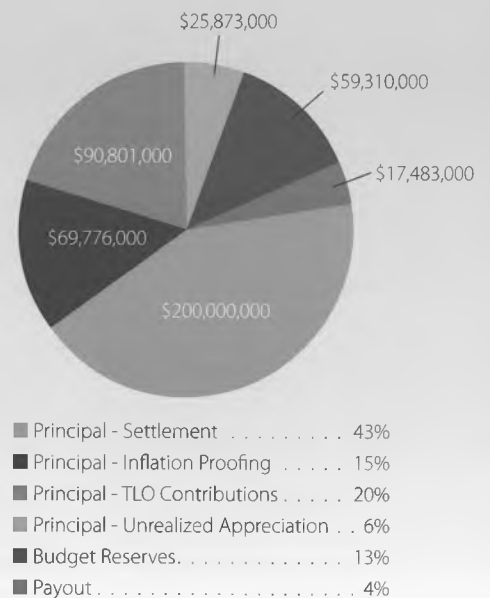
The budget reserve is invested across the Alaska Permanent Fund and the Alaska Department of Revenue Treasury Division. The Treasury Division budget reserve investments in FY11 returned 21 percent or \$7.3 million compared to \$3.9 million gain experienced during the prior year and ended the year with \$42 million in net assets. The portion of the budget reserve invested alongside principal ended the year at \$34.7 million and, because it is commingled with Trust principal investments at APFC, had the same 20.3 percent total return.

Payout. The Trust's payout rate, which is used to calculate the disbursement (or payout) for the annual Trust budget, remained at 4.25 percent. This rate is applied to the trailing four-year-average principal and budget reserve year-end balances to calculate the payout for the subsequent year. A four-year-average provides funding stability when financial markets experience significant volatility.

Available Funds. As a result of the FY11 financial performance, the following funding is available for FY12:

- disbursement (payout) rate of 4.25 percent, for a payout of \$17,483,000;

- resource management revenue allocated as income was \$3,454,000;
- interest on the Income Account at Treasury Division and other miscellaneous income totaled \$510,000;
- unexpended funds from lapsed appropriations made in prior fiscal years was \$4,145,000; and
- total funding available for FY12 (after accounting for certain one-time adjustments) was \$25,816,000. This is nearly a five percent increase from the prior year.



Trust Land Office

GENERATING REVENUE FROM LAND AND RESOURCES



Ft. Knox Mine near Fairbanks is an open-pit gold mine located on Trust land.



Gold exploration is underway on Trust land near Livengood.



Timber sales have accounted for nearly half of the TLO's income in recent years.



The Trust purchased a 29,000-square-foot Class A building in Anchorage that provides lease income and office space for the TLO.

The Trust Land Office (TLO) is a 16-person unit attached to the Department of Natural Resources that is specifically responsible for managing The Trust's approximately one million acres of land and other natural resources to generate revenue for the benefit of Trust beneficiaries.

Gross FY11 revenue totaled about \$16.6 million, of which about \$3.3 million was spendable income and about \$13.3 million was principal revenue. Revenue-generating uses of Trust land include land leasing and sales; real estate investment and development; 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 fiscal year. Land sale revenue, hydrocarbon and mineral royalties, and 85 percent of timber revenue are considered "principal" and are deposited in The Trust corpus, which is held and managed by the Alaska Permanent Fund Corporation.

Highlights of FY11

- Generated the second highest revenue since the TLO's inception in 1995.
- Received a royalty payment from Fairbanks Gold Mining Inc. for 2010 production from its mine on Trust land north of Fairbanks.
- Sold 31 parcels in the 2011 land sale for a total value of \$1,365,000.
- Issued the first Underground Coal Gasification licenses to Linc Energy near Tyonek, Healy and Kenai.
- Sold a 7-acre parcel to the University of Alaska in the Anchorage U-Med District through a sealed bid auction for \$8.5 million.

- Received a record \$1.2 million in bonus bids and first-year rental revenue from oil and gas leases on 17 tracts in the Cook Inlet Basin.
- Purchased a 29,000-square-foot Class A office building in mid-town Anchorage as a long-term income producing property for The Trust and relocated the Trust Land Office into space on the first floor.
- Continued to work with the U.S. Forest Service on a land exchange in Southeast Alaska.

Future Focus

The TLO will continue developing long-term plans for The Trust's natural resource portfolio and work-

ing with local communities and individuals to increase public awareness of Trust lands and the TLO's mission. Key projects include:

- Continuing exploration and transition to leases for land in the Underground Coal Gasification Program. Development of leases could lead to production of deep coal resources resulting in royalty payments to The Trust.
- Continuing improvements to a parcel in the U-Med District to prepare the site for a building development opportunity.
- Conducting timber sales in Haines and Thorne Bay.
- Pursuing new mining, coal, and oil and gas

projects on Trust lands.

- Exploring commercial and residential real estate development projects in Eagle River, Fairbanks, Wasilla and the Kenai Peninsula.
- Transition to planning and engineering in preparation for production by Tower Hill Mines on a mineral lease at Livengood.
- Production and further development by Buccaneer Alaska of gas resources on the Kenai Peninsula.
- Generate additional spendable income revenues for The Trust through increased real estate investments.

AHEAD IN FY13



It is likely that someone you know is a Trust beneficiary, whether it is a family member, friend, co-worker or neighbor. It might even be you.

Each year the Trustees make recommendations to the governor and the Legislature regarding expenditure of Trust income and other state funds to support Alaska's Comprehensive Integrated Mental Health Program. These recommendations comprise the Mental Health Budget Bill. During the 2012 legislative session, The Trust will seek approval of our FY13 operating and capital budgets. Following are program highlights planned for the next fiscal year in each Trust focus area:

Disability Justice

- Increasing access to behavioral health treatment for participants of therapeutic courts.
- Increasing access to mental health treatment for incarcerated adult offenders.
- Reducing juvenile and adult beneficiary criminal recidivism rates.
- Improving community reintegration from juvenile justice and adult correctional facilities for youth and adults.

Appropriate Affordable Housing

- Continuing our partnership with the Alaska Council on the Homeless and Alaska Housing Finance Corporation (AHFC) to collect baseline data regarding homelessness and housing for Trust beneficiaries and implement the strategies

in the Statewide 10-Year Plan to Reduce Homelessness.

- Seeking continued state funding for AHFC's "Homeless Assistance Program" to support individuals transitioning from homelessness through supported housing.
- Collaborating with the Department of Health & Social Services and other tribal and community partners on a Long Term Care Strategic Plan for Alaska to reduce the cost of institutional care for people with disabling conditions and the elderly and ensure access to services will meet the needs of our increasing senior population.

Bring the Kids Home

- Investing resources to intervene earlier, more intensively and more effectively with children and families.

- Supporting implementation of effective practices in additional communities.
- Continuing to develop in-state services for children with co-occurring disorders.

Beneficiary Projects Initiative

- Increasing capacity of peer support organizations through operating funding, technical assistance and partnerships.
- Planning, advocating and implementing peer support within community behavioral health settings across Alaska.
- Investing in peer support workforce via training, education, advocacy and collaboration with existing workforce initiatives statewide

Workforce Development

- Establishing a psychiatric residency program to meet critical mental health workforce needs in Alaska.
- Seeking funding to sustain and grow Alaska's four Area Health Education Centers (AHEC) as federal start-up funds come to an end for this workforce development program aimed at K-12 students.
- Establishing in-state programs to train physical therapists and physical therapist assistants to meet the demand created by Alaska's growing senior population.

The TRUST

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