

Leg. Finance-House & Senate Finance Comte Files (1991-1992) 835

1 (AS 47.30.011).

2 Sec. 37.14.003. RESPONSIBILITIES OF THE GOVERNOR. (a) In reviewing
3 appropriations from the mental health trust income account proposed by the authority, the
4 governor shall consider the needs of the beneficiaries of the trust without regard to other potential
5 objects of state expenditure. The governor shall, by December 15 of each year, submit to the
6 legislature a separate appropriation bill limited to appropriations from the mental health trust
7 income account.

8 (b) If the appropriations in the bill submitted by the governor under (a) of this section
9 differ from those proposed by the authority, the bill must contain findings explaining the reasons
10 for the differences and providing the basis for determining that the proposed appropriations meet
11 the needs of the beneficiaries of the trust. If the governor proposes to increase the amount of
12 money to be transferred from the mental health trust income account to the unrestricted general
13 fund over the authority's recommendation made under AS 47.30.046(a)(3), the bill must contain
14 findings supporting the determination that the additional money is not reasonably necessary to
15 meet the projected operating and capital expenses of the integrated comprehensive mental health
16 program to be financed from the trust.

17 (c) In reviewing the appropriations of money from the mental health trust income account
18 for possible veto, the governor shall consider only the needs of the beneficiaries of the trust
19 without regard to other potential objects of state expenditures. If the governor vetoes all or a part
20 of an appropriation of money from the mental health trust income account, the governor's veto
21 message must include the reasons the governor believes the remaining appropriations meet the
22 needs of the beneficiaries of the trust.

23 Sec. 37.14.005. RESPONSIBILITIES OF THE LEGISLATURE. (a) The legislature
24 shall annually pass and transmit to the governor a bill making appropriations of money from the
25 mental health trust income account no later than the 75th day of the regular session.

26 (b) Before taking action on appropriations from the mental health trust income account
27 proposed by the governor, the legislature shall consider the needs of the beneficiaries of the trust
28 without regard to other potential objects of state expenditure. The legislature shall make
29 appropriations from the mental health trust income account in a separate appropriation bill limited
30 to appropriations from the mental health trust income account.

31 (c) If the appropriations in the bill passed by the legislature differ from those proposed

1 by the authority, the bill must contain findings explaining the reasons for the differences and
2 providing the basis for determining that the appropriations meet the needs of the beneficiaries of
3 the trust. If the legislature increases the amount of money to be transferred from the trust to the
4 general fund over the authority's recommendation made under AS 47.30.046(a)(3), the bill must
5 contain findings supporting the determination that the additional money is not reasonably
6 necessary to meet the projected operating and capital expenses of the integrated comprehensive
7 mental health program to be financed from the trust.

8 Sec. 37.14.007. AUTHORITY AS TRUSTEE. (a) The Alaska Mental Health Trust
9 Authority, established by AS 47.30.011, is the trustee of the trust established under the Alaska
10 Mental Health Enabling Act of 1956, P.L. 84-830, 70 Stat. 709.

11 (b) In exercising the powers, duties, and responsibilities as trustee, the authority is under
12 a duty to the public and the trust beneficiaries to

- 13 (1) administer the trust solely in the interest of the beneficiaries;
- 14 (2) keep and render clear and accurate accounts with respect to the administration
15 of the trust;
- 16 (3) make public and available complete and accurate information as to the nature
17 and amount of the trust property;
- 18 (4) exercise a high degree of care in administering the trust;
- 19 (5) take reasonable steps to take and keep control of the trust property;
- 20 (6) use care and skill to preserve the trust property;
- 21 (7) take reasonable steps to realize on claims that are held in trust;
- 22 (8) defend against actions that may result in a loss to the trust estate, unless under
23 all the circumstances, considering the other duties owed to the trust, it is reasonable not to make
24 the defense;
- 25 (9) separately account for trust property;
- 26 (10) ensure that trust property is designated as property of the trust;
- 27 (11) use care and skill to make the trust property productive; however, nothing
28 in this paragraph shall prevent the state from using trust property directly or indirectly, by
29 contractual stipulation or otherwise, as a component of the state's mental health trust program;
30 and
- 31 (12) deal impartially with the different trust beneficiaries as provided in

1 AS 47.30.056.

2 Sec. 37.14.009. TRUST MANAGEMENT. (a) The Alaska Mental Health Trust
3 Authority

4 (1) shall manage the assets of the trust in a fiduciary manner to fulfill the
5 purposes of the trust;

6 (2) may, consistent with (1) of this subsection and AS 47.30.036(1), sell, lease,
7 ^{Am#3} [mortgage] exchange, or otherwise dispose of land in the trust;

8 (3) may, consistent with (1) of this subsection, use land that is an asset of the
9 trust directly for the integrated comprehensive mental health program; ^{Am#1} and

10 ⁵ (4) shall contract with the Alaska Permanent Fund Corporation for management
11 of the trust's cash assets, unless the authority finds that the best interests of trust beneficiaries
12 would be served by contracting with another entity.

13 (b) In exercising its power under (a)(2) or (3) of this section, the authority shall give
14 public notice in the manner provided under AS 38.05.945(b) and (c), but is not otherwise bound
15 by the provisions of AS 38.04 or AS 38.05.

16 * Sec. 11. AS 37.14 is amended by adding new sections to read:

17 Sec. 37.14.031. TRUST FUND ESTABLISHED. The mental health trust fund is
18 established as a separate fund within the state treasury. The fund consists of the cash assets of
19 the principal of the trust.

20 Sec. 37.14.036. TRUST INCOME ACCOUNT ESTABLISHED. (a) The mental health
21 trust income account is established as a separate account within the general fund of the state.

22 The mental health trust income account consists of

23 ^{Am#4} (1) ^{fees, charges, income} [money] earned on assets ^{that is not attributed to principle} [of the trust]

24 (2) ^{and other money received by} money deposited in the account in accordance with appropriations or
25 allocations made by law;

26 (3) the amounts allocated to it under (c) of this section.

27 (b) The authority may establish subaccounts within the mental health trust income
28 account.

29 (c) In each of the following state fiscal years, the commissioner of revenue shall allocate
30 from the general fund of the state to the mental health trust income account in the general fund
31 an amount equal to the percent of the unrestricted revenue of the state specified for that fiscal

	year:	
	FISCAL YEAR ENDING	PERCENT OF UNRESTRICTED STATE REVENUE
1		
2		
3	June 30, 1992	six percent
4	June 30, 1993	six percent
5	June 30, 1994	five percent
6	June 30, 1995	five percent
7	June 30, 1996	four percent
8	June 30, 1997	four percent
9	June 30, 1998	three percent
10	June 30, 1999	three percent
11	June 30, 2000	two percent
12	June 30, 2001	two percent
13	June 30, 2002	one percent
14	June 30, 2003	one percent

15 Sec. 37.14.099. DEFINITIONS. In AS 37.14.001 - 37.14.099,

16 (1) "authority" means the Alaska Mental Health Trust Authority established under
17 AS 47.30.011;

18 (2) "board" means the board of trustees of the authority;

19 (3) "enabling Act" means the Alaska Mental Health Enabling Act of 1956, P.L.
20 84-830, 70 Stat. 709.

21 * Sec. 12. AS 39.25.120(c)(9) is amended to read:

22 (9) the principal executive officer of the following boards, councils, or
23 commissions:

24 (A) Alaska Public Broadcasting Commission;

25 (B) Professional Teaching Practices Commission;

26 (C) Parole Board;

27 (D) Board of Nursing;

28 (E) Real Estate Commission;

29 (F) Alaska Royalty Oil and Gas Development Advisory Board;

30 (G) Alaska Historical Commission;

31 (H) Alaska State Council on the Arts;

- 1 (I) Alaska Police Standards Council;
2 (J) Older Alaskans Commission;
3 (K) Alaska Mental Health Board;
4 (L) State Medical Board;
5 (M) Governor's Council for the Handicapped and Gifted;
6 (N) Advisory Board on Alcoholism and Drug Abuse;

7 * Sec. 13. AS 41.15 is amended by adding a new section to read:

8 Sec. 41.15.025. FIRE PROTECTION ON MENTAL HEALTH TRUST LAND. Land
9 that is in the mental health trust is, for the purpose of wild fire suppression, land owned by the
10 state.

11 * Sec. 14. AS 44.21.230(a) is amended to read:

12 (a) The commission shall

13 (1) formulate a comprehensive statewide plan that identifies the concerns and
14 needs of older Alaskans and, with reference to the plan adopted, prepare and submit to the
15 governor and legislature an annual analysis and evaluation of the services that are provided to
16 older Alaskans;

17 (2) make recommendations directly to the governor and legislature with respect
18 to legislation, regulations, and appropriations for programs or services that benefit older Alaskans;

19 (3) encourage and aid the development of municipal commissions serving older
20 Alaskans and community-oriented programs and services for the benefit of older Alaskans;

21 (4) employ an executive director who serves at the pleasure of the commission;

22 (5) help older Alaskans lead dignified, independent, and useful lives;

23 (6) request and receive reports and audits from state agencies and local institutions
24 concerned with the conditions and needs of older Alaskans;

25 (7) administer, with the approval of the commissioner of administration, federal
26 programs as provided under 42 U.S.C. 3001 - 3045i (Older Americans Act), as amended;

27 (8) administer, with the approval of the commissioner of administration, state
28 programs as provided under AS 47.65; [AND]

29 (9) give assistance, on request, to the senior housing office in the Department of
30 Community and Regional Affairs in administration of the senior housing loan program under
31 AS 44.47.587 - 44.47.609 and in the performance of the office's other duties under

1 AS 44.47.585; and

2 (10) provide to the Alaska Mental Health Trust Authority, for its review and
3 consideration, recommendations concerning the integrated comprehensive mental health
4 program for persons who are described in AS 47.30.056(b)(4) and the use of the money in
5 the mental health trust income account in a manner consistent with regulations adopted
6 under AS 47.30.031.

7 * Sec. 15. AS 44.29.022 is amended by adding a new subsection to read:

8 (d) A regulation that establishes a fee for services under AS 44.29.020(a)(7) that are part
9 of the integrated comprehensive mental health program under AS 47.30 may be adopted under
10 this section after consultation with the Alaska Mental Health Trust Authority.

11 * Sec. 16. AS 44.29.024 is amended by adding a new subsection to read:

12 (c) A regulation that establishes a schedule of reasonable fees for services provided by
13 a contractor or grantee that are part of the integrated comprehensive mental health program
14 established under AS 47.30 may be adopted under this section after consultation with the Alaska
15 Mental Health Trust Authority.

16 * Sec. 17. AS 44.29.100 is amended to read:

17 Sec. 44.29.100. ADVISORY BOARD OF ALCOHOLISM AND DRUG ABUSE. There
18 is established in the Department of Health and Social Services an advisory board on alcoholism
19 and drug abuse. [THE BOARD SHALL FUNCTION AS A STANDING COMMITTEE OF THE
20 STATEWIDE HEALTH COORDINATING COUNCIL ESTABLISHED UNDER AS 18.07.011.]

21 * Sec. 18. AS 44.29.110 is amended to read:

22 Sec. 44.29.110. COMPOSITION. The board consists of 15 [12] members, 14 of whom
23 are public members appointed by the governor, and the 15th who is the director of the
24 division of alcoholism and drug abuse ex officio.

25 * Sec. 19. AS 44.29.115 is amended to read:

26 Sec. 44.29.115. QUALIFICATIONS OF BOARD MEMBERS. The governor shall
27 appoint the 14 public [12] members so that the board consists of the following public members:

28 (1) one member [TWO MEMBERS] who is [ARE] licensed to practice
29 medicine in the state [, ONE OF WHOM IS CERTIFIED IN PSYCHIATRY BY THE
30 AMERICAN BOARD OF PSYCHIATRY AND NEUROLOGY];

31 (2) one member who is admitted to practice law in the state [ALASKA];

1 (3) four members who are chronic alcoholics with psychoses who are
2 recovering;

3 (4) three members who are substance abuse treatment professionals who
4 represent public and private providers of substance abuse prevention and treatment
5 services; and

6 (5) five [EIGHT] members who have shown an interest in the problems of
7 alcoholism or drug abuse and who have knowledge of the social problems associated with
8 alcoholism or drug abuse [; AND

9 (4) ONE MEMBER WHO IS A REPRESENTATIVE OF THE LIQUOR
10 INDUSTRY].

11 * Sec. 20. AS 44.29.120 is amended to read:

12 Sec. 44.29.120. TERM OF OFFICE. (a) The governor shall appoint the public
13 members of the board for staggered terms of four years.

14 (b) The governor shall fill a vacancy of a public member on the board by appointment
15 for the unexpired part of the vacated term.

16 (c) Public [BOARD] members of the board serve at the pleasure of the governor. The
17 governor shall replace a public [ANY] member who by poor attendance or lack of contribution
18 to the board's work demonstrates ineffectiveness as a board member. In this subsection, "poor
19 attendance" means the failure to attend three or more consecutive meetings.

20 * Sec. 21. AS 44.29.130 is amended to read:

21 Sec. 44.29.130. COMPENSATION, PER DIEM, AND EXPENSES. The public
22 members [MEMBERS] of the board are not entitled to a salary, but are entitled to per diem,
23 reimbursement for travel, and other expenses authorized by law for other boards.

24 * Sec. 22. AS 44.29 is amended by adding a new section to read:

25 Sec. 44.29.135. OFFICERS AND STAFF. (a) The board, by a majority of its
26 membership, shall annually elect a presiding officer and other officers it considers necessary from
27 among its membership.

28 (b) The board shall have a paid staff provided by the department, including an executive
29 director who shall be selected by the board. The executive director is in the partially exempt
30 service [and shall be compensated at no less than range 21 of the pay plan for state employees
31 under AS 39.27.011(a)]. The executive director may hire additional employees in the classified

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1 service of the state. The department shall provide for the assignment of personnel to the board
2 to ensure the board has the capacity to fulfill its responsibilities. The executive director of the
3 board shall be directly responsible to the board in the performance of the director's duty.

4 * Sec. 23. AS 44.29.140 is amended to read:

5 Sec. 44.29.140. DUTIES. The board shall

6 (1) act in an advisory capacity to the legislature, the governor, and state
7 agencies [COMMISSIONER OF HEALTH AND SOCIAL SERVICES] in the following matters:

8 (A) [(1)] special problems affecting mental health that alcoholism or drug
9 abuse may present;

10 (B) [(2)] educational research and public informational activities
11 [CONDUCTED BY THE DEPARTMENT OF HEALTH AND SOCIAL SERVICES
12 AND OTHERS] in respect to the problems presented by alcoholism or drug abuse;

13 (C) [(3)] social problems that affect rehabilitation of alcoholics and drug
14 abusers;

15 (D) [(4)] legal processes that affect the treatment and rehabilitation of
16 alcoholics and drug abusers;

17 (E) [(5)] development of programs of prevention, treatment, and
18 rehabilitation for alcoholics and drug abusers; and

19 (F) [(6)] REVIEW OF APPLICATIONS AND SUBSEQUENT
20 RECOMMENDATIONS TO THE COMMISSIONER OF HEALTH AND SOCIAL
21 SERVICES ON USE OF FUNDS FOR GRANTS FOR LOCAL ALCOHOLISM OR
22 DRUG ABUSE PROJECTS AND PROGRAMS;

23 (7)] evaluation of effectiveness of alcoholism and drug abuse programs in the
24 state;

25 (2) provide to the Alaska Mental Health Trust Authority for its review and
26 consideration recommendations concerning the integrated comprehensive mental health
27 program for the people who are described in AS 47.30.056(b)(2), and concerning the use of
28 money in the mental health trust income account in a manner consistent with regulations
29 adopted under AS 47.30.031.

