Indicator Six

The rate of binge or chronic drinking by adults.

The percentage of Alaskans who self report acute or binge drinking in response to the annual Behavior Risk Factor Survey.

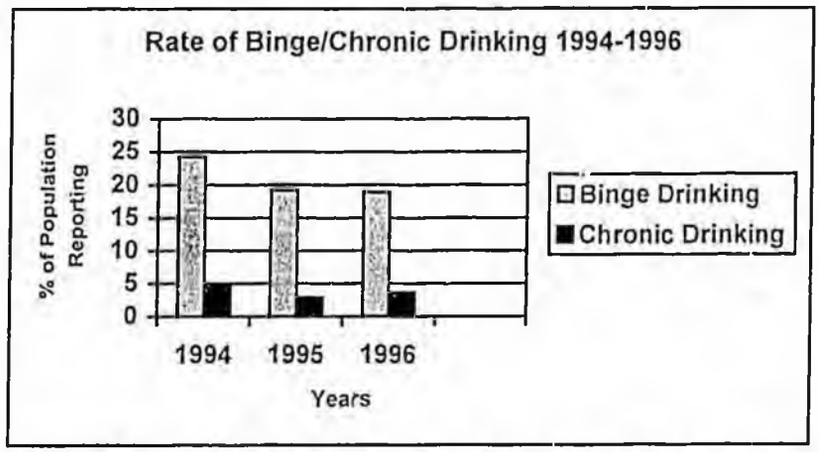

Figure 6 Source: Alaska Behavioral Risk Factor Surveillance System

The story behind the indicator headline...

Each year, the State of Alaska conducts a telephone survey to obtain information on behavioral risks prevalent among Alaskans. The interviews are conducted with a random sample of 1,535 residents, 18 years of age or older. One of the categories is the percentage of population engaged in binge or chronic drinking. **Binge drinking**, for purposes of this survey, refers to drinking five or more drinks on one occasion, at least once in the month preceding the survey. **Chronic drinking** refers to drinking an average of 60 or more alcoholic drinks in the month preceding the survey. There is a high correlation between these drinking patterns and many of the negative consequences associated with alcohol abuse – particularly medical, family, and employment problems. The strategies that will have the most immediate impact on this indicator will be those that provide intervention and treatment services to chronic, late stage alcoholics. Early intervention services are also required to impact individuals whose disease progression has not reached the point of chronic or binge drinking.

Three sets of strategies converge to drive the plan's implementation. No single strategy is most important. The overarching focus is on partnerships, both community-based and statewide. Partnerships play a key role in the delivery of both prevention and treatment services. There is a major commitment to decreasing the negative consequences of alcohol and drug abuse by ensuring access to the appropriate range of quality treatment services for all Alaskans who need them. Additionally, we know that multiple strategies consistently targeting various populations over periods of time are more effective than strategies with a single focus.

Strategy One

Support community-based processes that build partnerships and provide more effective prevention and treatment services.

What this means...

Partnerships and collaboration are the keys to success in achieving desired results. If partnerships and collaboration are to become more than lofty goals, then communities must provide processes that nurture them. These processes include needs assessments, planning for services, integrated activities, and broad-based evaluation. Programs and activities must be relevant to the particular community. They must be conducted in a manner that respects community norms and values.

How will we measure our performance?

Performance Measure 1:	Number of agencies and groups participating.
Performance Measure 2:	Extent of participation in effort.
Performance Measure 3:	Number of new initiatives.
Performance Measure 4:	Percentage change in desired community results.

Strategy Two

Encourage activities and initiatives that will change community standards and emphasize healthy lifestyles.

What this means...

Community behaviors and activities usually reflect local standards and attitudes. These are "unwritten rules" that define what is appropriate or tolerable. Shaping these norms and values is an evolutionary process. One of the most familiar results of such a strategy is the decline in tolerance for driving under the influence of alcohol. Mothers against Drunk Drivers (MADD) started out as a small local advocacy group. Thousands of local initiatives have brought about sustained positive change because of MADD's vision and persistence. The Advisory Board will support and nurture programs that seek to influence the standards and attitudes of communities by encouraging and promoting sobriety as a healthy lifestyle choice.

How will we measure our performance?

Performance Measure 1:	Number of agencies, groups, and individuals involved in proactive partnerships.
Performance Measure 2:	Extent of participation in effort.
Performance Measure 3:	Number of new initiatives and diversity of support.
Performance Measure 4:	Percentage change in desired community results

Strategy Three

Distribute useful and effective information to targeted populations.

What this means...

The Advisory Board will encourage distribution of accurate and relevant information to help policy makers, individuals, families, and communities make wise decisions. All available research indicates that for information to be effective its message must address a specific audience. It must be relevant for particular age groups and cultures. It must be developed with a clear understanding of the desired response. Examples of this strategy are distribution of new research findings and outcome information to policy makers, promotion and advertising of available treatment services, and public information campaigns targeted to women of childbearing age.

How will we measure our performance?

Performance Measure 1:	Quantity of material developed and/or distributed.
Performance Measure 2:	Quality of material for a particular target audience.
Performance Measure 3:	Number of target group members reached.
Performance Measure 4:	Percent of target group with increased awareness.

Strategy Four

Promote the benefits of treatment, recovery, and sober lifestyle.

What this means...

Despite best efforts and positive outcomes for treatment services, members of the general public often have negative attitudes about the value and appropriateness of chemical dependency treatment. The Advisory Board will support efforts and strategies that raise public awareness of the positive benefits of chemical dependency treatment, recovery, and a life of sobriety. The Board will work to eliminate stigma and denial. Examples of these strategies include program alumni organizations, public awareness campaigns, and advocacy for recognition of the contribution the sober lifestyle makes to the welfare of all Alaskans.

How will we measure our performance?

Performance Measure 1:	Number of self-referrals.
Performance Measure 2:	Increased number of advocacy groups.
Performance Measure 3:	Cost-benefit data.
Performance Measure 4:	Positive benefits of treatment – in life domain areas of health, family, self-sufficiency, and transportation.

Strategy Five

Encourage traditional and alternative social activities that are alcohol and drug free.

What this means...

Alaskans are frequently encouraged to consume alcohol and other substances at social, athletic and other community events. In addition to providing safer and healthier alternatives for youth, alcohol and drug free activities can also help redefine community norms and values to those that support sobriety. The Advisory Board will support efforts that offer organized alcohol-free and drug-free activities involving a broad spectrum of the community.

How will we measure our performance?

Performance Measure 1:	Number of alternative activities developed and delivered.
Performance Measure 2:	Percent of target population participating.
Performance Measure 3:	Number of target group involved in planning and implementation.
Performance Measure 4:	Percent of activities initiated and/or led by target group.

Strategy Six

Advocate for positive change through legal and regulatory initiatives.

What this means...

All available research points to the conclusion that public policy decisions regarding alcohol and other substances have a major impact on the prevalence and severity of substance abuse problems in communities. Examples of such policy decisions are raising the minimum legal drinking age to 21 and lowering blood alcohol legal limits for drivers. Other legal and regulatory initiatives include limiting bar and tavern hours, restricting the number of alcoholic beverage outlets in an area, supporting enforcement of existing laws, and consistent consequences for youth who engage in use of alcohol or other drugs. A less obvious benefit of these strategies is the positive impact on community norms and values. As these initiatives impact public policy decisions, communities become more aware of the negative consequences associated with alcohol and drug abuse.

How will we measure our performance?

Performance Measure 1:	Number of initiatives introduced as legislation or local ordinances.
Performance Measure 2:	Variety of responses that indicate support, such as public opinion messages, letters, telephone calls.
Performance Measure 3:	Number of such initiatives passed.
Performance Measure 4:	Percentage change in desired community results.

Strategy Seven

Ensure the delivery of quality services by offering appropriate continuing education and training for chemical dependency treatment professionals.

What this means...

High quality service delivery depends on recruitment and retention of well-qualified treatment professionals. The Advisory Board will support funding for training programs, a statewide training coordination agency, programs which provide training components, and annual training events. The Board will support the certification process for chemical dependency professionals to ensure that persons providing services hold the highest qualifications. The Board will also support an accreditation process for programs which mandates high levels of qualification for professional staff.

How will we measure our performance?

Performance Measure 1:	Increase in the number of certified counselors in Alaska.
Performance Measure 2:	Increase in the number of certified counselors working in the field.
Performance Measure 3:	Salaries for chemical dependency professionals that are comparable to others performing comparable work.
Performance Measure 4:	Reduction in rate of staff turnover.
Performance Measure 5:	Increase in staff training opportunities.
Performance Measure 6:	Greater collaboration with post-secondary and other training systems.

Strategy Eight

Expand awareness of substance abuse issues for allied health professionals, educators and other helping agents.

What this means...

If related service or education providers are to deliver consistent, appropriate, and accurate information to target populations, they must first receive the most recent factual information. Programs to implement this strategy range from an organized regimen of in-service training to carefully designed formal course curricula for professionals. With a strong emphasis on collaboration, it is critical to consider a wide diversity of professionals including

- medical staff and other health care professionals;
- domestic violence advocates;
- educators, teachers and aides
- mental health professionals;
- senior services providers;
- disability services providers;
- public assistance caseworkers and employment specialists
- juvenile and adult corrections staff;
- family service workers.

How will we measure our performance?

Performance Measure 1:	Number of target group participating in training.
Performance Measure 2:	Percentage of target group completing training.
Performance Measure 3:	Number of target group showing increased knowledge and awareness.
Performance Measure 4:	Percent of target group positively impacted as shown by pre/post tests.

Strategy Nine

Use education strategies to help youth improve critical life and social skills.

What this means...

Research indicates that development of life and social skills is more effective than didactic drug and alcohol education in helping young people avoid high risk behaviors. The Advisory Board will support programs that offer education and skill-building activities targeted to youth. These programs will help youth make appropriate decisions and avoid activities and behaviors with negative consequences. Multiple strategies that are age, culture, and gender specific are more effective than single, broad strategies. The education, information and messages targeted at youth must evolve with them as they mature.

How will we measure our performance?

Performance Measure 1:	Number of target group participating.
Performance Measure 2:	Number of target group completing.
Performance Measure 3:	Number of target group showing positive change or decrease in risk factors/increase in protective factors.
Performance Measure 4:	Percent of target group learning new skills, as shown by pre/post tests.

Strategy Ten

Identify people with problems as early as possible and refer them for appropriate services.

What this means...

This strategy is based on the premise that early problem identification and prompt action greatly enhances the likelihood of successful intervention. Programs that support this strategy would be located within organizations and agencies that are most likely to contact "at-risk" individuals at an early stage. Examples are schools, places of employment, and family and youth services. In these programs, individuals who are identified as "at-risk" for developing problems, or are engaging in behaviors that produce negative consequences, will be assessed and referred for appropriate services.

How will we measure our performance?

Performance Measure 1:	Number of at-risk individuals identified.
Performance Measure 2:	Percent of target group contacted.
Performance Measure 3:	Number of appropriate referrals made.

Strategy Eleven

Improve interdisciplinary coordination and collaboration at local, regional and statewide levels.

What that means...

Substance abuse professionals have a great stake in early problem identification. They recognize that they are usually not in the best position to identify these problems and intervene early. They depend on the abilities and collaboration of community members, helping agents, and other professionals to recognize the behaviors and symptoms and make prompt appropriate referrals. The Advisory Board will support efforts that foster collaboration among the various groups of professionals and programs in communities. These efforts will lead to earlier intervention and more appropriate treatment plans for clients.

How will we measure our performance?

Performance Measure 1:	Increase in number of referrals to and from providers.
Performance Measure 2:	Increase in number of referral services to and from providers.
Performance Measure 3:	Referral sources report improved outcomes.

Strategy Twelve

Support a continuum of care for chronic alcoholics with psychosis that focuses on intervention, treatment and the client's long term life domain requirements.

What that means...

Chronic alcoholics with psychosis are beneficiaries of the Alaska Mental Health Trust, established in Alaska Statute 47.30.056(b)(3). The Advisory Board on Alcoholism and Drug Abuse has a special responsibility to this group, described in AS 44.29.140. The Advisory Board must provide the Alaska Mental Health Trust Authority with specific recommendations to ensure that the service needs of chronic alcoholics with psychosis are met.

Chronic alcoholism is a problem that pervades every part of Alaskan life. It places an excessive burden on scarce medical, legal and public safety resources. Use of alcohol by chronic alcoholics with psychosis destroys their physical health and emotional and spiritual well-being. It seriously damages family and community life. This population has traditionally been underserved by health and social service agencies. The state has both a legal and moral responsibility to provide comprehensive and coordinated services for this population. These services must be delivered with respect for clients and their families, in a manner that ensures positive, measurable results.

How will we measure our performance?

Performance Measure 1:	Increase in treatment capacity and services for chronic alcoholics with psychosis.
Performance Measure 2:	Increase in admissions to treatment for chronic alcoholics with psychosis.
Performance Measure 3:	Improved treatment retention and outcomes for chronic alcoholics with psychosis.
Performance Measure 4:	Increased availability of long term support services in life domain areas of health, housing, transportation and self-sufficiency.

Strategy Thirteen

Develop sufficient resources to meet community needs for appropriate levels of treatment for adults, youth and special populations.

What that means...

It is not possible to deliver every service component in every community. However, it is possible to have *access* to all components in a full continuum of care. Effective service delivery at the community level is determined by problem prevalence, demand, and service utilization. Examples of this strategy include establishment of detoxification facilities in hub communities, strategic placement of long term and domiciliary care facilities around the state, and development of special programs such as inhalant abuse treatment where appropriate. It is also critical that all providers understand the entire service delivery system and utilize the available resources in the best interests of clients and their families.