30 * Sec. 24. AS 44.29.140 is amended by adding new subsections to read:

31 (b) The board is the state planning and coordinating body for purposes of federal and

1 state laws relating to alcohol, drug, and other substance abuse prevention and treatment services.

2 (c) The board shall prepare and maintain a comprehensive plan of services for the
3 prevention and treatment of alcohol, drug, and other substance abuse.

4 * Sec. 25. AS 47.30 is amended by adding new sections to read:

5 Sec. 47.30.011. ALASKA MENTAL HEALTH TRUST AUTHORITY. (a) The Alaska
6 Mental Health Trust Authority is established as a public corporation of the state within the
7 Department of Revenue.

8 (b) The purpose of the authority is to ensure an integrated comprehensive mental health
9 program.

10 (c) The authority

11 (1) shall administer the trust established under the Alaska Mental Health Enabling
12 Act of 1956;

13 (2) may sue and be sued;

14 (3) may retain the services of independent counsel when, in the judgment of the
15 authority's board of trustees, independent counsel is needed;

16 (4) shall insure or indemnify and protect the board, a member of the board, or an
17 agent or employee of the authority against financial loss and expense, including reasonable legal
18 fees and costs, arising out of a claim, demand, suit, or judgment by reason of alleged negligence,
19 alleged violation of civil rights, or alleged wrongful act resulting in death or bodily injury to a
20 person or accidental damage to or destruction of property if the board member, agent, or
21 employee, at the time of the occurrence, was acting under the direction of the authority within
22 the course or scope of the duties of the board member, agent, or employee.

23 (d) The provisions of AS 44.62.330 - 44.62.630 do not apply to the Alaska Mental Health
24 Trust Authority.

25 Sec. 47.30.016. MEMBERSHIP OF THE BOARD. (a) The authority shall be governed
26 by its board of trustees.

27 (b) The board consists of seven members appointed by the governor. The members
28 appointed under this subsection shall be appointed

29 (1) based upon their ability in financial management and investment, in land
30 management, or in services for the beneficiaries of the trust;

31 (2) after the governor has considered a list of persons prepared by a panel of six

1 persons who are beneficiaries, or who are the guardians, family members, or representatives of
2 beneficiaries; the panel shall consist of

3 (A) one person selected by the Alaska Mental Health Board
4 (AS 47.30.661);

5 (B) one person selected by the Governor's Council for the Handicapped
6 and Gifted (AS 47.80.030);

7 (C) one person selected by the Advisory Board on Alcoholism and Drug
8 Abuse (AS 44.29.110);

9 (D) one person selected by the Older Alaskans Commission
10 (AS 44.21.200);

11 (E) one person selected by the Alaska Native Health Board; and

12 (F) one person selected by the authority.

13 (c) A member of the board appointed by the governor under (b) of this section may not

14 (1) be an officer or employee of the state; or

15 (2) within the preceding two years or during the member's term of office have
16 an interest in, served on the governing board of, or been employed by an organization that has
17 received, during that same period, money from the mental health trust income account under a
18 contract for services.

19 (d) A quorum of the board is four members.

20 (e) A member of the board is entitled to

21 (1) an honorarium of \$200 for each day or any part of a day spent at a meeting
22 of the board, at a meeting of a subcommittee of the board, or as a representative of the board;
23 and

24 (2) per diem and travel expenses authorized for boards and commissions under
25 AS 39.20.180.

26 Sec. 47.30.021. TERM OF OFFICE, VACANCIES, AND REMOVAL. (a) The
27 members of the board serve staggered five-year terms. A member shall continue to serve until
28 the member's successor is appointed and confirmed.

29 (b) A vacancy occurring in the membership of the board shall be filled within 60 days
30 by appointment of the governor for the unexpired portion of the vacated term.

31 (c) The governor may remove a member of the board only for cause, including

1 incompetence, neglect of duty, misconduct in office, poor attendance, or lack of contribution to
 2 the board's work. A member being removed for cause shall be given a copy of the charges and
 3 afforded an opportunity to publicly present a defense in person or by counsel upon not less than
 4 10 days' written notice. If a member is removed for cause, the governor shall file with the
 5 lieutenant governor a complete statement of all charges made against the member and the
 6 governor's findings based on the charges, together with a complete record of the proceedings.
 7 The removal of a member for cause constitutes a final administrative order. A member seeking
 8 to appeal the governor's removal of a member for cause under this subsection shall file a notice
 9 of appeal with the superior court under AS 44.62.560.

10 (d) Except for a trustee who has served two consecutive five-year terms, a member of
 11 the board may be reappointed. A member of the board who has served two consecutive five-year
 12 terms is not eligible for reappointment to the board until one year has intervened.

13 Sec. 47.30.026. OFFICERS AND STAFF. (a) The board shall annually elect a presiding
 14 officer and other officers it considers necessary from among its membership.

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

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 (17) out*

- 18 (1) hire additional employees;
- 19 (2) appoint hearing officers to perform the responsibilities set out in
- 20 AS 47.30.031(b)(5); and
- 21 (3) contract for the services of consultants and others.

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

23 Sec. 47.30.031. REGULATIONS. (a) The board shall adopt regulations under the
 24 Administrative Procedure Act (AS 44.62) consistent with state law and the fiduciary
 25 responsibilities imposed by law on members of boards of directors of corporations having trust
 26 responsibilities.

27 (b) The regulations shall address, but are not limited to,

- 28 (1) the requirements of AS 47.30.056(h) and (j);
- 29 (2) provisions governing the administration and management of the mental health
- 30 trust;
- 31 (3) procedures by which an aggrieved person or group who believe they have not

1 received services that should be provided from the trust may apply to the authority for redress;
2 (4) provisions that allow and encourage entities providing trust funded services
3 to integrate those services with other community human services funded by other sources;
4 (5) administrative adjudication procedures, including but not limited to
5 (A) the acceptance of applications under (4) of this subsection;
6 (B) investigations;
7 (C) hearings; and
8 (D) the issuance of administrative orders, as necessary;
9 (6) provisions that establish a process for long-range planning for expenditures
10 from the mental health trust income account; and
11 (7) criteria for determining the nature and extent of necessary services and related
12 expenses to be funded by the trust.

13 Sec. 47.30.036. DUTIES OF THE BOARD. The board shall

- 14 (1) preserve and protect the trust corpus;
15 (2) coordinate with other state agencies involved with programs affecting persons
16 in need of mental health services;
17 (3) review and consider the recommendations submitted under
18 AS 44.21.230(a)(10), AS 44.29.140(2), AS 47.30.666(~~6~~), and AS 47.80.090(13);
19 (4) adopt bylaws governing its meetings, selection of officers, proceedings, and
20 other aspects of board procedure;
21 (5) make an annual written report of its activities to the legislature, governor, and
22 the public; and
23 (6) fulfill its obligations under AS 47.30.046.

24 Sec. 47.30.041. BOARD ADVISORS. The commissioners of health and social services,
25 natural resources, and revenue, or their respective designees, are advisors to the board.

26 Sec. 47.30.046. BUDGET RECOMMENDATIONS; REPORTS. (a) The board shall
27 annually, not later than September 15, submit to the governor and the Legislative Budget and
28 Audit Committee a budget for the next fiscal year and a proposed plan of implementation based
29 on the integrated comprehensive mental health program plan prepared under AS 47.30.660(a)(1).
30 The budget must include the authority's determination of the amount

- 31 (1) recommended for expenditure from the mental health trust income account

1 during the next fiscal year to

2 (A) meet the administrative expenses of the authority;

3 (B) offset the effect of inflation on the value of the trust corpus; and

4 (C) meet the necessary operating and capital expenses of the integrated
5 comprehensive mental health program;

6 (2) recommended for expenditure from the general fund, if any, during the next
7 fiscal year to meet the necessary operating and capital expenses of the integrated comprehensive
8 mental health program; and

9 (3) in the mental health trust income account, if any, that is not reasonably
10 necessary to meet the projected operating and capital expenses of the integrated comprehensive
11 mental health program that may be transferred into the general fund.

12 (b) When the authority submits its proposed budget under (a) of this section, the authority
13 shall also provide a report to the Legislative Budget and Audit Committee, the governor, the
14 Office of Management and Budget, the commissioner of health and social services, and all
15 entities providing services with money in the mental health trust income account, and shall make
16 it available to the public. The report must describe at least the following:

17 (1) the assets, earnings, and expenditures of the trust as of the end of the
18 preceding fiscal year;

19 (2) comparisons of the trust's assets, earnings, and expenditures with the prior five
20 fiscal years;

21 (3) projections of the trust's assets, earnings, and expenditures for the next five
22 fiscal years;

23 (4) the authority's budget recommendations submitted under (a) of this section,
24 and its reasons for making those recommendations;

25 (5) the authority's guidelines for the establishment of services; the provision of
26 services shall be based on the principle that services paid for from the trust are provided to
27 recipients as close to the recipient's home and family as practical with due consideration of
28 demographics, mental health service requirements, use of mental health services, economic
29 feasibility, and capital expenditures required for provision of minimum levels of service;

30 (6) forecasts of the number of persons needing services;

31 (7) projections of the resources required to provide the necessary services and

1 facilities; and

2 (8) reviews of the status of the integrated comprehensive mental health program,
3 including evaluation of program goals, objectives, targets and timelines, and overall effectiveness.

4 Sec. 47.30.051. SUBMISSIONS REQUIRING USE OF TRUST MONEY. An agency
5 or entity proposing an expenditure of money by the trust shall present its proposal to the
6 authority under regulations adopted under AS 47.30.031.

7 Sec. 47.30.056. USE OF MONEY IN THE MENTAL HEALTH TRUST INCOME
8 ACCOUNT. (a) If appropriated by law, the money in the mental health trust income account
9 established in AS 37.14.036 shall be used to

10 (1) provide an integrated comprehensive mental health program as required by
11 this section;

12 (2) meet the authority's annual administrative expenses; and

13 (3) offset the effect of inflation on the corpus of the trust.

14 (b) Expenditures under (a)(1) of this section shall provide for a reasonable level of
15 necessary services to

16 (1) the mentally ill;

17 (2) the mentally defective and retarded;

18 (3) chronic alcoholics suffering from psychoses;

19 (4) senile people who as a result of their senility suffer major mental illness; and

20 (5) other persons needing mental health services, as the legislature may determine.

21 (c) The integrated comprehensive mental health program for which expenditures are made
22 under this section

23 (1) shall give priority in service delivery to persons who, as a result of a mental
24 disorder or of a disorder identified in (b) of this section;

25 (A) may require or are at risk of hospitalization; or

26 (B) experience such major impairment of self-care, self-direction, or social
27 and economic functioning that they require continuing or intensive services;

28 (2) may, at the discretion of the board, include services to persons who are not
29 included under (b) or (c)(1) of this section.

30 (d) In (b)(1) of this section, "the mentally ill" includes persons with the following mental
31 disorders:

- 1 (1) schizophrenia;
- 2 (2) delusional (paranoid) disorder;
- 3 (3) mood disorders;
- 4 (4) anxiety disorders;
- 5 (5) somatoform disorders;
- 6 (6) organic mental disorders;
- 7 (7) personality disorders;
- 8 (8) dissociative disorders;
- 9 (9) other psychotic or severe and persistent mental disorders manifested by
- 10 behavioral changes and symptoms of comparable severity to those manifested by persons with
- 11 mental disorders listed in this subsection; and
- 12 (10) persons who have been diagnosed by a licensed psychologist, psychiatrist,
- 13 or physician licensed to practice medicine in the state and, as a result of the diagnosis, have been
- 14 determined to have a childhood disorder manifested by behaviors or symptoms suggesting risk
- 15 of developing a mental disorder listed in this subsection.
- 16 (e) In (b)(2) of this section, "the mentally defective and retarded" includes persons with
- 17 the following neurologic or mental disorders:
- 18 (1) cerebral palsy;
- 19 (2) epilepsy;
- 20 (3) mental retardation;
- 21 (4) autistic disorder;
- 22 (5) severe organic brain impairment;
- 23 (6) significant developmental delay during early childhood indicating risk of
- 24 developing a disorder listed in this subsection;
- 25 (7) other severe and persistent mental disorders manifested by behaviors and
- 26 symptoms similar to those manifested by persons with disorders listed in this subsection.
- 27 (f) In (b)(3) of this section, "chronic alcoholics suffering from psychoses" includes
- 28 persons with the following disorders:
- 29 (1) alcohol withdrawal delirium (delirium tremens);
- 30 (2) alcohol hallucinosis;
- 31 (3) alcohol amnestic disorder;

- 1 (4) dementia associated with alcoholism;
2 (5) alcohol-induced organic mental disorder;
3 (6) alcoholic depressive disorder;
4 (7) other severe and persistent disorders associated with a history of prolonged
5 or excessive drinking or episodes of drinking out of control and manifested by behavioral
6 changes and symptoms similar to those manifested by persons with disorders listed in this
7 subsection.

8 (g) In (b)(4) of this section, "senile people who as a result of their senility suffer major
9 mental illness" includes persons with the following mental disorders:

- 10 (1) primary degenerative dementia of the Alzheimer type;
11 (2) multi-infarct dementia;
12 (3) senile dementia;
13 (4) presenile dementia;
14 (5) other severe and persistent mental disorders manifested by behaviors and
15 symptoms similar to those manifested by persons with disorders listed in this subsection.

16 (h) The authority shall adopt regulations defining the disorders identified in this section
17 to reflect revisions in the diagnostic nomenclature of the health professions serving the
18 beneficiaries of the trust. The authority shall review and revise the regulations as necessary.
19 Regulations adopted under this subsection must be in the long term best interest of the trust and
20 of persons with disorders equivalent to those identified in (b) and (c) of this section.

21 (i) In this section, "an integrated comprehensive mental health program"

22 (1) means public health programs and services that, on the effective date of this
23 Act, are separately recognizable and administered, without regard to the administrative unit
24 directly responsible for the delivery of the service; among the services included are services for
25 the mentally ill, community mental health services, services for the developmentally disabled,
26 alcoholism services, and services for children, youth, adults, and seniors with mental disorders;

27 (2) includes, at a minimum, each of the following services as appropriate:

- 28 (A) emergency services on a 24-hour basis;
29 (B) screening examination and evaluation services required to complete
30 the involuntary commitment process under AS 47.30.700 - 47.30.815;
31 (C) inpatient care;

- 1 (D) crisis stabilization services, which may include:
- 2 (i) active community outreach;
- 3 (ii) in-hospital contact;
- 4 (iii) mobile crisis teams of mental health professionals;
- 5 (iv) crisis beds to provide a short term residential program for
- 6 persons experiencing an acute episode of mental illness that requires temporary
- 7 removal from a home environment;
- 8 (E) treatment services, which may include
- 9 (i) diagnosis, testing, and evaluation of medical needs;
- 10 (ii) medication monitoring;
- 11 (iii) physical examinations;
- 12 (iv) dispensing psychotropic and other medication;
- 13 (v) detoxification;
- 14 (vi) individual or group therapy;
- 15 (vii) aftercare;
- 16 (F) case management, which may include
- 17 (i) evaluation of needs;
- 18 (ii) development of individualized treatment plans;
- 19 (iii) enhancement of access to available resources and programs;
- 20 (iv) development of interagency contacts and family involvement;
- 21 (v) advocacy;
- 22 (G) daily structure and support, which may include
- 23 (i) daily living skills training;
- 24 (ii) socialization activities;
- 25 (iii) recreation;
- 26 (iv) transportation;
- 27 (v) day care services;
- 28 (vi) client and care provider education and support services;
- 29 (H) residential services, which may include
- 30 (i) crisis or respite care;
- 31 (ii) board and care;

- 1 (iii) foster care, group homes, halfway houses, or supervised
 2 apartments;
 3 (iv) intermediate care facilities;
 4 (v) long-term care facilities;
 5 (vi) in-home care;
 6 (I) vocational services, which may include
 7 (i) prevocational services;
 8 (ii) work adjustment;
 9 (iii) supported work;
 10 (iv) sheltered work;
 11 (v) training in which participants achieve useful work experience;
 12 (J) outpatient screening, diagnosis, and treatment services, including
 13 individual, family, and group psychotherapy, counseling, and referral;
 14 (K) prevention and education services, including consultation with
 15 organizations, providers, and the public; and
 16 (L) administrative services, including appropriate operating expenses of
 17 state agencies and other service providers.
 18 (j) The authority shall adopt regulations regarding the services described in (i) of this
 19 section to reflect advances in the appropriate professions. The authority shall review and revise
 20 the regulations as necessary. Regulations adopted under this subsection must be in the long term
 21 best interest of the mental health trust.

22 Sec. 47.30.061. DEFINITIONS. In AS 47.30.011 - 47.30.061,

23 (1) "authority" means the Alaska Mental Health Trust Authority established by
 24 AS 47.30.011;

25 (2) "board" means the board of trustees of the authority;

26 (3) "trust" means the trust established by the Alaska Mental Health Enabling Act
 27 of 1956, P.L.84-830, 70 Stat. 709.

28 * Sec. 26. AS 47.30.470 is amended by adding new paragraphs to read:

29 (8) prepare that part of the plan for the integrated comprehensive mental health
 30 program under AS 47.30.056 that relates to the services and facilities that are necessary for the
 31 care and treatment of persons identified as chronic alcoholics suffering from psychoses, as

1 defined in AS 47.30.056(b)(3) and (f); in preparing the plan of services for persons identified in
 2 this paragraph, the department shall coordinate with the Alaska Mental Health Trust Authority
 3 and the Advisory Board on Alcoholism and Drug Abuse;

4 (9) use money appropriated from the mental health trust income account
 5 established under AS 37.14.036 to provide the necessary services identified in (8) of this section
 6 and in accordance with AS 47.30.056.

7 * Sec. 27. AS 47.30.520 is amended to read:

8 Sec. 47.30.520. LEGISLATIVE PURPOSE. It is the purpose of the [LEGISLATURE
 9 IN ENACTING THE] Community Mental Health Services Act to

10 (1) [TO] provide a range of community based inpatient, outpatient, and
 11 support services for persons with mental disorders;

12 (2) [OR EMOTIONAL DISTURBANCES AND TO] assist [LOCAL]
 13 communities in planning, organizing, and financing community mental health services through
 14 locally developed, administered, and controlled community mental health programs;

15 (3) [. IT IS FURTHER INTENDED TO] better develop and use [UTILIZE
 16 EXISTING] resources at both state and local levels;

17 (4) [IN ORDER TO (1)] develop and implement plans for comprehensive
 18 [INITIATING MAXIMUM] mental health services based on demonstrated need on a regional
 19 basis [FOR SERVICES IN EACH GEOGRAPHICAL PLANNING AREA, AS WELL AS
 20 REGIONALIZED COMPREHENSIVE MENTAL HEALTH SERVICES];

21 (5) [(2)] improve the effectiveness of existing mental health services;

22 (6) [(3)] integrate state-operated and community mental health programs into a
 23 unified mental health system;

24 (7) ensure that consumers, families, and representatives of [(4) PROVIDE A
 25 MEANS FOR PARTICIPATION BY LOCAL] communities within mental health planning
 26 regions can participate in determining [THE DETERMINATION OF] the need for and the
 27 allocation of mental health resources;

28 (8) [(5) ESTABLISH A UNIFORM RATIO OF LOCAL AND STATE
 29 GOVERNMENT RESPONSIBILITY FOR FINANCING MENTAL HEALTH SERVICES;

30 (6)] provide a means of allocating money available for state mental health
 31 services [FUNDS] according to community needs;

- 1 (9) [(7)] encourage the full use of all existing public or private agencies, facilities,
2 personnel, and funds to accomplish these objectives; and
3 (10) [(8)] prevent unnecessary duplication and fragmentation of services and
4 expenditures.

5 * Sec. 28. AS 47.30 is amended by adding a new section to read:

6 Sec. 47.30.523. COMMUNITY MENTAL HEALTH PROGRAM POLICY AND
7 PRINCIPLES. (a) It is the policy of the state that

8 (1) the community mental health program provide a comprehensive and integrated
9 system of community based facilities, supports, and mental health services including child and
10 adolescent screening and diagnosis, inpatient, outpatient, prevention, consultation, and education
11 services;

12 (2) persons most in need of community mental health services receive appropriate
13 services as provided under AS 47.30.056;

14 (3) the community mental health program be coordinated, to the maximum extent
15 possible, with the programs established under AS 47.37, AS 47.65, AS 47.80, and other programs
16 affecting the well being of persons in need of mental health services.

17 (b) Community mental health program service delivery principles include the principles
18 that persons

19 (1) have ready and prompt access to necessary screening, diagnosis, and treatment;

20 (2) receiving community mental health services be informed of their rights,
21 including their rights to confidentiality and to treatment with dignity;

22 (3) be provided community mental health services by staff and programs that
23 reflect the culture, linguistic, and other social characteristics of their community and that
24 incorporate multidisciplinary professional staff to meet client functional levels and diagnostic and
25 treatment needs;

26 (4) in need of community mental health services, and their families, be
27 encouraged to participate in formulating, delivering, and evaluating treatment and rehabilitation;

28 (5) in need of community mental health services be provided treatment and
29 rehabilitation services designed to minimize institutionalization and maximize individual potential;

30 (6) be treated in the least restrictive alternative environment consistent with their
31 treatment needs, enabling the person to live as normally as possible;

- 1 (7) be provided necessary treatment as close to the person's home as possible;
2 (8) be informed of and allowed to participate in planning their own treatment as
3 much as possible.

4 * Sec. 29. AS 47.30.530 is amended by adding a new subsection to read:

5 (b) In performing its duties under (a) of this section, the department shall coordinate with
6 the Alaska Mental Health Trust Authority established in AS 47.30.011.

7 * Sec. 30. AS 47.30.540(b) is amended to read:

8 (b) An [THE] entity designated by the department [IN THE LOCAL AREA AS THE
9 ORGANIZATIONAL UNIT] to receive money [FUNDS] under AS 47.30.520 - 47.30.620 [AND
10 TO ADMINISTER THE PROGRAM] shall ensure a broad base of community support as
11 evidenced by a governing board reasonably representative of the professional, civic, and citizen
12 groups in the community and including persons with mental disorders or family members
13 of persons with mental disorders. No more than two members, or 40 percent of the
14 membership, whichever is greater, may be providers of services under the program. In order to
15 receive funds under AS 47.30.520 - 47.30.620, a local community entity shall agree to

16 (1) give priority to mental health programs and services consistent with the
17 priorities set out in AS 47.30.056 and that provide the [HAVE A] maximum services for the
18 least expenditure of money from the mental health trust income account [EFFECT ON
19 OTHER TAX FUNDED PROGRAMS];

20 (2) furnish services through a qualified staff meeting reasonable standards of
21 experience and training;

22 (3) conform to a state cost accounting system showing the true cost of services
23 rendered, collect fees for services according to a schedule based on an analysis of reasonable
24 ability to pay, and provide that a person may not be refused services because of inability to pay
25 for those services;

26 (4) maintain adequate clinical and administrative records and furnish periodic
27 reports to the department;

28 (5) furnish the authority and the department an annual report of the preceding
29 fiscal year, including an evaluation of the effectiveness of the previous year's programs and their
30 costs; and

31 (6) furnish the authority and the department [EACH YEAR A] satisfactory

1 needs assessments for the population and area it serves and an annual update of a long-range
2 planning and budget statement that describes program goals for the coming year, the steps and
3 resources necessary to implement the goals, the projected means by which these resources will
4 be secured, and the procedures necessary to evaluate the program.

5 * Sec. 31. AS 47.30.545 is repealed and reenacted to read:

6 Sec. 47.30.545. POPULATIONS TO BE SERVED. The entities designated by the
7 department to receive money under AS 47.30.540(b) shall provide one or more of the services
8 that are set out in AS 47.30.056(i) to persons identified in AS 47.30.056.

9 * Sec. 32. AS 47.30.547 is amended to read

10 Sec. 47.30.547. STANDARDS FOR COMMUNITY MENTAL HEALTH SERVICES.

11 An entity that provides community mental health services shall

12 (1) make services available at times and locations that enable residents of the
13 entity's service area to obtain services readily;

14 (2) ensure each client's right to confidentiality and treatment with dignity;

15 (3) establish staffing patterns of qualified and trained personnel that reflect the
16 cultural, linguistic, and other social characteristics of the community and that incorporate
17 multidisciplinary professional staff to meet client functional levels and diagnostic and treatment
18 needs;

19 (4) promote client and family participation in formulating, delivering, and
20 evaluating treatment and rehabilitation;

21 (5) design screening, diagnosis, treatment, and rehabilitation services to
22 maximize individual potential and to minimize institutionalization; and

23 (6) provide services in the least restrictive setting, enabling the person
24 receiving the services to live as normally as possible.

25 * Sec. 33. AS 47.30.590 is amended to read:

26 Sec. 47.30.590. PATIENT RIGHTS AND THE CONFIDENTIAL NATURE OF
27 RECORDS AND INFORMATION. The department shall adopt regulations to assure patient
28 rights and to safeguard the confidential nature of records and information about the recipients of
29 services provided under this chapter [AS 47.30.520 - 47.30.620]. The regulations must require
30 that [LOCAL COMMUNITY] entities identified in AS 47.30.540(b) develop and include in any
31 plan submitted for approval adequate provisions for safeguarding confidential information. The

1 [DEPARTMENT'S] regulations must provide for disclosure of confidential information to
2 parents or guardians, to mental health professionals providing services to a recipient, and to
3 other appropriate service agencies when it is in the defined best interests of the patient.

4 * Sec. 34. AS 47.30.610 is repealed and reenacted to read:

5 Sec. 47.30.610. DEFINITIONS. In AS 47.30.520 - 47.30.610,

6 (1) "authority" means the Alaska Mental Health Trust Authority established in
7 AS 47.30.011;

8 (2) "department" means the Department of Health and Social Services;

9 (3) "persons with mental disorders" means persons with disorders currently
10 included within nationally accepted diagnostic systems of the mental health professions;

11 (4) "trust" has the meaning given in AS 47.30.061.

12 * Sec. 35. AS 47.30.660 is amended to read:

13 Sec. 47.30.660. POWERS AND DUTIES OF DEPARTMENT. (a) The department
14 shall

15 (1) prepare, and periodically revise and amend, a plan for an integrated
16 comprehensive mental health program; the preparation of the plan and any revision or
17 amendment of it shall

18 (A) be made in conjunction with the Alaska Mental Health Trust

19 Authority;

20 (B) be coordinated with federal, state, regional, local, and private
21 entities involved in mental health services; and

22 (2) in planning expenditures from the mental health trust income account,
23 conform to the regulations adopted by the Alaska Mental Health Trust Authority under
24 AS 47.30.031(b)(6); and

25 (3) implement an integrated comprehensive system of care that meets the
26 service needs of the beneficiaries of the trust established under the Alaska Mental Health
27 Enabling Act of 1956, as determined by the plan.

28 (b) The department, in fulfilling its duties under this section and through its division
29 of mental health and developmental disabilities, [IS THE MENTAL HEALTH AUTHORITY
30 OF THE STATE AND] shall

31 (1) administer a comprehensive program of services for persons with mental

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disorders, for the prevention of mental illness, and the care and treatment of persons with mental disorders [THE MENTALLY ILL], including inpatient and outpatient care and treatment and the procurement of services of specialists or other persons on a contractual or other basis;

(2) take the actions and undertake the obligations that are necessary to participate in federal grants-in-aid programs and accept federal or other financial aid from whatever sources for the study, ^{prevention,} examination, care, and treatment of persons with mental disorders [THE MENTALLY ILL];

(3) administer AS 47.30.660 - 47.30.915;

(4) designate, operate, and maintain treatment facilities equipped and qualified to provide inpatient and outpatient care and treatment for persons with mental disorders [THE MENTALLY ILL];

(5) provide for the placement of [MENTALLY ILL] patients with mental disorders in designated treatment facilities;

(6) enter into arrangements with governmental agencies for the care or treatment of persons with mental disorders [THE MENTALLY ILL] in facilities of the governmental agencies in the state or in another state;

(7) enter into contracts with treatment facilities for the custody and care or treatment of persons with mental disorders [THE MENTALLY ILL]; contracts under this paragraph are governed by AS 36.30 (State Procurement Code);

(8) enter into contracts, which incorporate safeguards consistent with AS 47.30.660 - 47.30.915 and the preservation of the civil rights of the patients [,] with another state for the custody and care or treatment of patients previously committed from this state under 48 U.S.C. 46 et seq., and P.L. 84-830 [P.L. 830, 84TH CONGRESS, 2ND SESSION], 70 Stat. 709;

(9) prescribe the form of applications, records, reports, requests for release, and consents to medical or psychological treatment required by AS 47.30.660 - 47.30.915;

(10) require reports from the head of a treatment facility concerning the care of patients;

(11) visit each treatment facility at least annually to review methods of care or treatment for patients;

(12) investigate complaints made by a patient or an interested party on behalf of

1 a patient;

2 (13) delegate upon mutual agreement to another officer or agency of it, or a
3 political subdivision of the state, or a treatment facility designated, any of the duties and powers
4 imposed upon it by AS 47.30.660 - 47.30.915; [AND]

5 (14) after consultation with the Alaska Mental Health Trust Authority, adopt
6 regulations to implement the provisions of AS 47.30.660 - 47.30.915; and

7 (15) provide technical assistance and training to providers of mental health
8 services.

9 * Sec. 36. AS 47.30.662 is repealed and reenacted to read:

10 Sec. 47.30.662. COMPOSITION. (a) The board consists of not fewer than 18 nor more
11 than 24 members appointed by the governor, with due regard for the demographics of the state
12 and balanced geographic representation of the state. The membership and committees of the
13 board shall fulfill the requirements of P.L. 99-660, as amended.

14 (b) Not less than one-half of the members shall be persons with a mental disorder
15 identified in AS 47.30.056(b)(1) or members of their families.

16 (c) The board members

17 (1) shall include the director of the division of mental health and developmental
18 disabilities in the department; and

19 (2) may include representatives of the principal state agencies with respect to
20 education, vocational rehabilitation, criminal justice, housing, social services, medical assistance,
21 substance abuse, and aging.

22 (d) Board members appointed under (c) of this section may not vote on matters before
23 the board.

24 (e) The board members shall include at least two licensed mental health professionals
25 who represent public and private providers of mental health services and at least one member
26 who is admitted to practice law in the state. Members appointed under this subsection may also
27 be family members identified under (b) of this section.

28 * Sec. 37. AS 47.30.664(b) is amended to read:

29 (b) The board shall have a paid staff provided by the department, including, but not
30 limited to, an executive director who shall be selected by the board [FROM CANDIDATES
31 PROVIDED BY THE DEPARTMENT]. The executive director is in the partially exempt service.