How will we measure our performance?

Performance Measure 1:	Increase in new services developed where needed.
Performance Measure 2:	Increase in number of communities seeking additional resources or services (financial or otherwise) using innovative approaches.

Strategy Fourteen

Identify and remove barriers that prevent clients from entering treatment.

What this means...

While some people are unwilling to seek treatment, many barriers prevent others from receiving the services that they want and need. Some of these barriers are present for all clients, such as waiting lists and financial resources. Other barriers reflect the lack of programs to address the needs of special populations. The Advisory Board will support those programs that implement strategies designed to remove barriers for those seeking treatment. Examples of these efforts include streamlined intake procedures, increased capacity based on prevalence and demand, and special programs where indicated.

How will we measure our performance?

Performance Measure 1:	Improved access, as reported in client satisfaction surveys.
Performance Measure 2:	Decreased time between first contact and admission to treatment.
Performance Measure 3:	Capacity to ensure that everyone who asks for treatment receives it.
Performance Measure 4:	Increased number of client admissions.

Strategy Fifteen

Support community efforts to establish involuntary commitment procedures and to use them when appropriate.

What this means...

For a small number of chemically dependent persons, timely and intensive services are necessary in order to prevent death. For this special population, involuntary commitment to treatment is the only remaining alternative. In order to use the involuntary commitment procedures defined by Alaska Statute 47.37, communities need to work together in collaborative partnerships. The Advisory Board will continue to support community efforts to organize and develop local plans and procedures for initiating involuntary commitments. These efforts include community training, funding for legal assistance, travel and transportation assistance, and technical assistance.

How will we measure our performance?

Performance Measure 1:	Increased number of involuntary commitments.
Performance Measure 2:	Improved treatment outcomes for those committed involuntarily.
Performance Measure 3:	Increased number of communities using involuntary commitment procedure when necessary.
Performance Measure 4:	Measurable reduction in inappropriate emergency services for public inebriates.
Performance Measure 5:	Reduction in number of 12-hour protective custody holds.

Strategy Sixteen

Provide appropriate services for underserved Alaskans.

What that means...

There are a wide variety of programs that address the chemical dependency treatment needs of Alaskans. However, a substantial number of special populations are not adequately served. These groups include:

- Alaska Natives;
- youth;
- women with children;
- seniors;
- dually-diagnosed clients;
- clients with disabilities.

Treatment success with these populations depends on program design uniquely appropriate to their needs. Examples of such programs include special services for poly-diagnosed clients, special programs for women with children, and Alaska Natives.

How will we measure our performance?

Performance Measure 1:	Increased capacity for underserved Alaskans.
Performance Measure 2:	Increased admissions of underserved Alaskans.
Performance Measure 3:	Improved treatment outcomes for underserved Alaskans.

Strategy Seventeen

Use relevant research to identify and incorporate key variables that contribute to successful treatment outcomes.

What this means...

It is often difficult to predict how any particular individual with chronic disease will respond to treatment. For many clients, certain variables are significant indicators for success. Examples of such variables are a strong post-treatment support system, employment opportunities, and alcohol/drug free housing. Monitoring emerging research and assessing the client with regard to key variables will increase the probability of client success. This strategy will require collaborative relationships with other helping professions. Many of the variables involve services and issues not directly provided by chemical dependency treatment programs. Examples of these efforts include drug and alcohol-free transitional housing, vocational and educational referrals, and services designed to strengthen families.

How will we measure our performance?

Performance Measure 1:	Decrease in relapse rates.
Performance Measure 2:	Percentage of clients with improvement in life domains.

Strategy Eighteen

Address the treatment needs of persons in the criminal justice system.

What this means...

All available data and research indicate that drugs and alcohol are prevailing factors in crime in Alaska. The vast majority of the incarcerated population has drug and/or alcohol problems. In order to decrease recidivism in this population, drug and alcohol treatment needs must be addressed. Drug courts and other diversion strategies identify and provide appropriate services to individuals before they are incarcerated. Depending on the nature of the offense, treatment can be ordered in lieu of incarceration. This approach leads to a more appropriate allocation of scarce corrections resources.

How will we measure our performance?

Performance Measure 1:	Increased percent of offender population with substance abuse problems accessing treatment services.
Performance Measure 2:	Decreased recidivism among alcohol and drug-related criminal offenders.
Performance Measure 3:	Increased number of inmates in treatment programs.
Performance Measure 4:	Increased number of treatment options for offender population.
Performance Measure 5:	Increased percentage of treatment completion and improvement in treatment outcomes
Performance Measure 6:	Increased number of drug courts and other diversion programs.

Data Agenda

I. **Introduction.** Consistent and reliable data are a key element in the planning process. Information about existing conditions helps to develop baselines or reference points. As this plan is implemented, reliable and consistent data will be used to measure performance and results. Careful analysis of indicator and performance measure data will help decision-makers modify strategies to achieve the best results.

II. **General Data Agenda.** There are a number of issues regarding data collection and analysis that apply to the entire planning process.

A. **Timeliness of Data.** Much of the data to be used as indicators is collected and published annually by state agencies. While this makes data collection somewhat straightforward, effectiveness is compromised by the time lag between events and data publication. Most data is typically available two years after the fact. Efforts will be made to obtain the data prior to its normal publication schedule whenever possible. Patience will be required. Data that indicate effectiveness will not be available until at least two years after the implementation of a strategy. For some strategies that seek to impact community norms and values, this time period may be even longer.

B. **Data Storage and Maintenance.** Planning is an ongoing process. Data must consistently support this process. There must be an organized, reliable system for data storage and maintenance. The data, if properly maintained, will be useful in the ongoing strategic planning process and in the annual planning processes of the Advisory Board and the Division. The greater the detail of collected data, the more diverse and useful its applications will be.

C. **Data Analyses.** The degree of effort required to collect, store, and maintain data will be driven, in large part, by the analyses desired. The use of spreadsheets, databases, or statistical programs to analyze data requires rigorous formatting. The effort is even greater if data from different sources are to be integrated for analyses. During the first year of this plan a data collection, maintenance and analysis plan will be developed to support this effort. This plan will identify data sources and format, integration and analyses desired and appropriate computer software applications.

III. **Indicator Data Agenda**. Each of the six headline indicators is supported by data that rate high in proxy, data, and communication power. Despite this, each of the indicator data sets has variables that should be acknowledged during the analysis.

A. **Per Capita Consumption of Alcohol.** The per capita consumption of alcohol data is straightforward. There are some factors, however, which diminish its usefulness.

1. Age Applicability – The per capita consumption data are based on total population, 14 years of age and older. They do not account for drinking by youth under age 14.
2. Persons Who Abstain from Alcohol – The data do not take into account those individuals who choose to abstain from alcohol. As this population segment grows, it will lower per capital consumption. It is possible that those who drink alcoholic beverages may be drinking more while the data indicates a decrease in per capita consumption.
3. Consumption by Visitors – The per capita consumption data are based on state population. If visitors significantly impact the amount of alcohol consumed, the per capita consumption data could show an increase when, in fact, there was no increase in consumption by Alaska residents.
4. Effects of Wholesale Distribution vs. Consumption – The per capita consumption data are based on state excise tax collected at the wholesale point in the alcohol distribution chain. While this is considered a good surrogate marker for consumption, there are sales that do not result in Alaska consumption. Some residents purchase Alaska-brewed beer as gifts that are shipped out of state. Although this is probably not significant, we do not know the exact extent of this practice.

B. **DUI Convictions.** Driving Under the Influence (DUI) conviction data are collected and maintained by the State of Alaska Court System. Felony DUI data are included as a separate conviction category in regularly published reports. Misdemeanor DUI conviction data, however, are included with other misdemeanor traffic violation convictions. In order to obtain these data, a special request must be made to the Court System. An agenda item for the first year of this plan is to ask the Court System to begin separating misdemeanor DUI convictions in their published reports. Another problem with these data is that they do not include arrests that do not result in convictions. Enforcement effort, prosecution workload and strategies, and trends toward plea bargains for other charges also impact these data.

C. **Drug and Alcohol Related Convictions.** This data set has some of the same limitations present in DUI conviction data. It does not reflect arrests for which there is no conviction, or plea bargains to other charges. An additional complication is that many drug charges are prosecuted in federal court as violations of federal law. Regularly published reports show drug and alcohol convictions at the national level and overall federal convictions at the state level. Specific drug and alcohol conviction data for specific states require a special data run at the federal level. A data agenda item will be to work with the federal court system to encourage reporting of data in a useful format.

D. **Alcohol Related Injuries.** The State of Alaska Emergency Medical Services Section maintains the Alaska Trauma Registry. The registry collects data relating to injuries that are treated at hospitals throughout the state. There are fields within the registry that identify whether or not alcohol was involved. Although there is not a standard published report, the staff that maintains the registry can produce a custom report that includes desired information. Injuries that are not treated in an emergency room are not included in the registry. The data agenda item relating to this indicator is to determine exactly what information is desired from the registry each year and to work with the Emergency Medical Services staff to obtain that data.

E. **12-Hour Protective Custody Holds.** Data for 12-hour protective custody holds are collected by the State Department of Corrections. These data reflect the number of Title 47 non-criminal holds in state correctional facilities. At present, community jails, operated by municipalities and boroughs, are not contractually required to record data on 12-hour protective custody holds. The data agenda item for this indicator is to work with the Department of Corrections to develop a standard annual report that includes all Corrections facilities and community jails.

F. **Rate of Binge/Chronic Drinking.** The percentage of Alaskans reporting binge or chronic drinking is obtained from the annual Behavior Risk Factor Surveillance Survey. It is conducted using a random sample of 1,535 adult Alaskans. The survey results are published annually by the Alaska Division of Public Health. One of the contributing factors to the reliability of this data set is that the survey questions were rigorously developed at the national level. These same questions are also used in a national survey. This indicator can be tracked over time for trend analysis.

IV. **Performance Measures.** Each strategy selected by the strategic planning work group has a series of measures for evaluating performance. The data for these measures are collected and analyzed by the Division of Alcoholism and Drug Abuse and used to assess the level and quality of effort. Most of the data will be collected from grantees that are required to submit data relevant to their programs. The data from individual grantees will be consolidated to provide an assessment of statewide effort. Most data come from two sources: quarterly reports on goals and objectives and program reports to the Division's Management Information System (MIS). Despite this effort, there are some measures for which data are not now readily available. The data agenda for the Division of Alcoholism and Drug Abuse over the next two years is to examine these specific measures and explore means for obtaining supporting data.

V. **Other Data Agenda.** Beyond those indicators selected to measure progress toward results and the performance measures for strategies, there are other data and information that would be useful in assessing needs and evaluating program performance. For a variety of reasons those data are not useable at present. This provides yet another set of issues for the data agenda.

A. **Youth Behavior Risk Survey.** Every two years, the State of Alaska of conducts a survey in the education system to assess attitudes and behaviors that constitute risks to health. While this survey provides useful data, it is not administered in all areas of the state. Participation is determined by local School Boards and is voluntary. The areas not participating are significant enough that the results may not be generalized to the entire state. The data agenda for the next two years is to advocate with the Legislature and the Department of Education to require statewide participation in this valuable survey effort.

B. **Prevalence Studies.** During 1997 and 1998 the Division of Alcoholism and Drug Abuse participated in a federally-funded comprehensive effort to measure prevalence of alcoholism and alcohol abuse in the general population. This massive, expensive effort involved random sample telephone surveys using rigorously developed survey instruments. The results obtained from this effort have proven extremely valuable in assessing needs and barriers to meeting those needs. Although it is not practical to undertake every year, such a survey conducted at five-year intervals would be very useful in assessing results. The data agenda item for this issue is to advocate at both state and federal levels for consistent periodic surveys of this nature.

C. **Consumption of Alcohol by Pregnant Women.** The Alaska Division of Public Health, Section of Maternal and Family Health, conducts an annual survey of women who give birth during the year. This survey uses an instrument developed by the U. S. Centers for Disease Control. The survey is conducted by mail using a stratified random sample methodology. The response rate for this survey has traditionally been extremely high, which makes it a valuable tool. Among the questions in the survey are a series on alcohol use during pregnancy. Given the significant negative consequences associated with drinking during pregnancy (Fetal Alcohol Syndrome and Fetal Alcohol Effect), the trends in this area would be most useful in assessing prevention efforts. Although routine reports are not published, the staff responsible for this effort is able to produce custom reports. The data agenda item for this issue is to work with the Section of Epidemiology to identify key information from the survey that can be provided annually.

D. **Alcohol-Related Deaths.** Consistent data on alcohol-related deaths is not readily available. This is primarily because of the many ways in which alcohol and other drugs can cause death. The cause of death usually associated with alcohol consumption is cirrhosis of the liver. However, there are other fatal medical conditions related to alcohol consumption such as heart disease and esophageal cancer. Many accidents and homicides are also associated with alcohol abuse. This is compounded by the fact that these causes of death are associated with other factors as well as alcohol consumption. The same difficulties are present with consumption of other drugs. The State of Alaska Bureau of Vital Statistics reports on causes of death annually. In 1996, for example, the Bureau of Vital Statistics reported a total of 110 deaths due to alcohol use or abuse[4]. The Bureau also reports separately for deaths due to cirrhosis and other diseases. The data agenda item for this issue is to work with the Bureau of Vital Statistics over the next five years to develop a useable method of identifying death due to alcohol or other drug consumption.