1 [and shall be compensated at no less than range 21 of the pay plan for state employees under
2 AS 39.27.011(a)] The executive director may hire additional employees in the classified service
3 of the state. The department shall provide for the assignment of personnel to the board to
4 ensure the board has the capacity to fulfill its responsibilities. The executive director [AND
5 THE STAFF] of the board shall be directly responsible to the board in the performance of the
6 director's [THEIR] duties.

7 * Sec. 38. AS 47.30.666 is repealed and reenacted to read:

8 Sec. 47.30.666. DUTIES OF THE BOARD. The board is the state planning and
9 coordinating body for the purpose of federal and state laws relating to mental health services for
10 persons with mental disorders identified in AS 47.30.056(b)(1) and (4). On behalf of those
11 persons, the board shall

12 (1) prepare and maintain a comprehensive plan of treatment and rehabilitation
13 services;

14 (2) propose an annual implementation plan consistent with the comprehensive plan
15 and with due regard for the findings from evaluation of existing programs;

16 (3) provide a public forum for the discussion of issues related to the mental health
17 services for which the board has planning and coordinating responsibility;

18 (4) advocate the needs of persons with mental disorders before the governor,
19 executive agencies, the legislature, and the public;

20 (5) advise the legislature, the governor, the Alaska Mental Health Trust Authority,
21 and other state agencies in matters affecting persons with mental disorders, including, but not
22 limited to,

23 (A) development of necessary services for diagnosis, treatment, and
24 rehabilitation;

25 (B) evaluation of the effectiveness of programs in the state for diagnosis,
26 treatment, and rehabilitation;

27 (C) legal processes that affect screening, diagnosis, treatment, and
28 rehabilitation;

29 (6) provide to the Alaska Mental Health Trust Authority for its review and
30 consideration recommendations concerning the integrated comprehensive mental health program
31 for those persons who are described in AS 47.30.056(b)(1) and (4) and the use of money in the

1 mental health trust income account in a manner consistent with regulations adopted under
2 AS 47.30.031; and

3 (7) submit periodic reports regarding its planning, evaluation, advocacy, and other
4 activities.

5 * Sec. 39. AS 47.30 is amended by adding a new section to read:

6 Sec. 47.30.667. COMPENSATION, PER DIEM, AND EXPENSES. The board members
7 appointed under AS 47.30.662(b) and (e) are not entitled to a salary, but are entitled to per diem,
8 reimbursement for travel, and other expenses authorized by law for boards and commissions
9 under AS 39.20.180.

10 * Sec. 40. AS 47.30.910(d) is amended to read:

11 (d) All money paid by the patient or on the patient's behalf to the department under this
12 section shall be deposited in the mental health trust income account established in
13 AS 37.14.036 [GENERAL FUND].

14 * Sec. 41. AS 47.30.910(g) is amended to read:

15 (g) The commissioner of administration shall separately account for medical care and
16 treatment fees collected under this section. [THAT THE DEPARTMENT DEPOSITS IN THE
17 GENERAL FUND. THE ANNUAL ESTIMATED BALANCE IN THE ACCOUNT MAY BE
18 USED BY THE LEGISLATURE TO MAKE APPROPRIATIONS TO THE DEPARTMENT
19 TO CARRY OUT THE PURPOSES OF THIS SECTION].

20 * Sec. 42. AS 47.30.915 is amended by adding a new paragraph to read:

21 (18) "persons with mental disorders" has the meaning given in AS 47.30.610.

22 * Sec. 43. AS 47.37.040(10) is repealed and reenacted to read:

23 (10) conduct program planning activities approved by the Advisory Board on
24 Alcoholism and Drug Abuse.

25 * Sec. 44. AS 47.37 is amended by adding a new section to read:

26 Sec. 47.37.125. PAYMENT FOR SERVICES. Subject to appropriation by the
27 legislature, money in the mental health trust income account established in AS 37.14.036 may
28 be used to support a service provided under the authority given in this chapter.

29 * Sec. 45. AS 47.80.070(b) is amended to read:

30 (b) The council shall have a paid staff provided by the department, including an
31 executive director selected by the council. The executive director is in the partially exempt

1 service, and shall be compensated at no less than range 21 of the pay plan for state
2 employees under AS 39.27.011(a)]. The executive director may hire additional employees
3 in the classified service of the state. The department shall provide for the assignment of

4 personnel to the council to ensure that the council has the capacity to fulfill its responsibilities.

5 The personnel shall be directly responsible to the council for performance of their duties.

6 * Sec. 46. AS 47.80.090 is amended by adding a new paragraph to read:

7 (13) provide to the Alaska Mental Health Trust Authority for its review and
8 consideration recommendations concerning the integrated comprehensive mental health program
9 for the people of the state who are described in AS 47.30.056(b)(2) and the use of the money in
10 the mental health trust income account in a manner consistent with regulations adopted under
11 AS 47.30.031.

12 * Sec. 47. AS 47.80.110 is amended to read:

13 Sec. 47.80.110. PROGRAM PRINCIPLES. The system of services and facilities required
14 under AS 47.80.100 shall accord with the principles [PRINCIPLE] that service providers shall

15 (1) make services available at times and locations that enable residents of the
16 provider's service area to obtain services readily;

17 (2) ensure each client's right to confidentiality and treatment with dignity;

18 (3) establish staffing patterns that reflect the cultural, linguistic, and other
19 social characteristics of the community and that incorporate multidisciplinary professional
20 staff to meet client functional levels and diagnostic and treatment needs;

21 (4) promote client and family participation in formulating, delivering, and
22 evaluating treatment and rehabilitation;

23 (5) design treatment [, SERVICES,] and habilitation [SHALL BE DESIGNED]
24 to maximize individual potential and [,] minimize institutionalization; [,] and

25 (6) provide services [SHALL BE PROVIDED] in the least restrictive setting,
26 enabling a person to live as normally as possible within the limitations of the handicap.

27 * Sec. 48. AS 37.14.011, 37.14.021, AS 47.30.546, secs. 1, 2, 4, and 5, ch. 132, SLA 1986; and
28 secs. 7 - 10, ch. 48, SLA 1987 are repealed.

29 * Sec. 49. TRANSITIONAL PROVISIONS: DEVELOPMENT OF TRUST INCOME ACCOUNT
30 DISTRIBUTION MECHANISM. Not later than January 1, 1993, the Board of Trustees of the Alaska
31 Mental Health Trust Authority, after consulting with organizations and persons affected by this Act, shall

1 (1) consistent with AS 47.30.056(h), added by sec. 25 of this Act, adopt regulations
2 regarding persons who are to receive services funded by money in the mental health trust income
3 account under AS 37.14.036, as added by sec. 11 of this Act;

4 (2) publish its finding and estimates regarding the number of persons in need under the
5 regulations adopted under (1) of this section;

6 (3) consistent with AS 47.30.056(j), added by sec. 25 of this Act, adopt regulations
7 regarding the services and facilities upon which expenditures are to be made from money in the mental
8 health trust income account under AS 37.14.036, as added by sec. 11 of this Act;

9 (4) publish its findings and projections regarding the necessary expenditure of money
10 from the mental health trust income account for the services and facilities identified under (3) of this
11 section; the projections may be based on a formula that considers distribution, demographics, and level
12 of functioning of the persons to be served and the cost of service delivery on a regional basis.

13 * **Sec. 50. INITIAL APPOINTMENT OF MEMBERS TO THE BOARD OF TRUSTEES.**

14 Notwithstanding AS 47.30.016 and 47.30.021, added by sec. 25 of this Act,

15 (1) the initial appointments of the members of the Board of Trustees of the Alaska
16 Mental Health Trust Authority added by sec. 25 of this Act, shall be made by the governor after
17 considering a list of candidates submitted to the governor by the Alaska Mental Health Board;

18 (2) the initial appointees shall be appointed to initial terms as follows: one shall be
19 appointed for a term of one year, one shall be appointed for a term of two years, one shall be appointed
20 for a term of three years, two shall be appointed for terms of four years, and two shall be appointed for
21 terms of five years.

22 * **Sec. 51. TRANSITIONAL PROVISIONS: MEMBERS OF ADVISORY BOARD ON**
23 **ALCOHOLISM AND DRUG ABUSE.** Notwithstanding AS 44.29.110 and 44.29.115, as amended by
24 secs. 18 and 19 of this Act, the members of the Advisory Board on Alcoholism and Drug Abuse who
25 are serving on the effective date of this Act continue to serve their unexpired terms. Vacancies on the
26 advisory board occurring after the effective date of this Act shall be filled by the governor under the
27 provisions of AS 44.29.115, as amended by sec. 19 of this Act.

28 * **Sec. 52. TRANSITIONAL PROVISIONS: MEMBERS OF THE ALASKA MENTAL HEALTH**
29 **BOARD.** Notwithstanding AS 47.30.662, as amended by sec. 36 of this Act, the members of the Alaska
30 Mental Health Board who are serving on the effective date of this Act continue to serve their unexpired
31 terms. Vacancies on the board occurring after the effective date of this Act, and new positions created

1 by this Act, shall be filled by the governor under the provisions of AS 47.30.662, as amended by sec. 36
2 of this Act. When making appointments to new positions on the board, the governor shall ensure that
3 the initial terms of new members maintain the staggered term requirement of AS 47.30.663.

4 * **Sec. 53. TRUST CORPUS RECONSTITUTED.** For the purpose of reconstituting the mental health
5 trust established under the Alaska Mental Health Enabling Act, P.L. 84-830, 70 Stat. 709 (1936), and
6 after public notice as provided under AS 38.05.945(b) and (c), the commissioner of natural resources
7 shall convey to the mental health trust authority established under AS 47.30.011, the following land in
8 trust:

9 (1) land granted to the state under the Alaska Mental Health Enabling Act and not
10 conveyed or encumbered by the state on or before the effective date of this Act;

11 (2) land granted to the state under the Alaska Mental Health Enabling Act that is, on the
12 effective date of this Act, subject only to oil and gas leases, coal leases, or timber contracts;

13 (3) land granted to the state under the Alaska Mental Health Enabling Act that has been
14 selected, on or before the effective date of this Act, by a municipality under AS 29.65 or under former
15 AS 29.18.190 - 29.18.200 and which on the effective date of this Act has been neither approved nor
16 disapproved by the director of the division of lands, Department of Natural Resources;

17 (4) land granted to the state under the Alaska Mental Health Enabling Act, that is, on the
18 effective date of this Act, subject to a land use permit or a right-of-way issued by the Department of
19 Natural Resources under AS 38.05;

20 (5) land granted to the state under the Alaska Mental Health Enabling Act and included,
21 on the effective date of this Act, in the Haines State Forest Resource Management Area (AS 41.15.300)
22 and the Tanana Valley State Forest (AS 41.17.400);

23 (6) other land granted to the state under the Alaska Mental Health Enabling Act that is
24 acceptable to the plaintiffs in Weiss v. State, 4FA-82-2208 Civil, and that has not, at the time of
25 acceptance by the plaintiffs, been designated by law as a state park, state forest, state game refuge, state
26 wildlife refuge, state game sanctuary, state recreational area, state recreational river, state wilderness
27 park, state marine park, state special management area, state public use area, critical habitat area, bald
28 eagle preserve, bison range, or moose range; and

29 (7) additional land to be conveyed to the authority under sec. 54 of this Act.

30 * **Sec. 54. COMPENSATION TO TRUST FOR ORIGINAL MENTAL HEALTH LAND NOT**
31 **RETURNED TO TRUST CORPUS.** (a) The commissioner of natural resources shall convey to the

1 Alaska Mental Health Trust Authority established under AS 47.30.011, added by sec. 25 of this Act,
2 state land in trust in exchange for the original mental health land and interest therein not returned to the
3 corpus under sec. 53(1) - (6) of this Act. *Am #6*

4 (b) The commissioner may not convey under this section land in legislatively-designated areas
5 unless specifically authorized by law. In this subsection, "legislatively-designated areas" means land
6 granted under the enabling Act and subsequently designated by law as a state park, state forest, state
7 game refuge, state wildlife refuge, state game sanctuary, state recreational area, state recreational river,
8 state wilderness park, state marine park, state special management area, state public use area, critical
9 habitat area, bald eagle preserve, bison range, or moose range.

10 (c) Exchanges under this section shall be based on equal fair market value.

11 (d) Exchanges under this section shall involve, as nearly as practicable, land of comparable
12 character. In determining whether land proposed for exchange is of comparable character, the factors
13 to be considered are:

- 14 (1) terrain;
- 15 (2) use;
- 16 (3) location;
- 17 (4) development potential;
- 18 (5) income potential;
- 19 (6) accessibility; and
- 20 (7) other physical characteristics.

21 (e) Additional factors that shall be considered in determining whether land proposed for
22 exchange under this section should be conveyed by the commissioner of natural resources in trust to the
23 authority are:

- 24 (1) ensuring an appropriate diversity in the character of land in the trust corpus and in
25 state ownership;
- 26 (2) additional development and income generating potential as a result of trust ownership;
- 27 (3) the public interest in retaining specific land in state ownership;
- 28 (4) public benefits resulting from the exchange;
- 29 (5) benefits to the trust resulting from the exchange; and
- 30 (6) efficiency of land management resulting from the exchange.

31 (f) Exchanges under this section shall be negotiated by the plaintiffs in Weiss v. State of Alaska,

1 4FA-82-2208 Civil, and the commissioner of natural resources.

2 (g) The provisions of AS 38.50 do not apply to exchanges under this section.

3 (h) If agreement cannot be reached between the plaintiffs in Weiss v. State of Alaska, 4FA-82-
4 2208 Civil, and the commissioner of natural resources under (f) of this section as to appropriate lands
5 to be conveyed to the trust as compensation or as to the value of the original lands taken or of
6 replacement lands, the Alaska Supreme Court shall resolve the disagreements using the criteria set out
7 in this section. The Alaska Supreme Court may order the commissioner of natural resources to convey
8 appropriate state land to the trust without further legislative authorization.

9 * **Sec. 55. SECURITY FOR COMPENSATION TO TRUST.** (a) To secure the reconstitution of
10 the trust as provided in secs. 53 and 54 of this Act, the land listed in "Lands Hypothecated to the Mental
11 Health Trust, May 1991" located in the office of the director of the division of lands, Department of
12 Natural Resources, in Anchorage, Alaska, is hypothecated to the mental health trust.

13 (b) Title to the land specified in (a) of this section remains with the state, and any income from
14 that land shall be deposited in the general fund and considered unrestricted general funds of the state,
15 subject to the reconstitution of the trust as provided in this Act.

16 (c) As the trust is reconstituted, and upon request, the hypothecated land shall be released on
17 a pro rata basis.

18 * **Sec 56. JURISDICTION ASSIGNED TO THE ALASKA SUPREME COURT.** (a)
19 Notwithstanding any other provision of law, the Alaska Supreme Court has original and exclusive
20 jurisdiction to hear and determine any dispute arising under secs. 53 - 55 of this Act.

21 (b) If for any reason the Alaska Supreme Court determines that the jurisdiction conferred under
22 this Act is invalid, the superior court shall have jurisdiction over proceedings described in (a) of this
23 section.

24 (c) The Alaska Supreme Court or the Superior Court may refer the proceedings under this
25 section to a special master.

26 * **Sec. 57.** This Act takes effect upon entry of a final order dismissing Weiss v. State of Alaska, 4FA-
27 82-2208 Civil, and the expiration of any time for appeal. The superior court shall advise the lieutenant
28 governor and the revisor of statutes when the final settlement and order of Weiss v. State of Alaska has
29 been approved.



Alaska Center for the Environment

519 West 8th Avenue, Suite 201 • Anchorage, Alaska 99501 • (907) 274-3621

MEMORANDUM

TO: Senators ^{HCE}
 FROM: Cliff Eames and Alan Phipps ^{AP}
 RE: Mental Health Lands Proposal - HB 79
 DATE: May 17, 1991

After quickly reviewing the portion of the proposed legislation dealing with the reconstitution of the trust, we have at least two major concerns.

1. We oppose the inclusion in the trust of the mental health lands within the Tanana Valley and Haines state forests.

2. The absence of any public process to add lands to the trust over time (that is, pursuant to Sec. 54 - Compensation to Trust for Original Mental Health Land Not Returned to Trust Corpus). As we understand it, the commissioner of DNR would have total control, in negotiation with the plaintiffs, over the public lands that would be transferred to the trust under Section 54. There would be no opportunity for public or legislative review and oversight. Valuable public lands like the controversial timber lands in the Su Valley, for example, could be lost to public ownership. The public never has veto power over decisions like these; we would like, however, and believe we deserve, the opportunity to attempt to influence these important decisions. Additionally, we wonder whether the proposed process, which deprives the public and the legislature of all influence or control, is constitutional.

We would like to offer two alternative suggestions for rectifying this problem:

a. The first, and our preferred, is to delete subsection (g) of Section 54. That subsection eliminates the normal process set out in AS 38.50 for the public review of proposed land exchanges. That process should be retained.

b. An alternative proposal would be to provide a bare minimum opportunity for public review. It would add to subsection (g) the following: "However, notice shall be given to the public in the manner provided for in AS 38.05.945, and the public shall have 60 days within which to submit written comments."

Thank you for considering these thoughts.



217 Second Street, Suite 200 ■ Juneau, Alaska 99801 ■ Tel (907) 586-1325, Fax (907) 463-5480

May 17, 1991

TO: All Legislators
FROM: Scott A. Burgess, Executive Director
SUBJECT: Mental Health Lands Trust Settlement

The Alaska Municipal League endorses the negotiated settlement between the administration and the attorneys for the plaintiffs in the mental health lands litigation. The League urges the 17th Legislature to pass legislation (HB 79/SB 65) that incorporates the settlement without major amendments this year. The settlement now incorporated in legislation reflects a delicate compromise to meet the directives of the Alaska Supreme Court to reconstitute the Mental Health Trust and to settle the dispute on a bilateral basis, meeting the major concerns of the plaintiffs, the state, municipalities, and other third parties in the best interests of all the people of Alaska.

Resolution of the Mental Health Trust dispute is a top legislative priority of the Alaska Municipal League for 1991. Municipal officials are concerned as representatives of Alaska's communities, where the potential beneficiaries live and work and receive services. Municipal officials also represent the other Alaskans who, along with the potential beneficiaries, depend on all the services provided by local tax dollars and revenues from the state. Municipalities, which are entitled to land for revenue generation and community expansion, are also affected third parties, along with the others who live in our communities whose land or interest in land has been clouded as a result of the litigation.

The recent negotiations, which are embodied in CS SS HB 79 (Finance) and proposed CS SS SB 65 (Judiciary), resolve these issues in a fair and equitable manner. The Alaska Municipal League urges passage this year of the legislation incorporating the negotiated settlement between the administration and the plaintiffs' attorneys without major amendments to preserve the delicate compromise reached and necessary for final agreement before the Court.

cc: AML Board of Directors

C/MENHEAL.517

5/17/91 SFC
Read into the record
by Sen Collins for
Sen Menard
(WHILE IN SESSION)

State of Alaska

Sp. Ronald Larson
CHAIRMAN

- Sen. Jay Kartula
VICE-CHAIRMAN
- Sen. Dick Ellason
- Sen. Al Adams
- Sen. Jim Duncan
- Sen. Curt Menard
- Sen. Lyman Hoffman
- Rep. Pat Carney
- Rep. Eileen MacLean
- Rep. Kay Brown
- Rep. Fran Ulmer
- Rep. Terry Martin



Legislative Budget and Audit Committee

P.O. Box V
Juneau, Alaska 99811
(907) 485-3727

INTERIM ADDRESS:
P.O. Box 53
Palmer, Alaska 99645
(907) 745-3828

May 16, 1991

Harold C. Heinze
Commissioner
400 Willoughby Ave.
Juneau, Alaska 99801

Dear Commissioner:

I would appreciate some clarification regarding Section 53 of Work Draft CS For Sponsor Substitute for HB 79 (Finance).

Subsection 2 states that land, subject to certain types of leases or contracts, shall be conveyed to the mental health trust authority. My question is: do the terms of the lease travel with the the lease?

Thank you for your prompt reply.

Sincerely,

Ron Larson
Ron Larson

The trust authority will abide by all terms and conditions included in the existing coal leases, oil and gas leases and timber sale contracts.

David T. Walker
Harold C. Heinze

5/17/91
Heinze
SFC/Jud

CURRENT MENTAL HEALTH LAND STATUS, May 16, 1991

1 million acres

		Compensate/Exch. Negot. - Sec.54	Return to Trust - Sec.53
Unencumbered			341,275
Encumbered			
coal leases	54,600 acres		
oil and gas leases	40 acres		
timber sales	28,000 acres		
(Sec. 53 (2)) Subtotal	82,640 acres		82,640
land leases	6,585 acres		
ILMA's	4,500 acres		
material sales	1,900 acres		
mining claims	60,000 acres		
Subtotal	72,985 acres	72,985	
Conveyed			
sold	46,000 acres		
condemmed	5,000 acres		
municipal conveyances	43,000 acres		
Native corporation	36,000 acres		
university	3,000 acres		
Subtotal	133,000 acres	133,000	
Legislatively Designated areas			
(Sec.53 (5))			
Tanana Forest (total forest is 1,786,000)			32,062
Haines Forest (total forest is 247,000)			81,227
(Sec.54 (b))			
Parks, Refuges, critical habitats, etc.		254,711	
Total		460,696	537,204
(Total acreage represented here - 997,900)			

5/17/91
Hering
SFC/Jud

REPLACEMENT LAND POOL

The Department of Natural Resources is working with representatives of the plaintiffs to assemble a pool of general grant state land to fulfill the requirements of Sec. 55 of HB 79 and SB 65. Entitled "Lands Hypothecated to the Mental Health Trust: May, 1991," this pool will include, to the extent possible, state land similar in terrain, use, location, development potential and accessibility to the original mental health trust to be replaced. The pool is expected to include the following land types.

- surveyed subdivision lots; including lots available over-the-counter and future land disposal offerings scheduled for FY 92-97. Includes land in Southeast, Southcentral, and Northern regions.
- commercial and industrial lease tracts in the railbelt; such as the MAPCO refinery at North Pole
- large tracts of contiguous state land near existing mental health land; including Beluga coal and timber lands, the Willow Capitol site, Kenai timber tracts
- blocks of commercial timber land, including Fredrick Point near Petersburg, Thorne Bay, Mat-Su tracts
- agricultural tracts in Mat-Su, Delta, Nenana, etc.

These areas were identified primarily through examination of the department's adopted area plans, focusing on lands designated for settlement, forestry and minerals. Therefore, most of these lands have already received at least one round of public notice and review. It is intended that there be more land in the pool than will be ultimately needed to reconstitute the trust in accord with the legislation.

FISCAL NOTE

5-13-91 3(Jud)
 Fix

STATE OF ALASKA
 1991 LEGISLATIVE SESSION

BILL NO. CS SS SB 65

Revision Date: May 6, 1991
 Title: An Act establishing the Ak. Mental Health Trust
 Authority and defining its powers and duties..."
 Sponsor: Duncan
 Requestor: _____

Department Affected: Revenue
 BRU: Treasury
 Component: _____

Component Serial No.

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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL						
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REVENUE						
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FUNDING: (Thousands of Dollars)

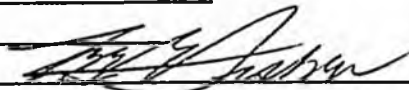
GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	0	0	0	0	0	0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year impact: _____

ANALYSIS: See attached bill analysis.

Prepared by: Brian C. Andrews
 Division: Treasury
 Approved by Commissioner: 
 Agency: Revenue

Phone: 465-2350
 Date: May 6, 1991

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

5865

Bill Analysis
SB_65

The Department of Revenue views the investment management of the assets of the Alaska Mental Health Trust as the responsibility of the State's Treasury. The statutory purpose of the Permanent Fund Corporation (37.13.030) is to manage and invest the assets allocated by law (37.13.010) to the Alaska Permanent Fund. The purpose of the State's Treasury is to manage all other investment and trust funds for the State. Currently, there are nine funds under Treasury's investment management which total more than six billion dollars. Of these nine funds there are two, the Public School Investment Trust Fund and the University of Alaska Investment Trust Fund, which are managed as endowment trust funds for which the corpus or principal is invested for perpetuity.

The Treasury has investment management expertise equal to the Permanent Fund Corporation. Simply stated, the State's Treasury has a track record which is competitive in all areas of investment management such as operational costs, investment performance, accounting, auditing etc. The State has a Treasury which is governed by laws and regulations that are based on the prudent-investor rule.

The State's Treasury is the proper organizational entity from either a statutory or competitive perspective. The Department of Revenue believes that the State's Treasury is the proper entity to carry out the investment management functions of the assets of the Alaska Mental Health Trust.

FISCAL NOTE

3-14-91
 0(145) Jud
 Fin

STATE OF ALASKA
 1991 LEGISLATIVE SESSION

BILL NO. SB 65

Revision Date: March 12, 1991

Department Affected: Revenue

Title: An act establishing the Alaska Mental Health Trust Authority

BRU: Treasury

Component: _____

Sponsor: Duncan

Component Serial No.

	1	2	1
--	---	---	---

Requestor: HESS

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS	3,589	3,589	3,589	3,589	3,589	3,589
TOTAL OPERATING	3,589	3,589	3,589	3,589	3,589	3,589

CAPITAL						
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REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER	3,589	3,589	3,589	3,589	3,589	3,589
TOTAL	3,589	3,589	3,589	3,589	3,589	3,589

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year impact: _____

ANALYSIS: This fiscal note is limited to the investment management, accounting and custodial costs associated with the corpus and income accounts of the Mental Health Land Trust (Trust). Treasury's cost experience on a fully diversified security portfolio of \$2 billion is around 16 basis points (0.16 per cent). If the Trust was fully reconstituted at \$2.243 billion, Treasury's costs would be \$3.589 million annually for the first year and probably higher each succeeding year.

Prepared by: Brian C. Andrews

Phone: 465-2350

Division: Treasury

Date: March 12, 1991

Approved by Commissioner:

Agency: Revenue

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).



STATE OF ALASKA
OFFICE OF THE GOVERNOR

BILL ANALYSIS

DEPARTMENT Revenue	DIVISION Treasury	BILL NUMBER SB 65	SPONSOR Duncan
SHORT TITLE OF BILL An act establishing the Alaskan Health Trust Authority			
DEPARTMENT POSITION Neutral			
PREPARED BY Brian C. Andrews <i>[Signature]</i>	DATE 3-12-91	COMMISSIONER'S SIGNATURE <i>[Signature]</i>	DATE 3-12-91

SUMMARY

OTHER AGENCIES AFFECTED BY BILL	CONSTITUENT GROUP(S) AFFECTED BY BILL
ORGANIZATIONAL SUPPORT FOR BILL	ORGANIZATIONAL OPPOSITION TO BILL

FISCAL IMPACT: NONE FISCAL NOTE ATTACHED

BACKGROUND/LEGISLATIVE INTENT

Provide for the creation of a trust and the placement of certain assets within this trust to fulfill the State's obligation as trustee as required by the Alaska Mental Health Enabling Act of 1956, P.L. 84-830, 70 Stat. 709.

ANALYSIS OF BILL/PROGRAM EFFECTS

Provide for the beneficiaries of the Mental Health Trust a continuous source of income to support various mental health programs.

AMENDMENTS PROPOSED

Section 37.14.006 (a)(1) provides for an investment standard of care of a prudent-person exercising the judgement and care under the circumstances then prevailing that of an institutional investor of ordinary prudence, discretion, and intelligence of the management of large investments entrusted to it not in regard to speculation but in regard to the permanent disposition of funds. This language should be changed to include the regard to speculation so that imprudent risks would be minimized, e.g. ... investments entrusted to it in regard to speculation risk and in regard.... Investment items, such as limited or unlimited partnerships, joint ventures, certain foreign obligations and notes of any nature under Section 37.14.041 which may lend themselves to investment risk levels beyond normal prudent trust standards should be eliminated.

PLEASE ATTACH A SEPARATE SHEET FOR ADDITIONAL COMMENTS OR ANALYSIS.

FISCAL NOTE

STATE OF ALASKA
1991 LEGISLATIVE SESSION

BILL NO. CSSB #65 (HES)

Revision Date: _____ Department Affected: AK Permanent Fund Corporation
Title: An Act establishing the Alaska Mental Health Trust Authority BRU: AK Permanent Fund Corporation
Component: #109 AK Permanent Fund Corporation

Sponsor: Senators Duncan, Zharoff
Requestor: _____

COMPONENT SERIAL NO.	0	1	0	9
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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS. CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	\$?	\$?	\$?	\$?	\$?	\$?

CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
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REVENUE	-0-	-0-	-0-	-0-	-0-	-0-
---------	-----	-----	-----	-----	-----	-----

FUNDING: (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS	-0-	-0-	-0-	-0-	-0-	-0-
OTHER	\$?	\$?	\$?	\$?	\$?	\$?
TOTAL	\$?	\$?	\$?	\$?	\$?	\$?

POSITIONS:

FULL-TIME	?	?	?	?	?	?
PART-TIME	-0-	-0-	-0-	-0-	-0-	-0-
TEMPORARY	-0-	-0-	-0-	-0-	-0-	-0-

Estimate of current year impact: \$?

ANALYSIS: (Attach a separate page if necessary.)

(See Attached)

Prepared By: Jim Kelly, Research & Liaison Officer Phone: 907/465-2047

Division: AK Permanent Fund Corporation Date: 5/6/91

Approved by Commissioner: *A Scott Miller*

Agency: Alaska Permanent Fund Corporation Date: 5/6/91

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

Prepared by the Alaska Permanent Fund Corporation, May 6, 1991

The chart below indicates how much it would cost for the Alaska Permanent Fund Corporation to manage the cash assets of the Alaska Mental Health Trust Authority. The actual amount of the cash assets is unknown at this time; however, regardless of the amount, the basic cost for management by the Alaska Permanent Fund Corporation of any additional money is 15 basis points per dollar invested – or \$1.5 million per \$1 billion. Included in that cost would be authorization for two additional personnel per \$1 billion. All costs (including personnel) would be borne by deducting them from the gross revenues earned by the Corporation on the investment of the cash assets of the Trust prior to computing the Trust's net income.

As in the case of the money currently managed by the Corporation for the Alaska Science and Technology Foundation, the assets of the Trust would be commingled with the assets of the Fund for investment purposes, but would be accounted for separately. Actual costs would be prorated depending on the actual amount of Trust dollars under management by the Corporation.