E. **Department of Health and Social Services Data Warehouse.** The Alaska Department of Health and Social Services is currently working on a project to provide easier access to data across Divisions. The Advisory Board on Alcoholism and Drug Abuse will monitor these efforts and assist as appropriate in developing a system that will meet the data needs of the State and providers as well as protecting the privacy and confidentiality of consumers.

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[4] Alaska Bureau of Vital Statistics, 1996 Annual Report, 1998

Implementation

This strategic plan will succeed to the extent that it is consistently implemented and updated. Four distinct implementation efforts are required in order for the plan to remain a useful tool over time.

1. **Implementation of Strategies.** The prevention and treatment strategies identified in this plan will be implemented by the Division of Alcoholism and Drug Abuse, which has responsibility for managing service delivery in Alaska. The Advisory Board on Alcoholism and Drug Abuse and the Division will share responsibility for implementation of strategies that address public policy, advocacy and legal/legislative initiatives. The implementation of service delivery strategies will be accomplished primarily through the Request for Proposals (RFP) process. This process leads to funding allocation to support specific strategies. Successful grantees will develop proposals that reflect the Division's guidelines and this plan. Future Requests For Proposals (RFPs) from the Division will incorporate experience and knowledge gained by monitoring indicators and performance measures as well as emerging research. Both the Division and the Advisory Board will share responsibility for wide distribution of the plan. Each will work assertively to educate providers, stakeholders, and the public about the plan's contents and significance in reducing negative consequences of alcoholism and drug abuse for all Alaskans.

2. **Monitoring of Performance.** As strategies are implemented, the Division will monitor performance measures to assess the level, quality, and effectiveness of effort. The data required for monitoring performance will be reported by programs and collected independently by the Division. By monitoring performance in a timely manner, the Division and the Advisory Board will be able to gauge whether the selected strategies are the right ones and whether the level of effort is sufficient to impact the indicators as desired.

3. **Monitoring of Indicators.** Each year, the Advisory Board will collect the required indicator data to determine the extent to which the strategies have influenced the desired results. There are several confounding factors in this task. First, indicator data are impacted by variables beyond the control of the Division or the Advisory Board. Care must be exercised when deciding how much the data have been impacted by the strategies and how many intervening variables have impacted them. Second, the data reflected in the indicators are often one to two years old before publication. There could be a lag of three or four years after the implementation of a strategy before indicator data are available from which to draw conclusions. Once the data

are available, it will be necessary to view several years of data before assessing effectiveness.

4. **Ongoing Planning.** Only one desired result was examined during this planning phase. The planning work group identified four other desired results for all Alaskans. The ongoing planning effort will follow two parallel tracks. The first track focuses on review of the performance measure and indicator data and refinement of the strategies as necessary. The second track focuses on developing indicator data, strategies and performance measures for the other results. It is recommended that the planning work group convene every third year to update the plan, building on the ongoing efforts indicated above.

5. **Integration into the Comprehensive Integrated Mental Health Plan.** The Advisory Board will work with the Department of Health and Social Services, the Mental Health Trust Authority, and the three other beneficiary boards to ensure a smooth integration of this plan into the Comprehensive Integrated Mental Health Plan.

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Glossary

Abuse of alcohol, other drugs, or inhalants: A persistent pattern of use of alcohol, other drugs or inhalants with which health consequences and/or impairment in social functioning are associated. This is different from dependence, which has such manifestations as craving, tolerance and physical dependence. Abuse is any use of a legal or illegal drug or substance that causes physical, mental, emotional or social harm, whether mild or severe.

Accountability: Responsibility for performance and results; holding political leaders and agency managers accountable for results according to agreed upon performance standards.

Addict: A person who is physically dependent on one or more psychoactive substances, whose chronic use has produced tolerance, who cannot control his or her intake, and who would have withdrawal symptoms if drug use were discontinued.

Alaska Mental Health Trust Authority (AMHTA): The Alaska Mental Health Trust Authority administers the Mental Health Trust established in perpetuity. It has a fiduciary responsibility to its beneficiaries to enhance and protect the Trust and to provide leadership in advocacy, planning, implementing, and funding of a comprehensive integrated mental health program to improve the lives and circumstances of its beneficiaries.

Alcohol: The active ingredient in beer, wine and distilled spirits; ethyl alcohol or ethanol.

Alcohol Dependence: A psychic and usually physical state resulting from taking alcohol. It is characterized by behavioral and other responses that always include compulsion to take alcohol on a continuous or periodic basis in order to experience its psychic effects, and sometimes to avoid the discomfort of its absence. The person may or may not have developed a tolerance for alcohol. A person may be dependent on alcohol and other drugs. "Alcohol dependence" is often used interchangeably with the term "alcoholism."

Alcoholism: A **primary**, chronic **disease** with genetic, psychosocial and environmental factors influencing its development and manifestations. The disease is **often progressive and fatal.** It is characterized by continuous or periodic **impaired control** over drinking, **preoccupation** with the drug alcohol, use of alcohol despite **adverse consequences**, and distortions in thinking, most notably **denial**. Each of these symptoms may be continuous or periodic.

- **Primary** refers to the nature of alcoholism as a disease entity, in addition to, and separate from other pathophysiologic states which may be associated with it. It suggests that alcoholism, as an addiction, is not a symptom of an underlying disease state.

- **Disease** means an involuntary disability. It represents the sum of the abnormal phenomena displayed by a group of individuals. These phenomena are associated with a specific common set of characteristics by which these individuals differ from the norm, and which places them at a disadvantage. Use of the term involuntary in defining disease is descriptive of this state as a discrete entity that is not deliberately pursued. It does not suggest passivity in the recovery process nor does use of the term imply the abrogation of responsibility in the legal sense.

- **Often progressive and fatal** means that the disease persists over time with physical, emotional, and social changes that are often cumulative and may progress as drinking continues. Alcoholism causes premature death through overdose, organic complications involving the brain, liver, heart and many other organs, and by contributing to suicide, homicide, motor vehicle crashes and other traumatic events.

- **Impaired control** means the inability to limit alcohol use or to consistently limit, on drinking occasions, the duration of the drinking episode, the quantity of alcohol consumed, and/or the behavioral consequences.

- **Preoccupation** used in association with alcohol use indicates excessive, focused attention given to the drug alcohol, its effects, and/or its use. The relative value thus assigned by the individual often leads to a diversion of energies away from important life concerns.

- **Adverse consequences** are alcohol-related problems or impairments in such areas as physical health (e.g., alcohol withdrawal syndromes, liver disease, gastritis, anemia, and neurological disorders,) psychologic functioning (e.g., impairments in cognition, changes in mood and behavior,) interpersonal functioning (e.g., marital problems, child abuse, troubled social relationships,) occupational functioning (e.g., scholastic or job problems,) and legal, financial or spiritual problems.

- **Denial** is used here not in the psychoanalytic sense of a single psychological defense mechanism disavowing the significance of events, but more broadly to include a range of psychological maneuvers that decrease awareness of the fact that alcohol use is the cause of a person's problems rather than a solution to those problems. Denial becomes an integral part of the disease and is nearly always a major obstacle to recovery.

ASAM: The American Society of Addiction Medicine, a national medical specialty society of physicians dedicated to improving the treatment of alcoholism and other drug dependencies.

ASAM Placement Criteria: American Society of Addiction Medicine Patient Placement Criteria for the Treatment of Psychoactive Substance Use Disorders, a clinical guide for matching patients diagnosed as having a substance use disorder to appropriate levels of care based on an assessment of:

1. acute intoxication and/or withdrawal potential;
2. biomedical conditions and complications;
3. emotional/behavioral conditions and complications;
4. treatment acceptance/resistance;
5. relapse potential;
6. recovery environment.

Beneficiary (AMHTA): The beneficiaries of the Alaska Mental Health Trust Authority are Alaskans who experience mental illness; mental retardation or similar disabilities; chronic alcoholism with psychosis and/or Alzheimer's disease or related dementia.

Binge Drinking: Having five or more drinks on an occasion one or more times in the past month.

Chemical Dependency: Physiological or physical dependence on a psychoactive substance.

Chronic Alcoholic with Psychosis: As defined in AS 47.30.056(b)(3), this group includes persons with the following disorders:

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

Chronic Drinking: An average of 60 or more drinks a month.

Culturally Sensitive: Awareness of unique aspects and nuances of one's own culture and of other cultures.

Detoxification: Treatment to restore physiologic function after it has been seriously disturbed by the overuse of alcohol or other drugs.

Drug Dependence: A psychic and sometimes physical state resulting from taking a drug. It is characterized by behavioral and other responses. These always include a compulsion to take a drug on a continuous or periodic basis in order to experience its psychic effects, and sometimes to avoid the discomfort of its absence. The person may or may not have developed a tolerance for the drug. A person may be dependent on more than one drug.

Dually-Diagnosed: Persons suffering from co-existing mental illness and alcohol or drug dependence.

Early Intervention: Services designed to identify individuals who are at high risk for developing alcohol or other drug-related problems. These services are also directed toward persons who are experiencing adverse effects of alcohol or other drug use but are not dependent. Services seek to modify alcohol or drug use behaviors and attitudes.

Fetal Alcohol Syndrome (FAS): Fetal Alcohol Syndrome and other alcohol-related birth defects refer to a group of physical and mental birth defects resulting from a woman's alcohol consumption during pregnancy. FAS is the leading known cause of mental retardation and is 100 percent preventable.

Fetal Alcohol Effect (FAE): FAE is similar to FAS but lacks the physical symptoms of FAS. FAE neurological abnormalities, development delays, intellectual impairments and learning/behavior disabilities are similar to, and sometimes more severe than, those of FAS.

Guiding Principles: These define what the organization stands for and are used as the foundation on which to develop a strategic plan of action.

Inhalants: Any volatile substance that can produce an intoxicating state when inhaled. A volatile substance becomes a gas at normal room temperature. Examples include common household products such as fast-drying glues and cements; paints, lacquers and varnishes; thinner and removers; lighter and dry cleaning fluids; kerosene, gasoline, lantern and stove fuel; fingernail, shoe and furniture polish; typewriter correction fluids; felt-tip pens; aerosol products; refrigerants such as freon.

Involuntary Commitment: A legal process defined in Alaska law (AS 47.37.190) whereby a person addicted to alcohol may be committed to a treatment facility without the person's permission if the person lacks self control in using alcohol and presents a danger to others or is incapacitated by alcohol.

Indicator or Benchmark: A measure, for which data is available, that helps to quantify the achievement of a desired result or outcome.

Mission Statement: This states the purposes served by an organization's mission. By defining its mission, an organization can decide upon appropriate outcomes and performance measures.

Misuse of alcohol, drugs or inhalants: Use of alcohol, other drugs, or inhalants in a way that is illegal or deviates from medically accepted use.

Performance Measure: A measure of effectiveness of agency or program service delivery.

Results-oriented Government: A government that values results and qualitative outcomes over expenditures and inputs. It is concerned with accountability and performance measurement.

Result or Outcome: A condition of well-being for children, families or communities.

Sobriety: A positive, healthy and productive way of life, free from the negative effects of alcohol or other drug misuse or abuse.

Strategic Planning: A process of defining the vision, mission, goals and objectives of an organization. Through the planning process the organization identifies the results it see' to achieve through its programs and the specific means by which it intends to achieve these results.

Tolerance: Physiologic adaptation to the effect of a drug, diminishing the effect of constant dosages.

Treatment Capacity: The amount of substance abuse services that are readily accessible.

Vision: The ideal mission of a governmental jurisdiction and/or agency, and the ideal way it must operate to accomplish its mission and best serve its clients.

Selected Resources and References

The following are only a few the very board range of references and resources available to those with an interest in eliminating the negative consequences of alcohol and drug abuse.

Advisory Board on Alcoholism and Drug Abuse. Annual reports of the Advisory Board's activities, and selected reports on programs and projects, as well as additional copies of this plan. (907) 465-8920 or 1-888-464-8920.

Alaska State Library bibliography on Alcohol and Drug Abuse Treatment. Call 907 465-2916 to request a free copy. Also available from http://www.educ.state.ak.us/lam/library.html.

Alcoholics Anonymous. http://www.alcoholics-anonymous.org/

Center for Science in the Public Interest "Booze News" http://www.cspinet.org

Center for Substance Abuse Prevention maintains a Clearinghouse on Alcohol and Drug Information at 1-800-729-6686. Its website may be reached at http://www.health.org.

Division on Alcoholism and Drug Abuse. In the coming months, the final reports of federally-funded research projects relating to prevalence in Alaska will become available. (907) 465-2071 or 1-800-478-2072.