Amount of Funds Managed (In \$)	Management Expenses (In \$)	Additional Personnel
500,000,000	750,000	1
1,000,000,000	1,500,000	2
1,500,000,000	2,250,000	3
2,000,000,000	3,000,000	4
2,500,000,000	3,750,000	5
3,000,000,000	4,500,000	6

5-10-91
5 (Jud)
Fix

**STATE OF ALASKA
1991 LEGISLATIVE SESSION**

BILL NO. CSSSB 65

Revision Date: _____ Department Affected: Natural Resources
 Title: Mental Health Trust BRU: Management & Administration
 Land Administration _____ Components: Commissioner's Office
 Sponsor: Senator Duncan
 Requestor: Senate HESS COMPONENT SERIAL NO. 423

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES	358.8	381.8				
TRAVEL	3.5	4.0				
CONTRACTUAL	1,073.0	2,000.0				
SUPPLIES	18.0	16.0				
EQUIPMENT	18.5					
LAND&STRUCTURES						
GRANTS,CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	1,471.8	2,401.8	0.0	0.0	0.0	0.0

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND	1,471.8	2,401.8				
FEDERAL FUNDS						
OTHER						
TOTAL	1,471.8	2,401.8	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME	8.0	8.0				
PART-TIME						
TEMPORARY						

Estimate of Current year impact:

ANALYSIS: (Attach a separate page if necessary)

See Attached

Prepared by: Carol Wilson Phone: 465-2400
 Division: Commissioner's Office Date: 6-May-91
 Approved by Commissioner: Harold Heinze Date: 6-May-91
 Agency: Department of Natural Resources

Distribution (by preparer) : Legislative Finance, legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

5865

SB 65 Fiscal Note, Continued

Division of Land and Water:

This bill will require the review of over 7200 parcels of land to determine which parcels are unencumbered as well as their value. Case files of less than fee title interest (rights of way, mining claims, etc.) will also require review to determine whether the interest is still valid. Public access along and to public waters must also be identified before land is conveyed to the trust. Inadequately surveyed land will need to be surveyed before it is conveyed. During the interim period before conveyance, an agreement should be reached on management of the lands to be conveyed. We assume that land encumbered with land sale contracts will not be conveyed. If this land is to be conveyed, additional funding will be required.

The following funds are estimated to be necessary for the Division of Land and Water to perform the actions required under this bill:

	FY 92	FY 93
100 Personal Services 1 NRO II, 2 NRO I, 1 Clerk 1 Appraiser (Range 18)	\$ 220.8	\$ 235.8
200 Travel (for survey)	3.5	4.0
300 Contractual Appraisals - opinion of value panel (50.0) Survey (1000.0, 2000.0)	1050.0	2000.0
400 Supplies	8.0	8.0
500 Equipment (computer/printer)	6.5	
Division of Land and Water Total	\$1288.8	\$2247.8

Division of Management:

The Division of Management, Land Records Information Section, will provide computer support for DNR actions under this bill including, extracting computerized data, providing geographic maps at various scales and complexities, and noting the final disposition of land to computer records.

The following funds are estimated to be necessary for the Division of Management to support department actions under this bill:

	FY 92	FY 93
100 Personal Services Drafting Tech III (48.0, 51.0) Analyst/Prog. III (56.0, 59.0)	\$ 138.0	\$ 146.0

	Doc. Processor II (34.0, 36.0)		
300	Contractual	23.0	
	2 DOA Mainframe IDs (3.0, 3.0)		
	Doa Chargeback (20.0, 20.0)		
400	Supplies (software, etc.)	10.0	8.0
500	Equipment	12.0	
	Workstation for Prog. (6.0)		
	Network terminal (3.0)		
	3 Desks and Chairs (3.0)		
	Division of Management Total	\$ 183.0	\$ 154.0

4-22-91
S (Hes)
Jud
Fin

STATE OF ALASKA
1991 LEGISLATIVE SESSION

BILL NO. SSSB 65

Revision Date: _____ Department Affected: Natural Resources
 Title: Mental Health Trust BRU: Management & Administration
 Land Administration _____ Components: Commissioner's Office
 Sponsor: Senator Duncan
 Requestor: Senate HESS COMPONENT SERIAL NO. 423

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES	358.8	381.8				
TRAVEL	3.5	4.0				
CONTRACTUAL	1,073.0	2,000.0				
SUPPLIES	18.0	16.0				
EQUIPMENT	18.5					
LAND&STRUCTURES						
GRANTS,CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	1,471.8	2,401.8	0.0	0.0	0.0	0.0

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND	1,471.8	2,401.8				
FEDERAL FUNDS						
OTHER						
TOTAL	1,471.8	2,401.8	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME	8.0	8.0				
PART-TIME						
TEMPORARY						

Estimate of Current year impact:

ANALYSIS: (Attach a separate page if necessary)

See Attached

Prepared by: Carol Wilson Phone: 465-2400
 Division: Commissioner's Office Date: 17-Apr-91
 Approved by Commissioner: H. J. Gustafson / for Date: 17-Apr-91
 Agency: Department of Natural Resources

Distribution (by preparer) : Legislative Finance, legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

5865

3-13-91
 5 (Hes)
 (Jud)
 (Fin)

STATE OF ALASKA
1991 LEGISLATIVE SESSION

BILL NO. SB 65

Revision Date: 28-Feb-91 Department Affected: Natural Resources
 Title: Mental Health Trust BRU: Management & Administration
 Land Administration Components: Commissioner's Office
 Sponsor: Senator Duncan
 Requestor: Senate HESS COMPONENT SERIAL NO. 423

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES	358.8	381.8				
TRAVEL	3.5	4.0				
CONTRACTUAL	1,073.0	2,000.0				
SUPPLIES	18.0	16.0				
EQUIPMENT	18.5					
LAND&STRUCTURES						
GRANTS,CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	1,471.8	2,401.8	0.0	0.0	0.0	0.0

CAPITAL						
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REVENUE						
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FUNDING: (Thousands of Dollars)

GENERAL FUND	1,471.8	2,401.8				
FEDERAL FUNDS						
OTHER						
TOTAL	1,471.8	2,401.8	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME	8.0	8.0				
PART-TIME						
TEMPORARY						

Estimate of Current year impact:

ANALYSIS: (Attach a separate page if necessary)

See Attached

Prepared by: Carol Wilson Phone: 465-2400
 Division: Commissioner's Office Date: 28-Feb-91

Approved by Commissioner: HB Harold Heinze Date: 28-Feb-91
 Agency: Department of Natural Resources

Distribution (by preparer) : Legislative Finance, legislative Sponsor, Requestor, OMB,
 & Impacted Agency(ies).

5865

SB 65 Fiscal Note, Continued

Division of Land and Water:

This bill will require the review of over 7200 parcels of land to determine which parcels are unencumbered as well as their value. Case files of less than fee title interest (rights of way, mining claims, etc.) will also require review to determine whether the interest is still valid. Public access along and to public waters must also be identified before land is conveyed to the trust. Inadequately surveyed land will need to be surveyed before it is conveyed. During the interim period before conveyance, an agreement should be reached on management of the lands to be conveyed. We assume that land encumbered with land sale contracts will not be conveyed. If this land is to be conveyed, additional funding will be required.

The following funds are estimated to be necessary for the Division of Land and Water to perform the actions required under this bill:

	FY 92	FY 93
100 Personal Services 1 NRO II, 2 NRO I, 1 Clerk 1 Appraiser (Range 18)	\$ 220.8	\$ 235.8
200 Travel (for survey)	3.5	4.0
300 Contractual Appraisals - opinion of value panel (50.0) Survey (1000.0, 2000.0)	1050.0	2000.0
400 Supplies	8.0	8.0
500 Equipment (computer/printer)	6.5	
 Division of Land and Water Total	 \$1288.8	 \$2247.8

Division of Management:

The Division of Management, Land Records Information Section, will provide computer support for DNR actions under this bill including, extracting computerized data, providing geographic maps at various scales and complexities, and noting the final disposition of land to computer records.

The following funds are estimated to be necessary for the Division of Management to support department actions under this bill:

	FY 92	FY 93
100 Personal Services Drafting Tech III (48.0, 51.0) Analyst/Prog. III (56.0, 59.0)	\$ 138.0	\$ 146.0

	Doc. Processor II (34.0, 36.0)		
300	Contractual	23.0	
	2 DOA Mainframe IDs (3.0, 3.0)		
	Doa Chargeback (20.0, 20.0)		
400	Supplies (software, etc.)	10.0	8.0
500	Equipment	12.0	
	Workstation for Prog. (6.0)		
	Network terminal (3.0)		
	3 Desks and Chairs (3.0)		
	Division of Management Total	\$ 183.0	\$ 154.0

STATE OF ALASKA
1991 LEGISLATIVE SESSION

BILL NO. SSSB 65

Revision Date: _____ Department Affected: _____
 Title: _____ BRU: Alcoholism & Drug Abuse
 Component: Advisory Board on Alcoholism & Drug Abuse
 Sponsor: _____
 Requestor: _____ COMPONENT SERIAL NO.

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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES	169.1 / 109.6	177.5	177.5	177.5	177.5	177.5
TRAVEL	90.0 / 56.0	94.5	99.2	104.2	109.4	114.9
CONTRACTUAL	47.5	49.9	52.4	55.0	57.8	60.7
SUPPLIES	5.8	6.0	6.3	6.6	6.9	7.2
EQUIPMENT	20.0 / 14.0	0	0	0	0	0
LAND & STRUCTURES						
GRANTS & CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	332.4 / 232.9	327.9	335.4	343.3	351.6	360.3
CAPITAL						

REVENUE	332.4	327.9	335.4	343.3	351.6	360.3
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FUNDING: (Thousands of Dollars)

GENERAL FUND	232.9					
FEDERAL FUNDS	332.4	327.9	335.4	343.3	351.6	360.3
OTHER						
TOTAL						

POSITIONS:

FULL-TIME	3.0	3.0	3.0	3.0	3.0	3.0
PART-TIME						
TEMPORARY						

Estimate of current year impact: 0

ANALYSIS: (Attach a separate page if necessary.) *Revised by SFC 5/17/91*
 See Attached

Prepared By: Ray Jensen Phone: 586-6201
 Division: Alcoholism & Drug Abuse Date: 5/15/91
 Approved by Commissioner: Theodore Mala, M.D., MPH
 Agency: _____ Date: 5/16/91

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

See Revised FN

State of Alaska
Department of Health & Social Services
Division of Alcoholism & Drug Abuse

SSSB 65 Analysis

The following budget is comprised of three positions and associated costs comparable to the Alaska Mental Health Board.

Personal Services:

Executive Director, Range 21	72.4
Secretary I, Range 10	37.2
Research Analyst III, Range 18	59.5

Total	169.1

Travel:

Statewide travel by professional staff	49.0
Three additional board members	11.0
Per Diem	30.0

Total	90.0

Contractual:

Communication	15.0
Advertising, Printing & Binding	15.0
Minor Repair & Maintenance	.5
Space Rental	10.0
Rental Machinery	7.0

Total	47.5

Commodities:

Office Supplies	5.8
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Equipment (one-time only)

Workstations for 3 employees	18.0
Computer Software	2.0

Total	20.0

Grand Total for FY 92

332.4
=====

STATE OF ALASKA
1991 LEGISLATIVE SESSION

Bill No. CS SSSB 65 (Judiciary)

Revision Date: _____ Department Affected: Alaska Court System
 Title: An Act establishing the Alaska BRU: Appellate Courts
Mental Health Trust Authority... Components: _____
 Sponsor: _____
 Requestor: Duncan COMPONENT SERIAL NO. 000 | 000 000 | 768

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES	19.5	39.0	39.0	39.0	39.0	39.0
TRAVEL	7.5	15.0	15.0	15.0	15.0	15.0
CONTRACTUAL	148.8	297.5	297.5	297.5	297.5	297.5
SUPPLIES	1.5	3.0	3.0	3.0	3.0	3.0
EQUIPMENT	18.0					
LAND & STRUCTURES						
GRANTS & CLAIMS	156.25					
TOTAL OPERATING	195.3	354.5	354.5	354.5	354.5	354.5
	156.3					
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUNDS	195.3	354.5	354.5	354.5	354.5	354.5
FEDERAL FUNDS						
OTHER						
TOTAL	195.3	354.5	354.5	354.5	354.5	354.5

POSITIONS:

FULL-TIME	1.0	1.0	1.0	1.0	1.0	1.0
PART-TIME						
TEMPORARY						

Estimate of current year impact: _____

ANALYSIS: (Attach a separate page if necessary)

See attached analysis

Revised by JFC 5/17/91

Prepared by: C. S. Christensen III, Staff Counsel *CS* Phone: 264-8228
 Division: Alaska Court System Date: 05/16/91

Approved by: Arthur H. Snowden, II, Administrative Director *AHS*
 Agency: Alaska Court System Date: 05/16/91

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

See Revised FN

Alaska Court System

Fiscal Analysis

CS SSSB 65 (Judiciary)

Personal Services

	<u>Salary</u>	<u>Full-year Cost</u> <u>Benefits</u>	<u>Total</u>	<u>1/2-year</u> <u>FY 92</u> <u>Cost</u>
In-Court Clerk, 12B, Anchorage, permanent full-time	\$26,592	\$12,408	\$39,000	\$19,500

Travel

Travel by special master to view parcels and conduct hearings and investigations			15,000	7,500
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Contractual Services

Professional services - special master for 1,500 hours at \$125 an hour			187,500	
Professional services - paralegal assistant, full-time position			45,000	
Professional services - secretary, full-time position			35,000	
Office rental - 1,000 square feet at \$2.50 a foot			30,000	
			<hr/>	
	Total		297,500	148,750

Supplies

Office supplies			3,000	1,500
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Equipment

Desks, chairs, computers, typewriters, filing cabinets, printer, statutes and reference materials			13,000	18,000
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Total Cost (full-year and 1/2-year)			<hr/> <u>\$372,500</u>	<hr/> <u>\$195,250</u>
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STATE OF ALASKA
1991 LEGISLATIVE SESSION

BILL NO. SSSB 65

Revision Date: _____ Department Affected: Health & Social Services
 Title: _____ BRU: Administrative Services
 Component: Alaska Mental Health Board
 Sponsor: _____
 Requestor: _____ COMPONENT SERIAL NO.

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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES	48.4	50.8	53.3	56.0	58.8	61.7
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS & CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	48.4	50.8	53.3	56.0	58.8	61.7
CAPITAL						
REVENUE	48.4	50.8	53.3	56.0	58.8	61.7

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER, MHT/GF	48.4	50.8	53.3	56.0	58.8	61.7
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year impact: 0

ANALYSIS: (Attach a separate page if necessary.)
 \$4,400/yr. average cost per Board member X 11 = 48.4
 Inflation projected @ 5%/yr.
Revised by SFC 5/19/91

Prepared By: Ray Jensen Phone: 586-6201
 Division: Alcoholism & Drug Abuse Date: 5/15/91
 Approved by Commissioner: Theodore Mala, M.D., MPH
 Agency: _____ Date: 5/16/91

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

See Revised FN

FISCAL NOTE

STATE OF ALASKA
1991 LEGISLATIVE SESSION

BILL NO. CSSSSB 65 (Jud)

Revision Date: 16-May-91 Department Affected: Natural Resources
 Title: Mental Health Trust BRU: Management & Administration
 Land Administration Components: Commissioner's Office - M.H. Lands
 Sponsor: Senator Duncan
 Requestor: Senate Judiciary COMPONENT SERIAL NO. 423

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES	358.8	381.8				
TRAVEL	3.5	4.0				
CONTRACTUAL	1,073.0	2,000.0				
SUPPLIES	18.0	16.0				
EQUIPMENT	18.5					
LAND&STRUCTURES						
GRANTS,CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	1,471.8	2,401.8	0.0	0.0	0.0	0.0

CAPITAL						
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REVENUE *)						
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FUNDING: (Thousands of Dollars)

GENERAL FUND	1,471.8	2,401.8				
FEDERAL FUNDS						
OTHER						
TOTAL	1,471.8	2,401.8	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME	8.0	8.0				
PART-TIME						
TEMPORARY						

Estimate of Current year impact:

ANALYSIS:

(Attach a separate page if necessary)

See Attached

Revised by JFC 5/17/91

*) The MHT will receive the following percentages of the unrestricted revenues:
 FY 92/93 6%, FY 94/95 5%, FY 96/97 4%, FY 98/99 3%, FY 2000/01 2%, FY 02/03 1%, and 0% thereafter.