Dual Diagnosis Website, focuses on mental illness, drug addiction and alcoholism. http://www.erols.com/ksciacca/

Higher Education Center for Alcohol and other Drug Prevention, sponsored by the U. S. Department of Education. http://www.edc.org/hec/

Join Together Online Organizations working together to combat substance abuse and violence. http://www.jointogether.org/

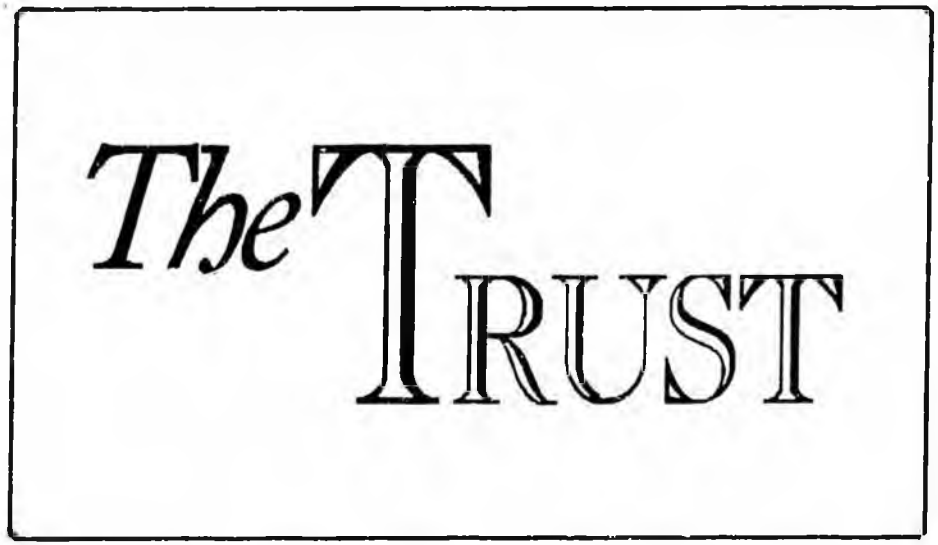
National Institute on Alcohol Abuse and Alcoholism. Offers a wealth of information, publications and databases on both treatment and prevention. http://silk.nih.gov/niaaa1/

The National Library of Medicine, PubMed. A very large range of medical topics, including Clinical Alerts of the National Institutes of Health, a journal database browser and links to many other sources. http://www.ncbi.nlm.nih.gov/pubmed/

National Organization for Fetal Alcohol Syndrome. http://www.nofas.org/

Printed in Juneau, Alaska
at a cost of $1.81 per copy.

Additional copies are available upon request.
Please call 907 465-8920 or 1-888-464-8920.



Alaska Mental Health Trust Authority

HB51

presentation to the

House Finance Committee

February 17, 1999

The Trust's Beneficiaries

- *People with mental illness*
- *People with mental retardation and similar disabilities*
- *Chronic alcoholics with psychosis, and*
- *People with dementia*

Key Terms of Settlement

- Mental Health Trust Lands and associated state lands released for development
- Trust Authority free to use Trust resources to act as a catalyst for change
- Trust Authority funding recommendations considered in a single appropriation bill
- Trust Authority to aid in comprehensive planning for mental health

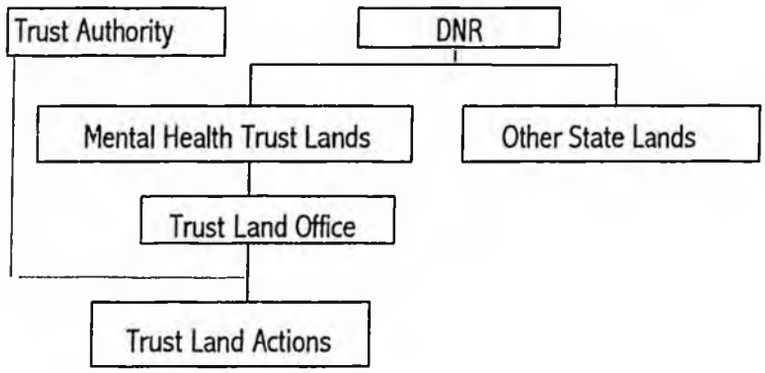
Mission and Vision

The Alaska Mental Health Trust Authority administers the Mental Health Trust established in perpetuity. It has a fiduciary responsibility to its beneficiaries to enhance and protect the Trust and to provide leadership in advocacy, planning, implementation, and funding of a comprehensive integrated mental health program to improve the lives and circumstances of its beneficiaries.

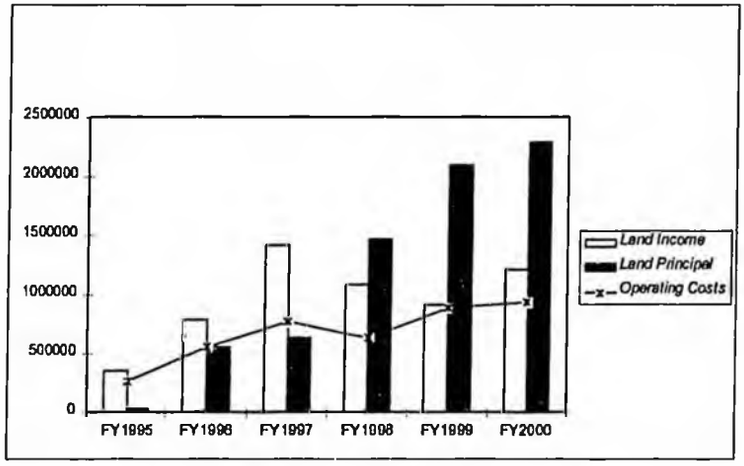
Trust Responsibilities

- *Manage the land and cash assets of the Trust in perpetuity*
- *Provide leadership & advocacy for beneficiaries*
- *Recommend the state's budget for the Comprehensive Integrated Mental Health Program*

Trust Land Management Framework



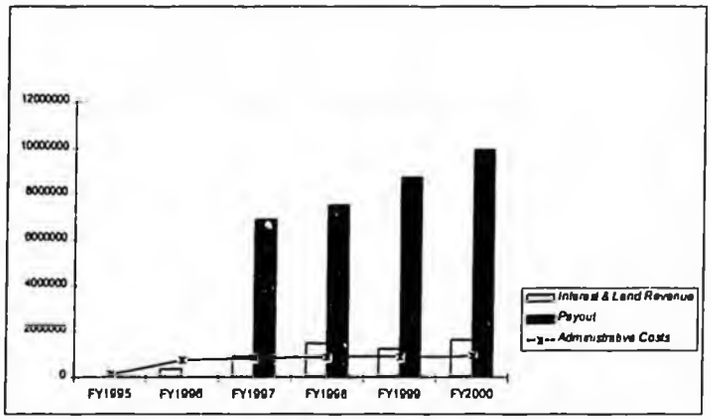
Trust Land Revenue vs. Operating Costs



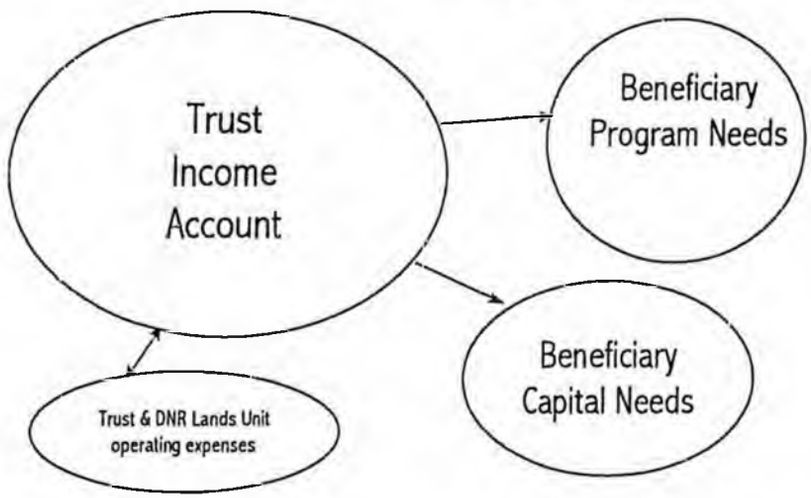
Cash Assets FY99

Total Fund	$293,215,778
Principal	$246,620,844
Principal Reserve	$34,817,06
Net Income (obligated)	$11,777,87

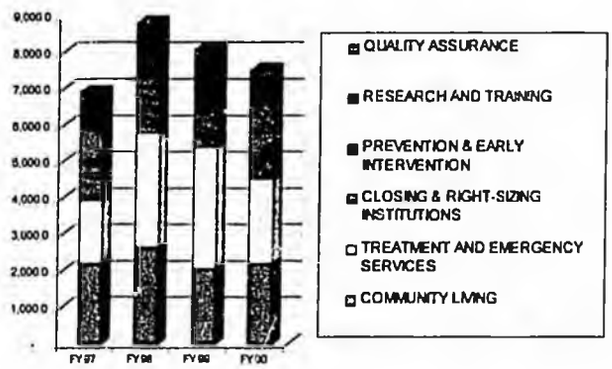
Trust Authority Revenues, Payout and Administrative Costs



Where the funds go



Trust Income Expenditures by Category



Changing the Culture

- Accountability. We all must agree on results we seek.
- Consistency in purpose and direction. Needs to be a way of life, a way of thinking.

What we have done

- Trained boards & departments in results-based planning.
- Agreed on some basic language & results in the CIMHP process.

Results we are looking for

- Are Trust beneficiaries healthy?
- Are they safe?
- Are they economically secure?
- Are they productively engaged or in school?
- Are they living with dignity, as valued members of their communities?

Examples of indicators

- To see if Alaskans are healthy, look for
  - rates of alcohol consumption & alcohol-related deaths
  - rate of hospital admission for mental illness, substance abuse, disability, or aging problems
  - rate of preventable birth defects
- To see if beneficiaries are healthy compared to all Alaskans, look for
  - chronic alcohol use
  - rate of admission to hospitals
  - rates of disabling conditions

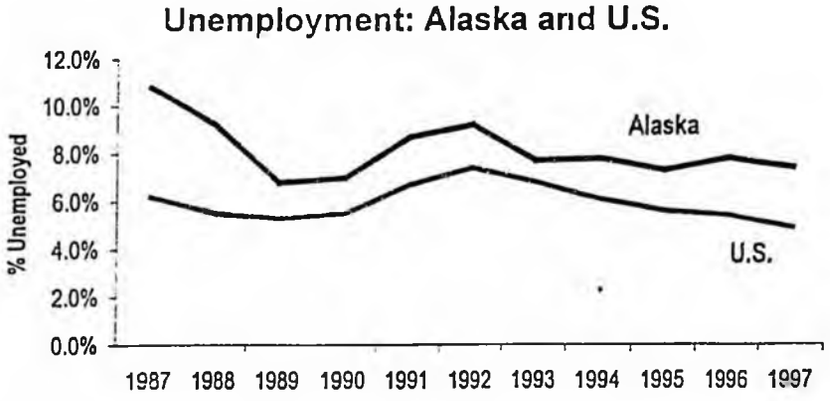
Requesting Funding Recommendations

Four boards recommend funding to the Trust:

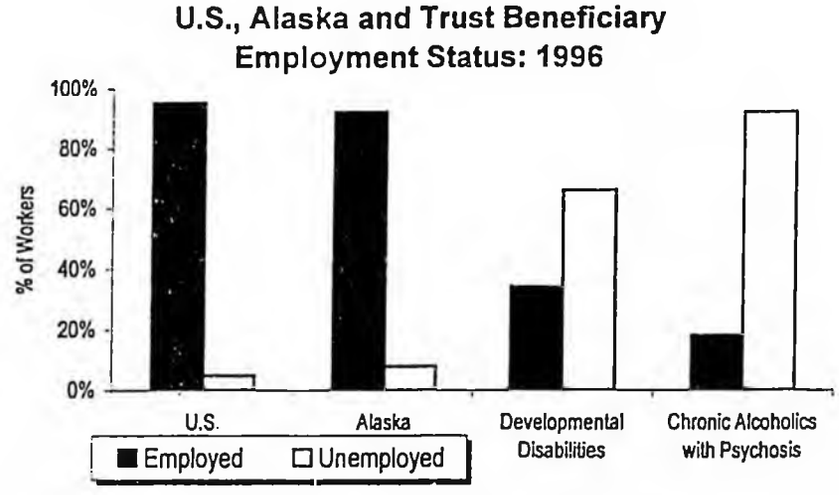
- Budget recommendations to the Trust should be result-oriented.
- Boards describe their overall strategies.
- Boards explain how budget recommendations help Trust beneficiaries.
- Boards help track progress of programs we fund.

RESULT #4: PRODUCTIVELY ENGAGED, EMPLOYED,CONTRIBUTING

Indicator Baselines:



Government Information Sharing Project, Oregon State University, http://govinfo.kerr.orst.edu/



Government Information Sharing Project, Oregon State University, http://govinfo.kerr.orst.edu/

Response to Mental Health Trust Authority Request for Recommendations, Advisory Board on Alcoholism and Drug Abuse, June 1996

Alaskans with Developmental Disabilities: A Report to the Mental Health Trust Authority on the Status and Living Conditions of the Beneficiaries, Governor's Council on Disabilities and Special Education, July 1996

The Story Behind the Baselines: Data on employment, unemployment, hours and wages are collected and published monthly by the Alaska Department of Labor.

Unemployment in Alaska varies greatly with the season. In 1996, the statewide rate of unemployment ranged from 9.7% in January to 5.5% in August. Unemployed rates also vary according to region or community. Traditional methodologies for determining unemployment do not work well in Alaska's smaller, more remote villages, where few jobs are available. Many people in these communities rely on a traditional subsistence lifestyle. Hunting, fishing and gathering wild foods form the basis of a non-cash economy. Often, people living in these communities have given up on actively seeking employment and are not counted in local or state statistics. In many of these communities, it is estimated that more than 75% of the adults are not working at cash jobs.

There is currently limited data available on the employment status of beneficiaries of the Alaska Mental Health Trust Authority. The Advisory Board on Alcoholism and Drug Abuse reported that 92% of the chronic alcoholics with psychosis who receive state funded substance abuse services are unemployed. Approximately two-thirds (66%) of adults with developmental disabilities in state services are unemployed.

National sources estimate that up to 65% of adults with a variety of disabilities are unemployed. Even when Trust beneficiaries are employed, they are often in part-time, low paying jobs. Beneficiaries remain in these jobs because, if they worked longer hours or made more money, they would lose their eligibility for Medicaid, which is often their only source of health insurance.

Current Efforts to Turn the Curve: Some of the strategies that are proving effective at increasing employment opportunities for beneficiaries are employment training programs like those provided by the Division of Vocational Rehabilitation and the Private Industry Council. Developmental disability and mental health employment support programs provide on-the-job employment readiness training and support for workers. Senior employment programs provide many seniors with jobs as senior volunteers and helps train seniors to acquire unsubsidized employment. The Alaska Legislature is currently considering a bill that would allow people with disabilities to retain Medicaid coverage while working. Programs like elder care and respite make it possible for caregivers of people with Alzheimer's Disease to continue working.

GOVERNOR'S COUNCIL ON DISABILITIES AND SPECIAL EDUCATION

INVESTING IN RESULTS
OUTCOME BASED DECISION MAKING

Alaskans who experience developmental disabilities want results, not activities, from programs. They also want outcome measures in place so they can determine if their desired results are being achieved. The results that Alaskans with disabilities want and some proposed outcome measures are presented below across the six major life domains: community living, education, employment, health care, housing and transportation.

COMMUNITY LIVING

Results	Outcome Measures
Every individual is a valued, participating member of his or her community.	• Number and percent of people who are registered voters • Decrease in funds expended for services provided in institutions (e.g. API, hospitals, nursing homes or jail)
People receive prevention and early intervention services.	• Number and percent of people, especially infants and toddlers, who need fewer specialized services • Decrease in the incidence of high cost crisis situations

EDUCATION

Results	Outcome Measures
Students reach their educational goals and potential.	• Number and percent of students who graduate from high school with jobs or post-secondary education plans in place • Number and percent of students who are making progress in classrooms with children who do not have disabilities • Number and percent of students who meet or exceed performance standards

EMPLOYMENT

Results	Outcome Measures
People get and keep employment consistent with their interests, abilities and needs.	• Number and percent of people who maintained employment at 6, 12, 24 and 36 months • Number and percent of people who own their own businesses • Number and percent of people who are employed in jobs with health care benefits

HEALTH CARE

Results	Outcome Measures
People are healthy and benefit from the full range of needed health care services.	• Decrease in the utilization of high cost acute care or emergency room services • Number and percent of low birth-weight babies • Number and percent of survivors of head injuries or spinal cord injuries

HOUSING

Results	Outcome Measures
Adults choose where and with whom they live.	• Number and percent of people who own their own homes • Number and percent of people who are living safely in the community

TRANSPORTATION

Results	Outcome Measures
People are able to get to where they want to go when they want to go.	• Increase in the availability of accessible transportation • Number and percent of people who use less expensive fixed route systems as compared to those who use paratransit systems

The results presented here are not unique to people who experience developmental disabilities. However, Alaskans who experience disabilities are less likely to achieve these results than the average Alaskan. People who experience disabilities have identified a number of reasons for this discrepancy, including:

1. their unique needs for physical accessibility, access to transportation, assistive technologies, and individualized and family supports;

2. the general lack of public awareness about the needs, rights and responsibilities of people who experience disabilities; and

3. limited incomes, which further prevent their full participation in community life.

Harborview Developmental Center

What we said we would do

- Close HDC.
- Move residents to community.
- Re-allocate funds to more effective programs.

What we did

- Partnered with AHFC & DHSS for special needs housing.
- Subsidized cost of HDC for 3 fiscal years.
- Supported development of necessary community services.

How well we did

- HDC closed 12/31/97.
- Everyone moved to community
- Services funded to meet individual needs.

Strategies: Rewarding success

- Re-distribute HDC funds to DD services
  - serve people waiting longest
  - minimal "core" services
  - small safety net

Validating & monitoring investment

- Funded a deinstitutionalization study.

Hope Cottages ICFs-MR

What we said we would do

- Close the ICFs-MR.
- Move residents to smaller community settings.
- Re-allocate funds to more effective programs.

What we did

- Partnered with AHFC & DHSS for special needs housing.
- Supported development of necessary community services.

How well we did

- ICFs-MR closed 7/1/96.
- Everyone moved to community settings of their choice.
- Services funded to meet individual needs.

Strategies: Rewarding success

- Re-distribute ICF-MR funds to DD Waiver services

ICF/MR and IMH Census

Psychiatric Beds	Per Diem Rate	Certified Beds	Current Occupancy				Current Census	Vaca Bed
			Total	Medicaid Under 22	Medicaid Over 65	Non-Medicaid		
Alaska Psychiatric Institute, Anchorage	252.24	174	17	16	1	100	117	57
Charter North Anchorage	N/A	60	18	18	-0-	38	56	4

ICF/MR Beds	Per Diem Rate	Certified Beds	Current Occupancy		Total Census	Vacant Beds
			Medicaid	Non-Medicaid		
Harborview Developmental Center, Valdez	302.00	64	56	2	58	6
Hope Cottages, Anchorage	261.49	40	40	-0-	40	-0-

5/10/88

Karen Martz
Division of Medical Assistance
(907) 561-2171

AS OF: DECEMBER 31, 1997

PSYCHIATRIC BEDS	PER DIEM RATE	CERTIFIED BEDS	CURRENT OCCUPANCY			TOTAL CENSUS	VACANT BEDS
			MEDICAID UNDER 21	MEDICAID 65 & OVER	NON-MEDICAID		
ALASKA PSYCHIATRIC INSTITUTE Anchorage	$758.48	114	2	0	70	72	42
CHARTER NORTH HOSPITAL Anchorage	N/A	74	17	0	11	28	46
NORTH STAR HOSPITAL Anchorage	N/A	34				0	34

ICF/MR BEDS	PER DIEM RATE	CERTIFIED BEDS	CURRENT OCCUPANCY		TOTAL CENSUS	VACANT BEDS
			MEDICAID	NON-MEDICAID		

1/7/98

SHELBERT LARSEN, ADMINISTRATOR — DATE

DIVISION OF MEDICAL ASSISTANCE (907) 561-8081

HEALTH FACILITIES LICENSING & CERTIFICATION

Housing

What we said we would do
- Partner with AHFC on institution closure.

What we did
- Closed Harborview & Hope ICFs.
- Special Needs Housing with AHFC, DHSS, & DSS.

How well we did
- Institution residents now in community.
- People can stay home with housing modifications.

What we are doing
- Moving long-term API residents into community-based housing.
- Domiciliary care for chronic alcoholics.
- Pioneer Homes renovations.
- Facility & ADA upgrades.
- AHFC loan program changes.

Strategies: rewarding success
- Include AHFC funding in MH budget.
- Homeless Assistance Program.
- Match for Federal & Other Grants for transitional housing programs.
- Special Needs Housing: first at DHSS, now at AHFC.

Validating & monitoring investment: Look for
- AHFC training for communities on accessing housing finance for vulnerable populations
  - Clarifying roles for housing & supports

Alcohol and Drug Abuse

Culture change predates the Trust
- Leg Audit promoted change

What we did
- Learned from the data.
- Funded domiciliary program in Fairbanks, in partnership with AHFC's Special Needs Housing.
- Funded case management and day treatment for people with dual diagnosis.
- Funded trauma study with Providence
- Funded enhanced detox beds at Clitheroe.

Strategies
- Increase enhanced detox: API community implementation project.
- Fund women's services in places their children can also stay.
- FAS prevention.

Validating & monitoring investment
- Educate providers on leveraging funds for domiciliary care.
- Watch Homeward Bound Project.

Department of Corrections

What we said we would do

- Fund a study of Trust beneficiaries in DOC custody.
- Fund a planner at DOC to ensure collaboration on behalf of beneficiaries.

What we learned

- 19% of people at DOC have mental illness & 29% have significant drug or alcohol problems.
- 38% of women at DOC have mental illness.
- No services for women with mental illness.

What we did

- With LB&A & DOC, developed a strategy to create & fund a women's mental health unit.
- Fully funded women's unit for FY98.
- Funded the planner.

How well we did

- Women's unit opened late 1/98.
- Integrated DOC & mental health planning.

Strategies

- Fund 2/3 of the women's unit for FY99.
- Increased 6th Ave. jail mental health staff.
- Hired UW psych interns.
- Funded misdemeanant diversion project.

Validating & monitoring investment

- Improvement in mental health status of individuals with mental illness at DOC.
- # of people diverted by misdemeanant project.

Healthy Families

What we said we would do

- Fund pilot program that offered results-based services.

What we did

- Fund expanded pilot program FY97, 98, and 99.

How well the program did

- Serving 303 families in 8 communities as of 9/30/97.
- decreased child abuse rates for participants.
- increased employment rates.

Strategy:

Validating & measuring investment

- Fund the program evaluation in FY99 and FY00.
- 94% of families had no abuse or neglect, when 30% would have (statistically validated instruments used on Lower 48 groups).
- Estimated DFYS cost savings of $169-225,000 (DHSS, DPH, MCFH).

Seniors

What we said we would do

- Pilot for mental health needs of elderly
- Develop data system to track senior service use

What we did

- Dementia training kit & distance education.
- Increased care coordination for seniors.
- Pioneer Homes renovations
- Construct adult day care in Chugiak & Palmer

How well we did

- Dementia training across the state.
- Care coordination promotes better use of community resources.

What we are doing now

- Identifying beneficiaries in senior services.

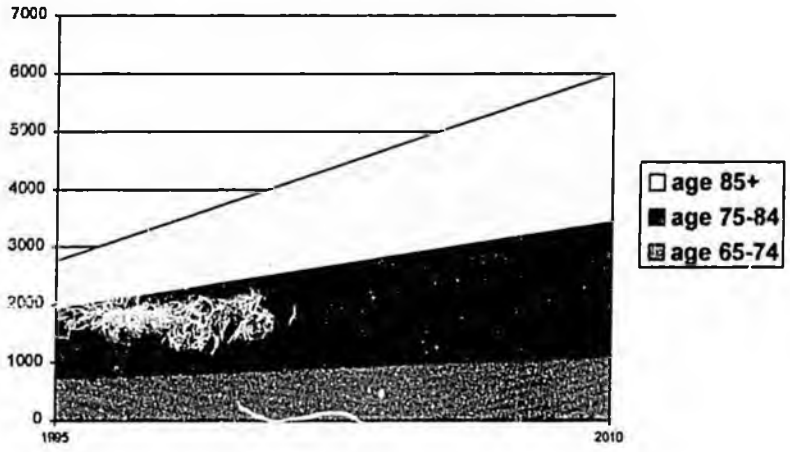
Strategies

- Hire Pioneer Home Aides.
- Build capacity: riding the wave.
- Re-invest savings from the Longevity Bonus to senior programs.
- Supplement General Relief--long term care funding.

Validating & monitoring investments

- Assisted Living Rate Study
- Re-engineering the Guardianship system.
- Adult Protective Services/General Relief data system.
- *Look for ACoA Data base systems to tell how many people used services.*

Dementia growth 1995-2010



Alaska Psychiatric Institute

What we said we would do
- Address the API replacement problem

What we did
- Community implementation plan.
- Due diligence review of property.
- Established removal costs for the old building.
- Confirmed need for hospital: 54-72 beds.

What we are doing now
- Completing a coordinated package: buy new building, remove old building, pay for community services before federal rate changes cost the state millions more.

Strategies
- Implement community service plan.
- Negotiate location & cost of replacement hospital with 54-72 beds.
- Emergency psych care in local hospitals.
- Detox for drinking mentally ill people.
- Single point of entry.
- Psychiatric assisted living for people who now live in API.
- Re-allocate savings from API to community services.

Validating & monitoring investment: Look for
- Decreased admissions to API.

Mental Health

What we said we would do
- Divert people from hospitalization.
- Move individuals from Sourdough at Harborview into community.
- Pilot an independent care coordination model for disturbed children.

What we did
- Funded diversion & crisis respite.
- Closed Harborview.

How we did
- Hospitalizations are down.
- Individuals from Sourdough are in communities.
- Independent care coordination is hard to implement.
- Community mental health Medicaid costs are stabilizing.

What we are doing now
- Quality Assurance audits.
- Developing a QA program.
- Developing program standards.
- Managed mental health care study.

Strategies
- Closely track Medicaid expenditures for mental health services.
- Managed care review--best uses of mental health funds.
- Enhanced services to people who have mental illness and who are drinking.

Validating & monitoring investment
- Community services should result in decreased hospital need.
- Are consumers healthier? Safer? More economically independent?

Mental Health Quality Assurance

- *Consumer Satisfaction/Quality of Life* An increase in consumer satisfaction and positive outcomes from services.
- *Quality of Services* Development of combined integrated administrative standards (MH/DD/ILP) and refinement of specific direct service delivery standards.
- *Fiscal Accountability* The need to monitor the use of State dollars (both Medicaid and grant funds) used by grantees of DMHDD.
- *Follow-up/Plan of Improvement* To ensure that corrective action is taken when the need for change is identified.
- *Cost Effectiveness of Site Reviews* A consolidated review process that is efficient and useful to service providers, consumers, and the State while costing less than multiple fragmented reviews.
- *Combined and Strengthened On-Site Reviews with minimal disruption* Consolidate the strengths of the various past site review processes coupled with combined team to minimize community disruption (number of site visits) associated with multiple site reviews.

Economic Security

What we said we would do

- Help Trust beneficiaries at risk of losing SSI, APA, & Medicaid because of federal rule changes.

What we did

- Funded SSI re-determination for alcoholics with psychosis & children with disabilities.

How well we did

- Estimated 1,000 beneficiaries would lose benefits; about 150 actually lost SSI and Medicaid.

What we are doing now

- Funding an Economic Development Consortum using existing small business development sources.

Strategies

- Analysis of economic impacts on seniors of declining income, learning how seniors pay their way.