Prepared by: Carol Wilson Phone: 465-2400
 Division: Commissioner's Office Date: 16-May-91
 Approved by Commissioner: Harold Heinze Date: 16-May-91
 Agency: Department of Natural Resources

Distribution (by preparer) : Legislative Finance, legislative Sponsor, Requestor, OMB,
 & Impacted Agency(ies).

CSSSSB 65 (Jud)Fiscal Note, Continued

Division of Land and Water:

This bill will require the review of over 7200 parcels of land to determine which parcels are unencumbered as well as their value. Case files of less than fee title interest (rights of way, mining claims, etc.) will also require review to determine whether the interest is still valid. Public access along and to public waters must also be identified before land is conveyed to the trust. Inadequately surveyed land will need to be surveyed before it is conveyed.

The following funds are estimated to be necessary for the Division of Land and Water to perform the actions required under this bill:

	FY 92	FY 93
100 Personal Services 1 NRO II, 2 NRO I, 1 Clerk 1 Appraiser (Range 18)	\$ 220.8	\$ 235.8
200 Travel (for survey)	3.5	4.0
300 Contractual Appraisals - opinion of value panel (50.0) Survey (1000.0, 2000.0)	1050.0	2000.0
400 Supplies	8.0	8.0
500 Equipment (computer/printer)	6.5	
Division of Land and Water Total	\$1288.8	\$2247.8

Division of Management:

The Division of Management, Land Records Information Section, will provide computer support for DNR actions under this bill including, extracting computerized data, providing geographic maps at various scales and complexities, and noting the final disposition of land to computer records.

The following funds are estimated to be necessary for the Division of Management to support department actions under this bill:

	FY 92	FY 93
100 Personal Services Drafting Tech III (48.0, 51.0) Analyst/Prog. III (56.0, 59.0) Doc. Processor II (34.0, 36.0)	\$ 138.0	\$ 146.0
300 Contractual 2 DOA Mainframe IDs (3.0, 3.0)	23.0	

	Doa Chargeback (20.0, 20.0)		
400	Supplies (software, etc.)	10.0	8.0
500	Equipment	12.0	
	Workstation for Prog. (6.0)		
	Network terminal (3.0)		
	3 Desks and Chairs (3.0)		
	Division of Management Total	\$ 183.0	\$ 154.0

FISCAL NOTE

STATE OF ALASKA
1991 LEGISLATIVE SESSION

BILL NO. CSSSSB 65 (Jud)

Revision Date: _____ Department Affected: Department of Law

Title: "...establishing the Alaska Mental Health Trust Authority...powers & duties..." BRU: Legal Services

Component: Operations

Sponsor: Senator Duncan

Requestor: Senate Judiciary COMPONENT SERIAL NO.

		9	3
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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES	240.8	240.8	240.8	118.5	-0-	-0-
TRAVEL	9.0	9.0	9.0	3.0	-0-	-0-
CONTRACTUAL	336.0	336.0	232.5	173.5	-0-	-0-
SUPPLIES	12.3	12.3	12.3	6.0	-0-	-0-
EQUIPMENT	28.5					
LAND & STRUCTURES						
GRANTS, CLAIMS	1,000.0	1,000.0	800.0	500.0	-0-	-0-
MISCELLANEOUS						
TOTAL OPERATING	1,626.6	1,598.1	1,298.1	801.0	-0-	-0-

CAPITAL						
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REVENUE						
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FUNDING: (Thousands of Dollars)

GENERAL FUND	626.6 ^{reduce}	598.1	494.6	301.0	-0-	-0-
FEDERAL FUNDS						
OTHER MNTIA/GF	1,000.0	1,000.0	800.0	500.0	-0-	-0-
TOTAL	1,626.6	1,598.1	1,298.1	801.0	-0-	-0-

POSITIONS:

FULL-TIME	4.0 ³	4.0	4.0	2.0	-0-	-0-
PART-TIME						
TEMPORARY						

The Department of Law has already expended \$25,000 from a reimbursable account which must be returned from the general fund.

ANALYSIS: (Attach a separate page if necessary.)

Please see the attached analysis.

**Revised by JSC
5/17/91**

Richard I. Pegues

Prepared By: Richard I. Pegues, Director Phone: 465-3672

Division: Administrative Services Date: May 15, 1991

Approved by Commissioner: Charles E. Cole, Attorney General

Agency: Department of Law Date: May 15, 1991

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

*See Revised FN
Reduced by 248.0*

CONTINUATION of FISCAL NOTE ANALYSIS

For Bill/Resolution No. CSSSSB 65 (Jud)

The Senate Judiciary Committee substitute for SB 65 provides a mechanism to resolve the long-standing mental health trust lands dispute, arising from Weiss v. State. This fiscal note request addresses those parts of the bill that will have an impact on the Department of Law, as well as the impact that will be felt by the plaintiffs.

The bill authorizes reconstitution of the land trust. To the extent possible, original trust lands will be reconstituted, and additional selections from other state lands will be used to reconstitute the trust. About 10,000 original mental health trust land parcels are involved. Of this number, at least 6,500 parcels will involve trades for new lands, and some part of the remaining original 3,500 parcels may also involve trades.

An analysis of all individual land trades will be required to determine values between the original trust parcels and newly selected substitute parcels. Any disputes arising from the 6,500+ transactions would be settled by a special master under the jurisdiction of the state's supreme court. Any particular transaction could cause a dispute between the plaintiffs and the state involving value, comparable characteristics, or best interest of the public findings of the Commissioner of Natural Resources.

It is anticipated that the trust will be fully reconstituted by December 31, 1993, or slightly more than two and one-half years from now. In order to make this process work, it will be necessary to hire four new Department of Law employees to handle all necessary legal work involved in the analysis and dispute resolution process. These include two attorneys, one paralegal, and one legal secretary. It will also be necessary to provide expert witness consultants in mineral and land appraisal, and to provide for some expert legal advice. It is anticipated that a majority of the work will be completed by December 31, 1993, but some of the disputes may not be completely resolved within a year or two from that date. For this reason, fiscal note costs have been shown as decreasing sharply after FY94. The Department of Law's costs should be funded from the state's general fund account.

Plaintiffs' costs, which are also included in this request, include the same kind of expenses for determining land values and processing land transactions and disputes. Plaintiffs' costs should be funded from the Mental Health Trust Interagency/General Fund Account.

Resolution of Weiss v. State, as contemplated in this bill, will be an ambitious undertaking. The funds being requested in this fiscal note request are the minimum amount necessary to insure that the trust will be reconstituted within an acceptable period of time, and to insure that this dispute, which has been ongoing for nearly nine years, is satisfactorily concluded.

FISCAL ANALYSIS - CSSSB 65 (Fin)

	<u>Attorney IV</u>	<u>Attorney III</u>	<u>Paralegal Asst II</u>	<u>Legal Secretary I</u>	<u>Total</u>
Personal Services	82.2	73.0	49.3	36.3	240.8
Travel	3.0	3.0	3.0		9.0
Contractual					
In-house	7.5	7.5	6.6	4.4	26.0
Experts	125.0	125.0			250.0
O/S Counsel	30.0	30.0			60.0
Supplies	3.3	3.3	3.3	2.4	12.3
Equipment	6.5	6.5	6.5	9.0	28.5
	—	—	—	—	—
TOTAL	257.5	248.3	68.7	52.1	626.6
Plaintiffs' Costs	1,000.0				1,000.0
TOTAL COSTS	1,275.5	248.3	68.7	52.1	1,626.6

Position Title		Attorney IV		No. of Positions	1	Range / Step	24 A	Barg. Unit	PX						
Time Status	PFT	Staff Months	12	Location		AWA - Juneau									
				Election District		4									
TYPE OF EXPENDITURE			Amount	Justification This is one of two attorney positions needed to handle the legal work that will be required to implement the mental health trust authority legislation. An accelerated timetable is required so that the trust is reconstituted by December 31, 1993. This is the lead position for the state's legal effort to settle the dispute, allocation to Attorney IV is therefore requested. Position costs include \$125,000 for expert minerals and land appraisal consultants, and \$30,000 for expert legal advice.											
Salary			61,000												
Benefits			21,200												
Premium Pay															
Other															
Total Personal Services			82,200												
Travel			3,000												
Contractual			162,500												
Commodities			3,300												
Equipment			6,500												
Other															
Total Cost			257,500												
FUNDING SOURCE FOR TOTAL COST															
Federal Receipts			1002												
G.F. Match			1003												
General Fund			1004	257,500											
I-A Receipts			1007												
CIP Receipts			1061												
Other															

**Request For
New Position**

AGENCY Department of Law
BRU Legal Services
COMPONENT Operations

FY 92

Page 1 of 1
Revised Date: _____

Position Title		Attorney III		No. of Positions	1	Range / Step	22 A	Barg. Unit	PY
Time Status	PFT	Staff Months	12	Location	AWA - Juneau		Election District	4	
TYPE OF EXPENDITURE			Amount	Justification This is the second of two attorney positions needed to implement the mental health trust authority legislation. An accelerated timetable is required so that the trust is reconstituted by December 31, 1993. This involves evaluating more than 6,500 land trade transactions and resolving any dispute arising therefrom, before a special master appointed by the supreme court. This position will assist the lead attorney in this effort, and allocation to the Attorney III level is therefore appropriate. Position costs include \$125,000 for expert minerals and land appraisal consultants and \$30,000 for expert legal advice.					
Salary			53,300						
Benefits			19,700						
Premium Pay									
Other									
Total Personal Services			73,000						
Travel			3,000						
Contractual			162,500						
Commodities			3,300						
Equipment			6,500						
Other									
Total Cost			248,300						
FUNDING SOURCE FOR TOTAL COST									
Federal Receipts			1002						
G.F. Match			1003						
General Fund			1004						
I-A Receipts			1007						
CIP Receipts			1061						
Other									

**Request For
New Position**

AGENCY Department of Law
 BRU Legal Services
 COMPONENT Operations

FY 92

Page 1 of 1
 Revised Date: _____

Position Title Paralegal Assistant II		No. of Positions 1	Range / Step 16 A	Barg. Unit GG
Time Status PFT	Staff Months 12	Location AWA - Juneau		Election District 4
TYPE OF EXPENDITURE		Amount	Justification The position is needed to handle the documentation needs for the two attorneys who will handle the legal work required to implement the Mental Health Trust Authority legislation. This work will involve more than 6,500 land trade transactions and substantial document preparation and organization of evidence will occur. Allocation to the Paralegal Assistant II classification is requested.	
Salary		35,200		
Benefits		14,100		
Premium Pay				
Other				
Total Personal Services		49,300		
Travel		3,000		
Contractual		6,600		
Commodities		3,300		
Equipment		6,500		
Other				
Total Cost		68,700		
FUNDING SOURCE FOR TOTAL COST				
Federal Receipts	1002			
G.F. Match	1003			
General Fund	1004	68,700		
I-A Receipts	1007			
CIP Receipts	1061			
Other				

**Request For
New Position**

AGENCY Department of Law
BRU Legal Services
COMPONENT Operations

FY 92

Page 1 of 1
Revised Date: _____

Position Title		Legal Secretary I		No. of Positions	1	Range / Step	10 B	Barg. Unit	GG	
Time Status	PFT	Staff Months	12	Location	AWA - Juneau		Election District	4		
TYPE OF EXPENDITURE			Amount	Justification This position is needed to handle the office activities of the two attorneys and one paralegal involved in implementing the Mental Health Trust Authority legislation. This work will generate a huge number of legal documents and require the full-time services of a legal secretary. Most of this work must be completed in a relatively short timeframe. Allocation to the Legal Secretary I classification is therefore recommended.						
Salary			24,600							
Benefits			11,700							
Premium Pay										
Other										
Total Personal Services			36,300							
Travel										
Contractual			4,400							
Commodities			2,400							
Equipment			9,000							
Other										
Total Cost			52,100							
FUNDING SOURCE FOR TOTAL COST										
Federal Receipts 1002										
G.F. Match 1003										
General Fund 1004			52,100							
I-A Receipts 1007										
CIP Receipts 1061										
Other										

**Request For
New Position**

AGENCY Department of Law
BRU Legal Services
COMPONENT Operations

FY 92

Page 1 of 1
Revised Date: _____

Dokaw
Fiscal Note 5B 65
Reductions and new figures:

personal services	£ 167.8	
travel	6.0	
Contractual	173.5	
Supplies	9.0	
equipment	<u>22.0</u>	
	378.3	total gen. funds

Note: Reduction effected a 48% decrease
Contractual for FY94
Shows an approx 30% decrease
Took an additional 18%
for reduced position to achieve
a new total of £190.6

SB67

HOUSE COMMITTEE REPORT

(11)

Date Referred: May 6, 1991

FURTHER REFERRALS:

Date of Committee Action: 5/21/91

The FINANCE Committee considered:

CSSB 67(FIN)

CS FOR SENATE BILL NO. 67 (FINANCE)

STATE AID FOR NONPROFIT HEALTH FACILITIES

"An Act relating to state aid for health facilities; and providing for an effective date."

RECOMMENDATIONS:

be replaced with HCS CSSB 67 (FIN) the same title a new title

have attached amendments(s)

do pass

do not pass

no recommendations

individual recommendations

additional referral to the _____ Committee

ADOPTS: _____ letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept) _____

APPROVES PREVIOUS: (Dept/Date) _____

fiscal impact _____

fiscal note(s) _____

zero fiscal note _____

zero fiscal note(s) DHSS 5/1/91

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
<i>Nick Boyer</i> Boyer	X	<i>Tan Brown</i> Brown		✓	
<i>Koponen</i> Koponen	X	<i>Sharp</i> Sharp		✓	
<i>Jacko</i> JACKO	X	<i>Phillips</i> Phillips		✓	
<i>Karson</i> Karson	X	<i>Ulmu</i> Ulmu			
		<i>Mike Navaire</i> NAVAIRE		✓	

Mike Navaire

 CHAIRMAN'S SIGNATURE

FISCAL NOT

No. 2

STATE OF ALASKA
1991 LEGISLATIVE SESSION

Bill Version: CSSB67(FIN)

(S) Publish Date: 5/1/91

Revision Date: April 24, 1991 Dept. Affected: Health & Social Services
 Title: An Act relating to aid for nonprofit health facilities and providing for an effective date BRU: Administrative Services
 Component: Facilities/CIP
 Sponsor: Jones, Zharoff
 Requestor: by the HESS Committee COMPONENT SERIAL NO. 0325

Expenditures/revenues:

(Thousands of Dollars)

OPERATING	FY92	FY93	FY94	FY95	FY96	FY97
PERSONAL SERVICES	65.4	68.4	68.4	68.4	68.4	68.4
TRAVEL	17.4	17.9	17.9	21.4	17.9	17.9
CONTRACTUAL	38.8	38.8	38.8	41.8	38.8	38.8
SUPPLIES	0.9	0.9	0.9	0.9	0.9	0.9
EQUIPMENT	6.0					
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	128.5	126.0	126.0	132.5	126.0	126.0
CAPITAL	0.0	0.0	0.0	0.0	0.0	0.0
REVENUE	0.0	0.0	0.0	0.0	0.0	0.0

FUNDING:

(Thousands of Dollars)

GENERAL FUND	128.5	126.0	126.0	126.0	126.0	126.0
FEDERAL FUNDS						
OTHER						
TOTAL	128.5	126.0	126.0	126.0	126.0	126.0

POSITIONS:

FULL-TIME	1.0	1.0	1.0	1.0	1.0	1.0
PART-TIME						
TEMPORARY						

Estimate of current year impact: No FY91 fiscal impact.