Validating & monitoring investment

- Funding a cooperative effort on Employment Initiatives
  - finding out what helps beneficiaries stay employed.

Better use of existing resources

- Mental Health Managed Care Study
  - emerging indicators: housing, employment
- Waiver Review
  - 5 years of DD waivers
- Coordinated transportation
  - leverages federal funds
- Data integration
  - comparing info across systems
- Assessment of facilities
  - prioritizing upgrades
- Task force on insurance coverage for mental health and substance abuse services
- Guardians for vulnerable adults

FY00 Operating & Capital Recommendations

GF/MH Base	$118,077.6
Adjustments to GF/MH Base	$4,045.5
GF/MH (w/o API capital)	$9,365.0
AHFC	$3,562.5
Trust funding	$9,038.0

FY00 Operating Recommendations *(Approved 9/11/98)*

Continues onto next page

AMHTA #	*Dept/BRU/ Component (DHSS unless otherwise specified)*	Descriptions	MHTAAR*	GF/MH**
10010075	DOA/DSS/HCB	Mental Health Needs of Elderly (Yr 3 of 3)	300.0	
10010201	DOA/DSS/HCB	Respite Care for ADRD Seniors	300.0	
10020219	DOA/DSS/HCB	Adult Day Grants		500.0
10020221	DOA/DSS/HCB	Care Coordination Expansion		400.0
10010081	DOA/DSS/PCSA	Rural LTCare Development & Training (Yr 2 of 2)	130.0	
10010218	DOA/DSS/PCSA	Data Development – Div of Senior Services	50.0	
10020079	DOA/DSS/PCSA	LTCare Ombudsman Volunteer Coordinator		70.0
10020220	DOA/DSS/PCSA	Data Management – Div of Senior Services		50.0
10020222	DOA/DSS/PCSA	Assisted Living Rate Increase (DOA)	300.0	480.0
10010076	DOC/StwSvcs/Inm Hlth	Women's Psychiatric Unit (Yr 3 of 3)	200.0	200.0
10010131	DOC/StwSvcs/Inm Hlth	Dept of Corrections Planner (Yr 3 of 3)	30.0	30.0
10010157	DOC/StwSvcs/Inm Hlth	Jail Alternative Services (Yr 2 of 3)	130.0	
10010207	DOC/StwSvcs/Inm Hlth	Women's Resid Substance Abuse Trtmt (Yr 2 of 3)	51.2	
10020154	PrchSv/RsChldCare	Comm Resid Alternatives for SED Yth (Yr 2 of 2)	150.0	50.0
10010208	StHlthSv/HlthFam	Healthy Families Control Group Study (Yr 2 of 3)	100.0	
10010232	StHlthSv/ILPGrants	Institutional Prevention & Quality Assurance-ILP		429.2
10020225	ADA/ADAAdmin	Youth Education, Assessment & Referral Program		50.0
10010010	ADA/Grants	Day Trtmnt Dually Diag (MI&Alc) - Ketch (Yr 3 of 3)	63.3	
10010006	ADA/Grants	Trauma Victim Study – Providence ER (Yr 3 of 3)	18.7	
10010026	ADA/Grants	Chronic Alcoholic Domiciliary LT Care (Yr 3 of 3)	100.0	
10010009	ADA/Grants	Program for Dually Diag (MI & Alc) Anch (Yr 3 of 3)	370.0	
10020067	ADA/Grants	Program for Dually Diag - (MI&Alc) Anch/MatSu		350.0
10020226	ADA/Grants	Long-term Care Substance Abuse Treatment		200.0
10020183	ADA/Grants	Residential Svcs for Women/Children		600.0
10010229	ADA/Grants	Women & Children Collaboration Project (Yr 1 of 3)	50.0	
10020224	ADA/Grants	Youth Residential Service Capacity Expansion		50.0
10020227	ADA/Grants	Spirit Camp Replication		63.0
10010007	ADA/PrimaryPrev	Local Option Law "How To" Manual (Yr 3 of 3)	79.7	
10010071	ADA/PrimaryPrev	Fetal Alcohol Syn/ARBD/ARND Prev (Yr 3 of 4)	300.0	
10020182	ADA/RHSvcsGrnts	Increase Rural Human Services	150.0	465.0
10010011	CMHG/GCMHG	Mental Health Consumer & Family Conference	43.7	
10010059	CMHG/GCMHG	API-Related Community Services Implementation	2,000.0	
10010216	CMHG/GCMHG	Implement Integrated Quality Assurance Process (DD/MI/ILP) (Yr 2 of 2)	225.0	
10010156	CMHG/CMHG	Rural Svcs for the Deaf/Hearing Impaired (Yr 2 of 2)	189.9	
10020223	CMHG/CMI	Assisted Living Rate Increase (DHSS)		454.0
10020235	CMHG/PsychEmrg	Emergency, Respite & DET Outside API 2000 Area		500.0
10010012	CMHG/SEDYth	Children's Service Delivery Model (Yr 1 of 3)	390.0	
10020236	CMHG/SEDYth	SED Youth Transition/Family Support Services		146.0
10010113	CDDG/CDDG	Amer Disab Act Comm Prgm Accessibility (Yr 2 of 2)	100.0	
10020228	CDDG/CDDG	Earn as You Learn Program (Yr 1 of 3)	100.0	
10020231	CDDG/CDDG	Substance Abuse Services for People w/Multiple Diagnoses		240.0
10020233	CDDG/CDDG	Institutional Prevention & Quality Assurance-DD		965.8
10020234	CDDG/CDDG	Intensive Inclusive Childcare Training		77.0
10010112	MHTBds/GCDSE	Economic Development Alliance (Yr 2 of 3)	200.0	
10010110	MHTBds/GCDSE	Employment Initiatives (Yr 3 of 3)	308.0	

FY00 Capital Budget Recommendations *(Approved 9/11/98)*

KEY	Dept	Description	MHTAAR*	GF/MH**	AHFC***	Fed'l &Other	TOTAL
20030198	DOA	Pioneer Homes Renovations			262.5		262.5
20010241	DOA	Data Development-DSS (Capital)	$100.0	$100.0			200.0
20020242	DOA	Juneau Adult Day Center		50.0			50.0
20010240	DHSS	Program Facilities: Deferred Maintenance & American Disabilities Act Upgrades	250.0	250.0			$500.0
20010034	DHSS	Program Equipment	100.0	100.0			200.0
20020191	DHSS	API Repair & Maintenance		225.0			225.0
20030245	DHSS	API Replacement of Existing Facility		14,000.0		15,000.0	29,000.0
20020243	DHSS	Ketchikan Residential Diagnosis & Treatment Center		1,200.0			1,200.0
20020244	DHSS	Rural Human Services Facilities Upgrades		500.0			500.0
20020246	DHSS	Housing Modifications for People with Special Needs		420.0	500.0		920.0
20030035	DOR/ AHFC	Beneficiary and Special Needs Housing Program			2,000.0		2,000.0
20030196	DOR/ AHFC	Homeless Assistance Program (HAP)	200.0		800.0		1,000.0
20010199	DNR	Trust Land Office - Land & Resource Enhancement	660.0				660.0
20010033	DOT/ PF	Coordinated Transportation & Vehicles	150.0	150.0			300.0
		MHTAAR	**$1,460.0**				
		GF/MH		**$16,995.0**			
		AHFC			**$3,562.5**		
		Federal & Other				**$15,000.0**	
		TOTAL					**$37,017.5**

*MHTAAR = Mental Health Trust Authority Authorized Receipts **GF/MH = General Fund/Mental Health
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CORRECTION

THE FOLLOWING DOCUMENT(S)
HAVE BEEN REFILMED TO
ASSURE LEGIBILITY OR PAGINATION

FY00 Operating Recommendations *(Approved 9/11/98)*

Continues onto next page

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AMHTA #	Dept/BRU/ Component (DHSS unless otherwise specified)	Descriptions	MHTAAR*	GF/MH**
10010114	MHTBds/GCDSE	DD Medicaid Waiver Study Implementation (Yr 2of2)	50.0	
10010211	Inst&Ad/API	API Quality Assurance (Yr 2 of 2)	20.0	
10010217	Inst&Ad/MHDDAdm	Mental Health Consumer Affairs Position (Yr 2 of 2)	90.0	
10010018	AdSvcs/Pln&Facil	Comprehensive Integrated Mental Health Plan	50.0	
		SUBTOTAL	$6,639.5	$6,370.0
30010165	Trust Administered	Trust Small Projects Funding (3 times/year)	105.0	
30010215	Trust Administered	Rural Outreach Project	25.0	
30010237	Trust Administered	Board Collaboration	20.0	
30010238	Trust Administered	Telepsychiatry	25.0	
30010239	Trust Administered	Miller Trust Project	25.0	
		TOTAL RECOMMENDATION by Source	**$6,839.5**	**$6,370.0**

FY00 Adjustments to the GF/MH** Base

KEY	Dept/BRU/ Comp	*Description*	*From*	*To*	*Amount*
40020247	DOA/AKL/PioHms	Pioneer Homes	GF	GF/MH	$3,480.7
40020248	DOA/Legal& Advocacy/OPA	Office of Public Advocacy	GF	GF/MH	564.8

FY00 Trust Administration and Natural Resource Management

KEY	Dept/BRU/ Comp	*Description*	*MHTAAR* *	*MHT Admin* ****	*TOTAL*
10010162	DOR/ MHTA	Trust Authority Administration (8.9% of total MHTAAR)		$924.9	$924.9
10010163	DNR/MHT Land Office	Mental Health Trust Land Office and Natural Resource Management	$938.5		938.5
		TOTAL Trust Administration & Natural Resource Development	**$938.5**	**$924.9**	**$1,863.4**

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****MHT Admin = Mental Health Trust Authority Administration

FY00 Capital Budget Recommendations *(Approved 9/11/98)*

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		AHFC			**$3,562.5**		
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		TOTAL					**$37,017.5**

*MHTAAR = Mental Health Trust Authority Authorized Receipts **GF/MH = General Fund/Mental Health
***AHFC = Alaska Housing Finance Corporation Receipts

2/18/99

Overview:

AIDEA,

...

HOUSE FINANCE COMMITTEE
LOG NOTES
February 18, 1999

TAPE HFC 99 - 24, Side 1.
TAPE HFC 99 - 24, Side 2.
TAPE HFC 99 - 25, Side 1.

HOUSE BILL NO. 12

"An Act relating to an easement for the extension of the Alaska Railroad to the Alaska-Canada border."

Co-Chair Mulder Moved to Rescind previous action taken on the bill. There being NO OBJECTION, the action was rescinded. The original bill was before the Committee for consideration.

Representative J. Davies MOVED to adopt Amendment #1 into HB 12. There being NO OBJECTION, it was adopted.

Representative J. Davies explained that the amended language would be placed in a different portion of the statute. Legal Counsel believes that it would make more sense to place it in the section as recommended in Amendment #1.

There being NO OBJECTION, Amendment #1 was adopted.

Representative J. Davies MOVED to report CS SSHB 12 (FIN) out of Committee with individual recommendations and with the accompanying zero fiscal notes. There being NO OBJECTION, it was so ordered.

CS SS HB 12 (FIN) was reported out of Committee with a "do pass" recommendation and with zero fiscal notes by the Department of Natural Resources dated 2/3/99 and Department of Transportation and Public Facilities dated 2/3/99.

Co-Chair Therriault pointed out that the previous Committee Report could be used with the addition of Representative Foster's signature as he had not been present at the previous meeting. All Committee members agreed.

GENERAL SUBJECT(S): OVERVIEW: ALASKA INDUSTRIAL DEVELOPMENT & EXPORT AUTHORITY
OVERVIEW: POWER COST EQUALIZATION
REPORT OF THE BLUE RIBBON COMMISSION

(The following overview was taken in log note format. Tapes and handouts will be on file with the House Finance Committee through the 21st Legislative Session, contact 465-2156. After the 21st Legislative Session they will be available through the Legislative Library at 465-3808.)

Time Meeting Convened: 1:40 P.M.

HOUSE FINANCE COMMITTEE
LOG NOTES
February 18, 1999

Tape HFC 99-24, Side 1.
Tape HFC 99-24, Side 2.
Tape HFC 99-25, Side 1.

	PRESENT:	x	Representative G. Davis
x	Co-Chair Therriault	x	Representative Foster
x	Co-Chair Mulder	x	Representative Grussendorf
x	Vice-Chair Bunde	x	Representative Kohring
x	Representative Austerman	x	Representative Moses
x	Representative J. Davies	x	Representative Williams

ALSO PRESENT:
REPRESENTATIVE CARL MORGAN; REPRESENTATIVE MARY KAPSNER; REPRESENTATIVE ANDREW HALCRO; RANDY SIMMONS, EXECUTIVE DIRECTOR, ALASKA INDUSTRIAL DEVELOPMENT & EXPORT AUTHORITY (AIDEA), DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT; KEITH LAUFER, AIDEA, DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT; SAM COTTON, CHAIRMAN, ALASKA PUBLIC UTILITIES COMMISSION, BLUE RIBBON COMMITTEE; JOE GRIFFITH, (TESTIFIED VIA TELECONFERENCE), ANCHORAGE CHANBER OF COMMERCE, BLUE RIBBON COMMITTEE, ANCHROAGE; PERCY FRISBY, DIRECTOR, DIVISION OF ENERGY, DIVISION OF COMMUNITY AND RURAL DEVELOPMENT, DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS; RICHARD EMERMAN, PLANER, DIVISION OF ENERGY, DIVISION OF COMMUNITY AND RURAL DEVELOPMENT, DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS.

LOG	**SPEAKER**	**DISCUSSION**
	TAPE HFC 99-2	Side 1.
000	Co-Chair Therriault	Convened the meeting at 1:40 p.m. Rescinding business of HB 12 was addressed and Amendment #1 was adopted and the bill MOVED from Committee with a "do pass" recommendation and two zero fiscal notes by Department of Natural Resources and Department of Transportation and Public Facilities.
#393	Co-Chair Mulder	Co-Chair Mulder assumed Chair of the meeting and introduced Mr. Simmons, Executive Director and Mr. Laufer of AIDEA
421	RANDY SIMMONS, EXECUTIVE DIRECTOR, ALASKA INDUSTRIAL DEVELOPMENT EXPORT AUTHORITY (AIDEA)	Addressed the mission of AIDEA to promote, develop and advance the general prosperity and economic welfare of AK by creating and retaining jobs and helping to diversity the economic base by financing industrial, manufacturing, export and business enterprise and facilities within AK.
453	Mr. Simmons	Spoke to the Page #1 of the handout. He reiterated that the mission is to help promote new jobs. It is a very broad intent of promoting and developing and advancing the general prosperity and

		economic welfare of Alaskans.
549	Mr. Simmons	Spoke to AIDEA's goals which include: 1) Providing business finance assistance throughout Alaska through AIDEA's Credit programs and by participating in or guaranteeing bank originated loans.
608	Mr. Simmons	2) Evaluating potential development projects as they are presented to AIDEA to determine whether the Authority development and ownership meets AIDEA's mandate.
670	Mr. Simmons	AIDEA's Programs involve CREDIT and DEVLEOPMENT FINANCE
723	Mr. Simmons	Within the credit program is Loan Participation; Business and Export Assistance; and Revenue Bond Program. He noted that AIDEA does no direct loans and that all are in participation with the private sector, which has worked well.
801	Mr. Simmons	The second program is the Development Finance, in which AIDEA owned and operated projects must pass through a thorough scrutiny due to a diligence process. There is projects must be financially feasible and endorsed by the local government. Projects requiring more than $10 million dollars in bonding require legislative authorization.
976	Co-Chair Therriault	Asked about the various projects.
988	Mr. Simmons	Noted that some of the projects could stand on their own. He spoke to purely revenue bonds and revenues which were strong enough to support the bond.
1027	Co-Chair Therriault	Asked about Ft. Knox
1036	Mr. Simmons	AIDEA only issued the bonds to that rate.
1050	Co-Chair Therriault	Asked if one of the companies goes bankrupt would the State by on the hook?
1067	Mr. Simmons	No, we would not be liable.
1080	Mr. Simmons	Addressed the Development Finance program - the big piece of the AIDEA agreements and has been entered into with the private sector. For AIDEA to take a project like that to the Board, the projects must be financially feasible.
1143	Mr. Simmons	Emphasized that projects must be endorsed.
1154	Mr. Simmons	Authorization must be received in advance.
1177	Mr. Simmons	Suggested that projects could be very time consuming. This category strongly

		supports an infrastructure.
1202	Mr. Simmons	Spoke to the indicated recent accomplishments listed on Page #4.
	Mr. Simmons	Listed the projects: Purchased $40 million in loan participation; Construction completed on the expanded AIDEA owned DMTS; Healy Clean Coal Project; Acquired Snettisham Hydroelectric Project; provided $16 million dividend to the GENERAL FUNDS and maintained triple A bond rating
1302	Mr. Simmons	Spoke to the AIDEA Loan Portfolio listed on Page #5. As of June 30, 1998, $40 million dollars in loans are outstanding.
1341	Representative Foster	Pointed out that Anchorage has only 40% of population in relationship to the number of projects funded with AIDEA's help.
1363	Mr. Simmons	Noted that the loan portfolio has been increasing every year to every section of the State.
1380	Mr. Simmons	Page #6-Development Finance Projects indicates direct jobs from each project. He listed the Red-Dog mine; Skagway Ore Terminal, Snettisham Hydroelectric, Alaska Seafood Center.
1436	Representative Grussendorf	Asked what is occurring with the Skayway Terminal.
1460	Mr. Simmons	There exists 50 mines in the Yukon area which need port facility. It will be a couple of years before substantial use and the benefits of the investment will be felt.
1500	Co-Chair Mulder	Is it a lost investment at this time?
1510	Mr. Simmons	If facility is used, the money will be coming back to the State. All projects have a secondary use.
1539	Mr. Simmons	Stated that Red-Dog Mine is AIDEA's biggest concern although it is the largest zinc mine in the State.
1555	Representative J. Davies	Status of Healy operations.
1566	Mr. Simmons	Healy was completed in 1997. There has been a lawsuit filed. He stated that he was not willing to go into details of that lawsuit. Although, AIDEA is optimistic that it will work out; the technology appears to be going well.
1620	Mr. Simmons	Was comfortable that an agreement would soon be made.
1630	Representative Foster	Asked about the aircraft hanger referenced on Page 5.

1652	Mr. Simmons	Replied that there are a couple of loans out for air hangers at this time.
1663	Representative Bunde	Pointed out that the Skagway Project has been held up because of the cost of minerals.
1677	Mr. Simmons	No. There are a number of people in Skagway that want only tourism and not mineral extraction. A few years ago, the majority of people wanted the facility consequently, there has been a separation in that community.
1707	Representative G. Davis	Referenced the Ketchikan Ship Yard and asked if AIDEA's economic feasibility study was based on federal dollars. He stated that it was a competitive facility. Would competitor e able to qualify for the fed dollars.
1743	Mr. Simmons	When AIDEA took over the facility, it was to make it a viable shipyard. The community lobbied Senator Stevens and that is how the T21 money became available.
1794	Mr. Simmons	It will be predicated on jobs. This facility will need future help to be viable.
1816	Co-Chair Mulder	What was purchased for the Seward facility?
1831	Mr. Simmons	Chenille company offered to operate for payments back with interest, using the capital for upgrades. They have started shipping again in January,1999. The Railroad is negotiating a new contract.
1877	Mr. Simmons	Page #7-Potential Development Projects - Kinetic Aviation; Air cargo facilities; Outstanding Bond Authorization
1930	Mr. Simmons	Spoke in more detail of the Kinetic Aviation, which promises to be a viable project and will bring in cash to the State. There is new technology tied with it. AIDEA has provided them advice.
1985	Mr. Simmons	Air Cargo Facilities - the project is closer to Mapco Wings and is more concerned with the infrastructure costs. They are willing to build out of pocket. The airport, as in other states, should assume payment for those costs.
2045	Mr. Simmons	There is a number of outstanding bond authorizations. International cargo facilities; Loading and shipping terminal at Cook Inlet; Kodiak rocket launch complex; Red Dog project improvement; Nome port facilities; Railroad right-of-way in

		Healy to Denali Park; Hatcher Pass ski resort.
2150	Mr. Simmons	Referenced Page #8 - Investments
2176	Mr. Simmons	Stated that $250 million dollars in investments has been approached by conservative investing and managed by outside managers. Investments are used for many things.
2207	Mr. Simmons	Investment objectives must be sale, liquid, and yield. The Conservative investments are invested in US Treasuries, US Agencies and Corporate bonds rated triple a.
	TAPE CHANGE HFC 99 - 24	**Side 2**
000	Mr. Simmons	Spoke to the dividend policy. The dividend program was created in 1996 and carefully structured to allow AIDEA to make a contribution to the general fund.
089	Mr. Simmons	AIDEA cannot pay any funds for large investments
144	Mr. Simmons	Spoke to the unanticipated needs category. Basically AIDEA tries to determine if they have the ability to do the proposed project. Since 1996, 40% of net income has been used for projects from dividends.
238	Mr. Simmons	AIDEA now has new accounting procedure called GASMI. There is $8.5 million dollars in net income to date.
282	Mr. Simmons	Page #10 - Financial strength must to the dividend program. The Bond Ratings and the Bond Capacity have been working well and have been selling triple an insured bonds. This has been done for the 2nd time with the Healy projects. Underline ratings are A2 and A minus which is good. The dividend program has worked well for AIDEA
408	Mr. Simmons	Page 11 Budget History. Looking at ways to cut their budget. AIDEA generates that income that pays for their budget. From that perspective, trying to not affect currently running projects. When it affects operation, they will come to Legislature
489	Co-Chair Therriault	Questioned a project occurring in the Fairbanks North Star Borough
507	Mr. Simmons	Replied that estimating how to fix that facility and then trying to determine if AIDEA wants to be involved in a project. Initial estimate was $30 thousand dollars.

551	Co-Chair Therriault	Local assembly has decided that Co-Chair Therriault is responsible for 30% of mill rate increase.
578	Mr. Simmons	From a financial standpoint, AIDEA knows that the facility will be bought.
609	Representative Foster	Thanked AIDEA staff for all their help to the rural areas.
638	Representative Bunde	Timelines of development for aviation project.
687	Co-Chair Mulder	Questioned the book value of AIDEA
706	KEITH LAUFER, AIDEA, DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT	Replied that a total of $975 million, $.
765	Co-Chair Mulder	What would happen if AIDEA did not exist?
785	Mr. Simmons	AIDEA was created because other conventional financing would not step in. When conventional financing comes into an area AIDEA steps out. Pointed out it would be hard to recreate AIDEA. He noted that the economy will shift. AIDEA does long 25-year loans that would not be financed through conventional loan program. He acknowledged that AIDEA has equity that the state could use.
917	Co-Chair Mulder	Pointed out the conflict between the business assistance and 80% banks - loans guaranteed through AIDEA. Are banks more aggressive because of this?
952	Mr. Simmons	Possibly although AIDEA does not just take any loan. They must prove to be not too risky.
987	Representative Grussendorf	Spoke to the Red-Dog market concern and mine. Selling points is the economic employment of that project.
1027	Co-Chair Mulder	Noted the mission statement reference, in that AIDEA is a unique factor and plays an important role for the State.
1055	Mr. Simmons	Commented that the mission is to create and maintain such projects, although, can not create projects on their own.
1089	Mr. Simmons	The actual mission statement is much more simple
1102	Co-Chair Therriault	Has there been any thought about broadening the mission statement.
1121	Mr. Simmons	AIDEA is trying to become more proactive. Now trying to look at the process of reducing budget. Currently do not have substantial manpower to be more pro-active work.

1162	Co-Chair Mulder	Questioned project from several years ago in export loans.
1181	Mr. Simmons	That market has contracted substantially since that original idea.
1200	Mr. Simmons	There is loan participation or finance projects that are currently working. AIDEA is better at selling services. That program was modeled after other states.
1255	Representative Kohring	How successful is AIDEA in enabling projects in order to make it a reality. He asked the history of the state's investing in that type of project.
1290	Mr. Simmons	Red-Dog and Healy are the two best examples.
1300	Representative Kohring	He stated that it is projected that there is less likelihood to be that type of project with the current budget scenario. He noted that he had drafted legislation to allow other organizations to front monies and use the State as a pass-through. The idea might work to access the federal dollars without the states 10% money. Thus concluded the testimony given by AIDEA.
1380	Co-Chair Mulder	Introduced Sam Cotton, Chairman, Governors Blue Ribbon Commission.
1420	SAM COTTON, CHAIRMAN, ALASKA PUBLIC UTILITIES COMMISSION, BLUE RIBBON COMMITTEE	Mr. Cotton noted that Joe Griffith was on line on teleconference. He pointed out the make-up of the Governor's Commission, which includes two members of the legislature.
1519	Mr. Cotton	Noted that the Committee was appointed by the Governor to address issues of high cost power and try to determine the reason of the high power costs.
1558	Mr. Cotton	Committee adopted a statement of support for the program. Recommended reductions to the program and be cut in ½. Facilities should be eligible and that a stable source of funding be established.
1620	Mr. Cotton	Legislature is looking for funding other than general funds. IT is important that they consider the other funding scenario impact. It is important to recognize that Alaska is a high cost area. As a federal employee in AK you would receive a 20% cost of living allowance increase. It is a high cost area.
1711	Mr. Cotton	He noted that "universal service" is not a new concept. Some services are matched by federal funding. He provided some examples

		of potential for a universal service fund. There is a great need for this program, with the existing program being funded at $23 million dollars. In the last few years it has been funded at a near 75% level.
1780	Mr. Cotton	This is a Blue Ribbon Committee and these are the recommendations made by that Committee to the Governor.
1801	Mr. Cotton	Cost of program is $15.7 million dollars. Introduced members of the Committee.
1829	JOE GRIFFITH, (TESTIFIED VIA TELECONFERENCE), ANCHORAGE CHAMPBER OF COMMERCE, BLUE RIBBON COMMITTEE, ANCHORAGE	Spoke via teleconference
1862	Mr. Griffith	Stated that the numbers referenced are not large. The typical kilowatt amount that a PCE community generates per hour and that the benefit has a substantial impact. Usually this is 31% of community's energy. Twice the amount paid by urban family. The average of consumer pays $71 dollars per month. If the assistance is eliminated, the outlining areas will be placed at financial risk. Without PCE, utilities will be forced to increase rates creating an economic problem and never being able to raise enough revenue to pay rates.
1970	Mr. Griffith	To reduce sales by 30% would cause Bush Communities to fail and the burden will fall upon the public users. Much of the public and private infrastructure in rural AK. The State has invested substantial sums into the village areas and we do not want to loose that.
2039	Mr. Griffith	Summed up the economic impact. It could equate to a total of 210 jobs in the rail belt area. If rates increase, there will be small generators placed in village areas.
2079	Representative Bunde	Commented that an affordable power is a necessity to rural Alaska.
	TAPE CHANGE HFC 99-25	**Side 1**
000	Representative Bunde	Are we asking urban Alaska to subsidize rural Alaska. What would the per capita expense be? What is the bottom line for