ANALYSIS: (Attach a separate page if necessary)

This legislation mandates establishment of a seven member Health Facilities Review Board, and includes specific requirements for objectives of the Board and the department. At a minimum, a Health and Social Services Planner II (R19) is needed to perform full administration of all duties related to the implementation of CSSB67. Duties of this position include: writing regulations; analysis and comparison of all 5-year master plans; contact with facilities and resolution of unclear master plans which they have submitted; verification and review of project budgets; analysis and review of all grant applications; staff support for the Health Facilities Review Board

(Continued)

Prepared by: Janet Clarke, Director
 Division: Division of Administrative Services

Phone: 465-3082
 Date: 04/24/91

Approved by Commissioner: Jan Jones for
 Agency: Department of Health and Social Services

Date: 4/24/91

Distribution (by preparer):

Legislative Finance OMB
 Legislative Sponsor Impacted Agency(ies)
 Requestor

ANALYSIS (cont.):

such as making travel arrangements, meeting preparation and meeting support; preparation and submission of all advertising for public hearings; staffing the hearings; administration of all appeals including coordination with board, hearing officers and the Department of Law; administration and execution of grant agreements; review of all grant request documentation and approval of grant payments; accurate accounting of all grant funds, and compilation of grant closeouts; preparation of reports to board or final grant accounting.

DESCRIPTION	COMMENT #	FY92	FY93
Line 100 – Personal Services			
11&SS Planner II, PFT, 12 months, (R19) Juneau	(1)	65,388	68,425
Line 200 – Travel			
72330 Board Travel – Member Travel			
2.5 meetings * 7 members * 3 days = 52.5 days	(2)		
Meetings will be 2 days and 1 day travel			
7 * \$475 average airfare * 2.5 meetings	(3)	8,313	8,750
7 members * \$35 misc. expenses * 2.5 meetings		613	613
72500 Board Travel Per Diem			
52.5 days * \$115		6,038	6,038
72300 Staff Travel for Board Meetings			
(2 meetings * 1 staff * 3 days = 6 days)			
1 staff * \$475 airfare * 2 meetings		950	1,000
1 staff * \$35 misc. expense * 2 meetings		70	70
72500 Staff Travel Per Diem for Board Meetings			
6 days * \$115 per diem		690	690
72300 Staff Travel for Public Hearings			
(1 hearing * 1 staff * 2 days = 2 days)	(4)		
1 staff * \$475 airfare * 1 hearing		475	500
1 staff * \$35 misc. expense * 1 hearing		35	35
72500 Per Diem for Public Hearing			
2 days * \$115		230	230
	TOTAL TRAVEL	17,414	17,926
Line 300 – Contractual Services			
73100 Hearing Officer Professional Services			
(2 appeals @ \$5,000 each)		10,000	10,000
Attorney time and costs related to litigations	(5)	12,000	12,000
Transcription of Public Hearings		1,500	1,500
73300 Communications, including local, long distance, fax and postage			
		9,500	9,500
73500 Advertising for 2 board meetings, 1 public hearing (display ads)			
		3,000	3,000
Printing and Binding of Reports, Minutes and Transcriptions			
		2,500	2,500
73800 Space Rental for meetings			
		300	300
	TOTAL CONTRACTUAL	38,800	38,800

ANALYSIS (cont.):

DESCRIPTION	COMMENT #	FY92	FY93
Line 400 - Supplies			
74200 Office Supplies		600	600
Board Meeting supplies		300	300
	TOTAL SUPPLIES	<u>900</u>	<u>900</u>
Line 500 - Equipment			
75830 Data Processing Equipment (PC and Peripherals) and software		6,000	0
	TOTAL EQUIPMENT	<u>6,000</u>	<u>0</u>
	TOTAL for PROJECT	<u>128,502</u>	<u>126,051</u>

- (1) The staff cost for FY93 assumes a 5% cost of living increase.
- (2) This assumes one meeting for the board to rank hospital grant proposals and one meeting for the board to review appeals. One half of a meeting is budgeted for the board to allow a few board members to attend the public hearing.
- (3) For FY93, it is assumed that average travel costs will increase from \$475 to \$500 per trip.
- (4) This assumes one day for travel and one day to hold the public hearing.
- (5) The \$12,000 figure was provided by the Department of Law as what they would charge to handle all costs related to litigation for two hearings.

HOUSE CS FOR CS FOR SENATE BILL NO. 67 (FINANCE)

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTEENTH LEGISLATURE - FIRST SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered:

Referred:

Sponsor(s): SENATORS JONES, Zharoff, Menard, Hoffman

REPRESENTATIVE Taylor

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to state aid for health facilities; and providing for an effective date."

2 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

3 * Section 1. AS 18.25 is amended by adding new sections to read:

4 Sec. 18.25.011. GRANT APPLICATIONS. (a) On or before June 15, a person,
5 including a municipality, may submit a grant application to the department for a health facility
6 construction grant.

7 (b) A project for which a certificate of need is required under AS 18.07.031 - 18.07.111
8 at the time of the grant application is not eligible for a grant under AS 18.25.011 - 18.25.035
9 unless a certificate has been issued to the health facility that is the subject of the application, and
10 the certificate is in effect at the time of the application.

11 (c) A project is not eligible for a grant under AS 18.25.011 - 18.25.035 unless the
12 applicant has submitted a five-year master plan for the construction of the health facility on or
13 before September 1 of the fiscal year in which the application is submitted; the master plan must
14 include a description of the applicant's fixed asset inventory system and preventive maintenance

1 program, a detailed scope of work, an estimated project budget, an operation, maintenance, and
2 financial feasibility study, and a documentation of the conditions justifying the project, including
3 a signed statement by an architect or engineer verifying any code violation documented in the
4 plan.

5 (d) The grant application must include

6 (1) evidence that the applicant has secured and will maintain adequate property
7 loss insurance for the replacement cost of the health facility or a program of insurance acceptable
8 to the department; and

9 (2) evidence acceptable to the department that the proposed project is a capital
10 construction project and not part of a preventive maintenance program or regular custodial care
11 program.

12 Sec. 18.25.013. HEALTH FACILITIES REVIEW BOARD ESTABLISHED. (a) There
13 is created in the Department of Health and Social Services the Health Facilities Review Board
14 composed of seven members consisting of the following persons appointed by the governor and
15 who serve at the pleasure of the governor:

16 (1) an architect licensed under AS 08.48;

17 (2) an engineer licensed under AS 08.48;

18 (3) a representative nominated by the Alaska Municipal League;

19 (4) a representative from the department;

20 (5) a representative of a health facility;

21 (6) a representative of the Alaska Area Native Health Service; and

22 (7) a representative of the office of management and budget in the Office of the
23 Governor.

24 (b) To the extent possible and except for the board members described under (a)(4) and
25 (7) of this section, the board members must be representative of all areas of the state.

26 (c) The members serve for staggered terms of three years.

27 (d) The members of the board shall elect a member of the board as chair.

28 (e) The board shall hold at least one meeting each year. The board may hold additional
29 meetings at the call of the chair or of a majority of the board members.

30 Sec. 18.25.015. BOARD DUTIES. (a) The board shall annually

31 (1) review the master plans submitted by applicants under AS 18.25.011;

1 (2) with regard to the plans reviewed under (1) of this subsection, establish and
2 transmit to the department a revised and updated five-year construction grant schedule that
3 establishes the priorities among the proposed health facility construction projects and serves the
4 best interest of the state and the municipality or area in which the health facility is located.

5 (b) The primary criteria for establishing the priorities under (a) of this section are

6 (1) the degree of threat to the health or safety of facility occupants; and

7 (2) the degree of potential harm to building integrity as it affects the building's
8 ability to support health care functions in a cost-effective manner.

9 (c) The board shall establish by regulation additional criteria for establishing the priorities
10 under (a) of this section. The criteria must include at least the following factors:

11 (1) the ability of the project or project phase to be self-supporting;

12 (2) access to other sources of funding, including funding from the parent
13 corporation of the health facility, if applicable;

14 (3) the overall capital requirements and operating cost efficiency over the lifetime
15 of the facility;

16 (4) the community or area need for the facility as compared to alternative means
17 for providing the care;

18 (5) the level of care required to provide basic cost effective and efficient health
19 services;

20 (6) the effect of the grant award on the overall position of the applicant as
21 compared to health facilities that are not eligible to receive grants under AS 18.25.011 -
22 18.25.035.

23 (d) The board may reject a grant application and omit it from the construction grant
24 schedule if

25 (1) the applicant provides incomplete information or documentation on the project;

26 (2) the board determines that existing facilities can adequately serve the program
27 requirements, or that an alternative project is in the best interests of the state; or

28 (3) the board determines that the project is not in the best interests of the state
29 or the municipality or area in which the health facility is located.

30 Sec. 18.25.017. DEPARTMENT ACTION. (a) Before a grant application is submitted
31 to the board, the department shall verify the amounts and reasons for the items in the budget for

1 each grant application.

2 (b) With regard to the construction grant schedule established by the board under
3 AS 18.25.015, the department shall transmit the construction grant schedule, including the
4 budgets verified under (a) of this section, to the governor by October 15 of each year and to the
5 legislature within the first 10 days of each regular legislative session.

6 Sec. 18.25.019. PUBLIC NOTICE AND HEARING. On or before July 15 of each year,
7 the department shall provide public notice of the grant applications made under AS 18.25.011
8 and the priorities established under AS 18.25.015. After public notice has been given, the
9 department shall, not later than August 15 of each year, hold a public hearing on the priorities
10 established under AS 18.25.015. In this section, "public notice" means notice published in a
11 newspaper of general circulation and notice to each person who has requested notice about the
12 grant requests from the department.

13 Sec. 18.25.021. AWARD. (a) The department shall award grants in the order of the
14 projects' priorities on the date the appropriation bill funding the health facility construction grant
15 fund becomes law, regardless of an administrative or judicial review pending under
16 AS 18.25.023. An administrative or judicial review pending under AS 18.25.023 at the time that
17 grants are awarded may not delay the funding of grants.

18 (b) If a project is assigned a new priority ranking under AS 18.25.023 after the date the
19 appropriation bill for the health facility construction grant fund becomes law, a grant shall be
20 awarded for the project in accordance with the new priority ranking at the next time that health
21 facility construction grants are awarded under AS 18.25.011 - 18.25.035.

22 Sec. 18.25.023. ADMINISTRATIVE AND JUDICIAL REVIEW. (a) An applicant
23 under AS 18.25.011 may not request reconsideration of a decision of the board unless the request
24 is based on reasonable issues of fact or law. The request must be in writing and include a
25 statement of the specific changes desired, and a summary of the evidence supporting the
26 applicant's claim that the board has erred in its review of the applicant's grant application. A
27 request for reconsideration must be submitted to the board by the first day of the public hearing
28 held under AS 18.25.019. The board shall review its decision on the basis of the request by the
29 applicant and determine whether its decision should be changed. The board shall issue its
30 determination in writing within 15 days after the last day of the public hearing held under
31 AS 18.25.019.

1 (b) An applicant under AS 18.25.011 may appeal an adverse decision of the board under
2 (a) of this section by filing a written notice of appeal with the commissioner within 15 days after
3 the date of the board's decision. The notice of appeal must state the legal and factual basis for
4 the appeal and the precise relief sought. The failure of the applicant to include an issue in a
5 notice of appeal constitutes a waiver of the right to have the issue considered. Not later than 10
6 days after receipt of a notice of appeal, the commissioner shall appoint a hearing officer who is
7 qualified under AS 44.62.350(c) to consider the appeal. If the hearing officer finds that the
8 notice of appeal does not raise a reasonable issue of fact or law, the hearing officer shall issue
9 a written decision denying the appeal. Denial of an appeal by a hearing officer is a final decision
10 that may be appealed under (d) of this section. If the hearing officer finds that the notice of
11 appeal raises a reasonable issue of fact or law, the hearing officer shall conduct a hearing on
12 those issues and recommend a decision to the commissioner. The hearing officer shall issue a
13 decision on the appeal not later than 60 days after being appointed. The commissioner shall
14 consider the recommended decision of the hearing officer within 10 days after receipt and may
15 adopt all, part, or none of the recommended decision or may remand the issue to the hearing
16 officer for further hearings. The commissioner shall issue a decision in writing within 10 days
17 after consideration of the hearing officer's decision.

18 (c) The hearing officer may consolidate appeals under (b) of this section if the notices
19 of appeal raise related issues of fact or law.

20 (d) An applicant under AS 18.25.011 may appeal an adverse decision of a hearing officer
21 or the commissioner under (b) of this section to the superior court in the manner provided by
22 AS 44.62.560 - 44.62.570 and the Alaska Rules of Appellate Procedure.

23 (e) The board shall adopt regulations governing procedures for the reconsideration and
24 appeal of decisions under (a) - (c) of this section. The regulations adopted under this subsection
25 are not required to conform to AS 44.62.330 - 44.62.630, but must be consistent with minimum
26 standards of due process.

27 (f) An applicant under AS 18.25.011 may not request reconsideration of or appeal a
28 priority determination on the grounds that a revised priority assigned to another project, due to
29 a reconsideration or appeal under this section, has resulted in a lower priority being accorded to
30 the applicant's project.

31 Sec. 18.25.025. GRANT AGREEMENT AND CONDITIONS. (a) The department shall

1 enter into a written agreement with the grantee before it distributes grant funds under
2 AS 18.25.011 - 18.25.035.

3 (b) The department shall require in the grant agreement that the grantee

4 (1) agree to construction of the health facility as described by the certificate of
5 need, if any, issued to the facility under AS 18.07.031 - 18.07.111;

6 (2) provide reasonable assurance by a means acceptable to the department that
7 the cost of the project will be uniform with the costs of the most current construction projects
8 in the area;

9 (3) agree to submit to the department for department approval a description and
10 justification of a cost overrun before the grantee agrees to pay for the overrun and before the
11 department distributes money to the grantee to pay for the overrun;

12 (4) agree to place the grant funds in an interest-bearing account and not to use
13 the interest or the grant funds for a purpose other than the project;

14 (5) agree to limit equipment purchases to that required for the facility operation;

15 (6) submit project budgets for department review and agree that the grant amount
16 may, at the discretion of the department, be reduced or increased by amounts equal to the
17 amounts by which contracts vary from the budget amounts approved by the department;

18 (7) submit to the department for approval, before advertising for bids for the
19 construction contract, a plan for construction that includes specifications, final construction
20 drawings, and proposed contract documents;

21 (8) submit for department review a tabulation of all bids received, a complete
22 copy of the lowest bid, a copy of the proposed notice to proceed with construction, and a copy
23 of the proposed construction contract;

24 (9) submit for department review and acceptance documentary evidence that the
25 project is being accomplished in accordance with all the assertions in the grantee's five-year
26 master plan and grant application;

27 (10) submit sufficient assurances that the project will be used for the stated
28 purposes of the grant for the expected useful lifetime of the facility;

29 (11) agree to conform to all applicable governmental codes and standards,
30 including the most recently adopted state statutes and regulations on building, health, mechanical,
31 electrical, fire, safety, and handicap accessibility, and those covering the planning, construction,