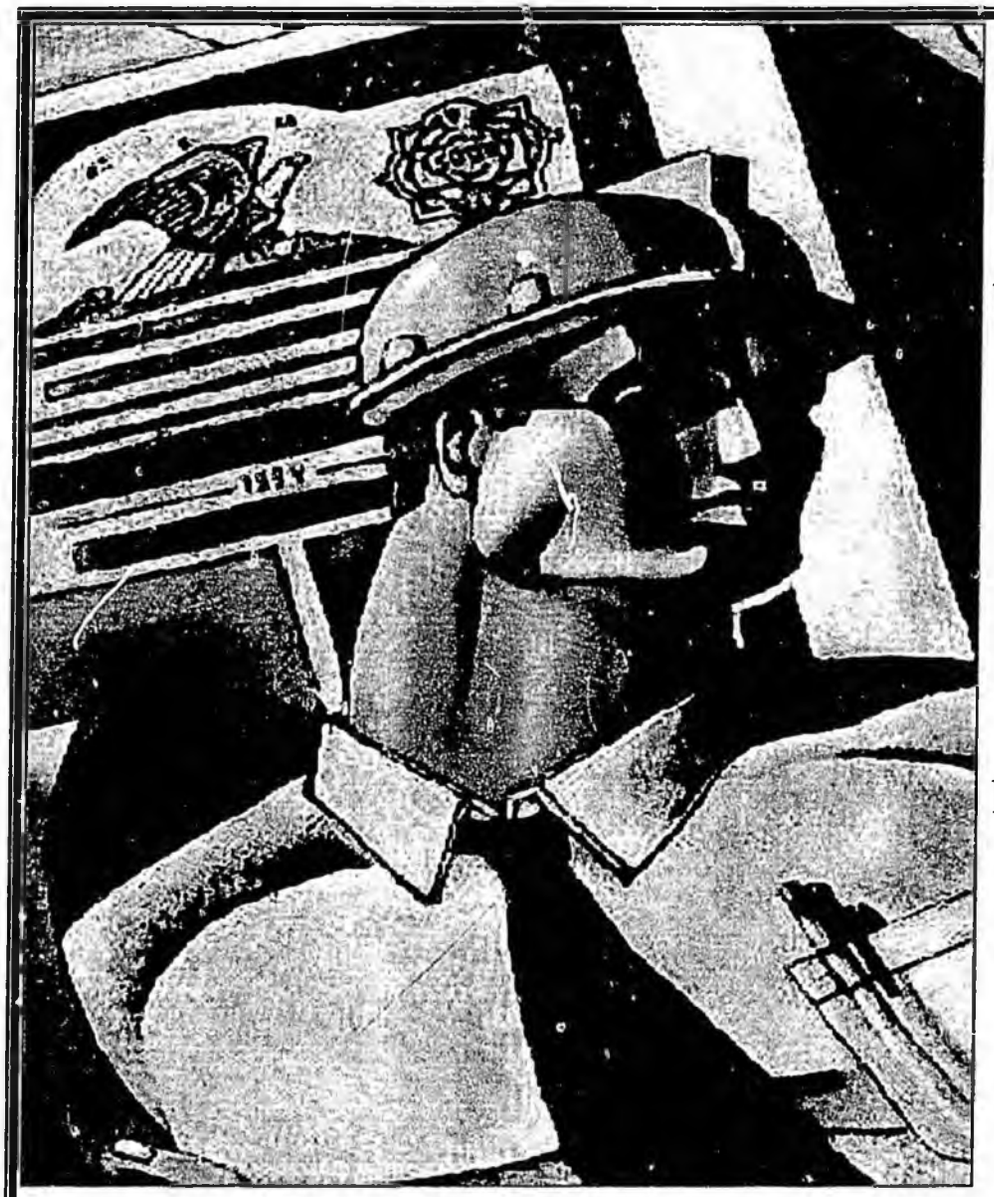
		the subsidy?
097	RICHARD EMERMAN, PLANNER, DIVISION OF ENERGY, DIVISION OF COMMUNITY AND RURAL DEVELOPMENT, DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS	Stated that the proposal will generate $8 million dollars per year. $8 million divided by 400 thousand would cost $20 dollars per month.
211	Mr. Emerman	Pointed out that Universal service fund to bring down the power or 150% of statewide average. The proposal will assume that $6.5 million would be generated. Price tag would be $14.6 million dollars.
280	Representative Foster	Thanked Mr. Cotton on all the work done. He pointed out the section of options. He asked if on Page 4 would any of those options work without the Governor's office support. He asked why no one from that office was in the Committee meeting.
390	Mr. Cotton	Executive Branch is still considering these options.
426	Mr. Cotton	Administration is interested in continuation of the program. There are recommendations made by the Committee (Blue Ribbon) to the Governor.
465	Representative Foster	Noted that he was grateful that there is a plan proposed.
485	Representative J. Davies	Noted that there have been a variety of options considered.
510	Mr. Cotton	Yes and that the General Fund endowment to fund through 2013 year. The original findings and intent was determined that the Legislature would fund through the year 2013. That was an earlier intent.
590	Mr. Cotton	The declining general funds appropriations would use the 4 dam pool receipts, which would extend it through 2010. There is optimism that federal funds will be proposed to help high cost areas throughout America.
662	Mr. Emerman	The committee did look at a list of other possible other sources.
695	Mr. Cotton	The universal service fund was accepted by the committee, although, that was not the focus.
737	REPRESENTATIVE MARY KAPSNER	Spoke to points raised by Representative Bunde. She reiterated that the economies of urban and rural are interdependent. There would be a death-spiral if the rural

		communities loose PCE.
820	Representative Austerman	Asked if the Committee went into depth regarding the amount of money already put into the Blue Ribbon Committee and the benefits resulting from that.
860	Mr. Cotton	A growth analysis has not been done specifically on that effort to reduce the cost of power. Analysis on where the energy has gone over the past few years.
950	Mr. Emerman	PCE brings down the cost of subsidy. ½ of kilowatt-hours are eligible for support bringing those prices down. There has been discussion over the inflation and adjusted cost of power over the past few years. There has been discussion regarding why that has occurred and perhaps it is because of the management to reduce the real cost of power. There has been discussion of how low it can go.
1052	Representative Austerman	By putting a lot of money into it, will that help the cost?
1074	Mr. Emerman	Stated that it would reduce the incentive, but the price to the consumer is still 2x the level of the rest of AK. As a result, average is about 1/2 the level of the rest of AK.
1113	Representative Austerman	Thought that if PCE were not funded, then AK would find cheaper ways to use and make electricity.
1136	Representative Austerman	Costs associated with the 4 Dam Pool total dollars which have gone to PCE
1160	Mr. Emerman	$281 million dollars since 1981.
1174	Representative Austerman	Asked the costs since 1993
1185	Mr. Emerman	Estimate is $11 million dollars and 40% of that is 11.5% and 4.5 million dollars goes to PCE.
1225	Co-Chair Mulder	Noted that Representative Austerman will be the subcommittee chairman of DCRA, and that he will address this issue.
1250	Mr. Cotton	Noted that at PCE all bills are monitored.
1262	Representative Foster	Referenced Page 18, C-1, if the Legislature does not address this issue, what would the ax day be.
1289	Mr. Emerman	Replied approximately 2 months or by August 1st.
1315	Representative Kohring	Echoed Representative Austerman sentiments and the positive things if it were handled differently. He recommended infrastructure to sustain rural AK. There are other

		sources of money to tap. Establish a new fund called the AK Energy Association. Assess what are the needs? What are the priority items which should be considered. How does the State choose which are the essential programs in the State budget.
1495	Representative Bunde	Commented on Page7, asking if it had benefit to rural AK at $700 per year. Has that been a constant?
1550	Mr. Cotton	No sure but will provide that info.
1560	Mr. Emerman	Stable funding have been consistent.
1575	Co-Chair Mulder	Questioned the amount that it would take to capitalize a fund for this program through 2013
1602	Mr. Cotton	$75 million dollars.
1610	Co-Chair Mulder	That was the amount capitalized in 1993
1625	Mr. Emerman	It assumes that in 2013, it assumes that money is gone, both interest and principles.
1644	Co-Chair Mulder	Are there greater restrictions? Why would this $75 million last longer than the 1st $75
1670	Mr. Emerman	Assumption that more would come from the 4 Dam Pool factors and capping it at $17 million per year.
1700	Representative Austerman	Cutting in half the amount expected to be received.
1720	Mr. Cotton	Not everyone will be receiving it.
1730	Mr. Cotton	If fully funded, the existing formula would receive it; although it has not been fully funded in a number of years.
1758	Representative Williams	Questioned how much funding has been placed into oil throughout the State and power grids.
1788	Mr. Cotton	Will provide that info and included matches for many projects. That list indicates who benefited on a per capita basis. That info will be provided.
1821	Representative Williams	What was it like prior to PCE funding?
1838	Mr. Cotton	A list of power grids before state dollars.
1851	Representative Foster	Asked Percy Frisby for his comments on the program.
1871	PERCY FRISBY, DIRECTOR, DIVISION OF ENERGY, DIVISION OF COMMUNITY AND RURAL DEVELOPMENT, DEPARTMENT OF	The Division is looking at all the options to develop alternatives. The Administration is passing information from the Blue Ribbon Committee. Trying to assemble whatever the recommendations are.

HOUSE FINANCE COMMITTEE
LOG NOTES
February 18, 1999

	COMMUNITY AND REGIONAL AFFAIRS	
1952	Representative Williams	Has the Blue Ribbon Commission considered a sale of the 4 dam Pool to the rural communities.
1976	Mr. Cotton	That is a complex issue and would be a big job and it has not been explored.
1993	Co-Chair Mulder	What is the real value of the 4 Dam Pool
2005	Representative Moses	Only fair to look at the surcharge aspect of the concern. There is a lot more potential in the State, but the needs do not make it feasible. It would take a state match to do it. On going programs create possibilities to use diesel fuel to reduce the rates. In the meantime, share the benefits and distribute the surcharge.
2079	Rep. Kasner	What is the potential of rural AK to hook into Railbelt power.
2094	Mr. Cotton	Possibly prohibitive. There may be some regional bulk fuel storage. Intertie funding makes it difficult to justify.
2136	REPRESENTATIVE ANDREW HALCRO	Questioned switching the benefit to the user. Has there been discussion on putting it on the user.
2166	Mr. Cotton	There has been consideration of that. He explained the subsidy.
2184	Rep. Halcro	In 1985, looking over the history of the PCE program, there has been no attempt to wein the communities off the program. We have created the subsidy and no attempt to lessen it to subsidize.
2234	Mr. Cotton	There are ways to reduce the program by reducing the benefits to the recipients.
2270	Mr. Cotton	Not typical of most of area is the technology to make improvements. Bulk fuel storage is a possibility, and the only way to get electricity is with diesel generator.
2305	Representative Foster	Commented that over the last 11 years, this is one of the most important issues, which has ever affected Bush Alaska. He urged the Governor to support Bush AK.
2338	ADJOURNED	Co-Chair Mulder adjourned the HFC meeting at 3:50 P.M.



Alaska Industrial Development and Export Authority (AIDEA)

Budget Overview

House Finance Committee

February 1999

D. Randy Simmons, Executive Director

269-3000 - phone

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AS 44.88

economic diversification

AIDEA's Mission: To promote, develop and advance the general prosperity and economic welfare of Alaskans by creating and retaining jobs and helping to diversify Alaska's economic base by financing industrial, manufacturing, export and business enterprises and facilities within the Alaska.

jobs for Alaskans

AIDEA Goals for FY 2000

To stimulate economic development and diversification.

1) Provide business financing assistance throughout Alaska through AIDEA's Credit programs by participating in or guaranteeing bank originated loans.

2) Evaluate potential development projects as they are presented to AIDEA to determine whether Authority development and ownership meets AIDEA's mandate.

AIDEA's Programs

CREDIT

Loan Participation

Purchase up to 80% of a bank originated loan up to $10 million for business financing

Business and Export Assistance

Guarantee up to 80% of a bank originated loan up to $1 million

Supports the Rural Development Initiative Fund (RDIF)

Revenue Bond Program

Conduit financing; no financial effect on AIDEA or the State

DEVELOPMENT FINANCE

AIDEA owned and operated projects must go through a thorough due diligence process and projects must be:

--financially feasible

--endorsed by the local government

-- projects requiring more than $10 million in bonding require legislative authorization

Recent Accomplishments

•Purchased $40 million in loan participations originated through financial institutions for businesses and projects in Alaska, helping to expand Alaska's economic base and create jobs in Alaska.

•Construction completed on the expanded AIDEA-owned DMTS (road and port serving the Red Dog Mine, the world's largest zinc mine). The expansion supports increased production at the Red Dog Mine, providing more cost effective mineral development, and increasing job opportunities at the mine and port. Construction was completed on schedule and under budget.

•Healy Clean Coal Project began generating clean coal-fired electricity for Alaskans while operating in the demonstration testing phase.

•Acquired the Snettisham Hydroelectric Project from the federal government, helping to ensure stable energy source for long-term economic growth in the Juneau area. Snettisham provides 85% of Juneau's electrical energy.

•Provided a $16 million dividend to the State General Fund for FY 99 and declared an $18 million dividend for FY 00.

•Maintained AAA insured bond rating when AIDEA issued $85 million in bonds to refund outstanding variable rate bonds that financed a portion of the HCCP. The bond sale locked in historically low fixed interest rates.