

ALASKA LEGISLATURE COMMITTEE FILES 1987-1988 8672
4913 HRES HB 61

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COMPARISON: LAND TRUST MANAGEMENT IN SELECTED STATES

State	South Dakota	Alaska	Alaska
Trust Name	School and public land	University	School
Acres	840,000 (3,300,800 orig.)	139,500	-0- (orig. 101,500 acres)
Date Established	1889	1915	1915
Permanent Fund Amount	\$84,000,000	\$10,350,000	\$63.5 million
Annual Earnings From Land	\$4,000,000	\$90,000	\$7 mil. (.5% revenues from all state land)
Annual Earnings From Fund	\$10,000,000	\$1.2 million	\$5.5 - 8 million
Distribution of Funds (dedication)	interest & income only (schools and institutions)	Board of Regents (University)	Appropriation (schools)
Land Management Structure	Dept. of School & State Land & Advisory Board	Statewide land mgmt. office w/in University (est. 1979)	Fund managed by board
Size of Staff	7	5	N/A (primarily contractors)
Pay for Own Management?	No (state budget, general funds)	Yes	Yes
Cost of Management	\$300,000	\$321,000*	\$112,000
Sales Allowed?	Yes (currently suspended)	Yes	N/A
Major Sources of Revenue	surface & mineral leasing land sales	real estate oil and gas leases	government securities, stock, bonds
Special Programs?	No	No	No
Comments	land sale principal & 50% of oil & gas to perm. fund	Oil and gas leases are administered by state DNR	Fund was \$8.5 million in 1978 (land replaced with \$)

*It is estimated that approximately 20% or \$64,200 are expended to manage other University lands.

STATE/UNIVERSITY SETTLEMENT AGREEMENT

The Settlement Agreement provides a method for calculating compensation due the University as a result of improper management of University grant land. Compensation is provided for:

- easements and rights of way granted by the State without University approval or compensation
- residential, utility, commercial, agricultural, and private recreation leases let and administered at less than fair market value
- material (gravel/sand) removed for use by state agencies without payment to the University
- uncollected revenues from state sales of resources such as coal, oil and gas, and timber
- free use permits, land management transfers, reserved use requests, and special land use permits issued without University approval or compensation
- legislative withdrawals of University lands for parks and preserves without University approval or compensation
- land exchanges which have only been partially completed without the University receiving its share of the land to be exchanged

To compensate the University for these actions, the Settlement Agreement provides for the transfer of title, management, and control of University grant lands from the State to the University. The State and University agree that the University would more properly manage these lands to produce income and support the University. The Settlement Agreement also provides for the appropriation of funds and/or the conveyance of state "replacement" lands to equal the dollar value of the compensation owed the University. The Settlement Agreement provides a detailed method for calculating the compensation for items above and results in a total dollar amount.

BACKGROUND

The University of Alaska originally received its lands from the Federal Government by two Acts of Congress, in 1915 and 1929. These Acts were extensions into the Territory of Alaska of the Land Grant College concept pioneered by the Morrill Act of 1862 which established Land Grant Universities throughout the Continental United States. Under these two congressional Acts the University was granted 110,000 acres of land which were to be held in trust and were reserved for the exclusive use and benefit of the University of Alaska for the support of higher education in Alaska.

Upon statehood the new State of Alaska accepted the trustee responsibility for these "grant" lands. Since the purpose of the federal grant was to produce income to support the University the State should have actively

managed and developed these lands. Instead, the State treated the University Grant Lands as though they were State lands and made them available at less than fair market value. In addition, the legislature passed laws that transferred University lands into nonprofit making uses such as state parks and wildlife withdrawals without compensating the University. As a result of these legislative and administrative actions the University lost considerable acreage and income. During the twenty years of State management only \$2.7 million in income was produced from the entire 110,000 acre federal land grant. These proceeds were deposited into the University of Alaska Permanent Fund and the interest earnings were used to support University programs.

In 1978 the University intervened in litigation between a private company and a State questioning the State's right to withdraw University grant land into state parks without compensating the University. While this lawsuit proceeded through the court system the University filed a second suit against the State in order to clarify the ownership and trustee responsibilities surrounding all University grant lands.

In 1981 the Alaska Supreme Court rendered a decision on the first lawsuit in which the University had intervened. The court reaffirmed that University grant lands are for "the exclusive use and benefit of the University, that such lands cannot be taken without compensation," and that the State is required by the federal legislation conveying the land grant "to manage said University lands to effect the purpose of the trust, which is the production of income for the benefit of the University."

Following the Supreme Court's ruling in favor of the University on the first lawsuit, the University entered into negotiations to settle all litigation with the State Departments of Natural Resources, Administration, and Revenue and, after 13 months of negotiation, reached an out-of-court settlement in the second lawsuit.

During the 1981 - 1982 legislative session the State and University sought the legislature's ratification of this out-of-court settlement. Although both the House and Senate passed the initial bill unanimously, other issues unrelated to the land settlement question were added to the final bill and it was consequently defeated in committee. The legislature did, however, appropriate \$500,000 to the University and the State in order to implement the terms on the Agreement. The State and University again sought ratification of the Settlement Agreement during the 13th Alaska Legislature.

In 1983 the legislature enacted CSSB41 relating to the transfer of the ownership and management of University of Alaska trust land from DNR to the Board of Regents of the University of Alaska. In addition it passed SB40 making a special appropriation to the University of \$4,200,000 for deposit in the fund established under AS 14.40.400 and additional funds to continue implementation of the settlement agreement. The settlement agreement called for the University to be compensated \$26,746,354 with adjustments as provided in the agreement. The University received \$4,200,000 as cash compensation with the remaining compensation consisting of replacement lands.

APPENDIX E

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THE SUPREME COURT OF THE STATE OF ALASKA

STATE OF ALASKA,)	
Appellant/Cross-Appellee,)	File Nos. S-653/678
v.)	<u>O P I N I O N</u>
VERN T. WEISS, et al.,)	
Appellee/Cross-Appellant.)	[No. 2987 - October 4, 1985]

Appeal from the Superior Court of the State of Alaska, Fourth Judicial District, Fairbanks, Warren W. Taylor, Judge.

Appearances: G. Thomas Koester, Assistant Attorney General, Norman C. Gorsuch, Attorney General, Juneau, for Appellant/Cross-Appellee. Stephen C. Cowper, Fairbanks, for Appellee/Cross-Appellant. Russ Winner, McGrath & Associates, Anchorage, for Amicus Curiae Cook Inlet Region, Inc.

Before: Rabinowitz, Chief Justice, Burke, Matthews and Compton, Justices. [Moore, Justice, not participating]

COMPTON, Justice.

The State of Alaska ("state") appeals from a judgment of the superior court holding that the state breached its duty as trustee of federal mental health grant lands when the legislature redesignated the property as "general grant land." For the reasons set forth below, we

position just prior to the conveyance effected by the redesignation legislation.⁴

AFFIRMED in part, REVERSED in part and REMANDED for further proceedings consistent with this opinion.

4. Amicus raises questions regarding the title held by conveyancees and bona fide purchasers of mental health lands. In view of our disposition of this case, we deem it unnecessary to address those issues at the present time.

University. Id. at 811. Years after the grant, the state included 5,040 acres of the trust land in state park. This action was not in itself a breach of the trust so long as the University was paid fair market value for the land. We inferred that the legislature intended to pay the University for this disposition, stating:

It is also logical to assume that the legislature intended to compensate the University for the loss of its land. This view gives the statute creating [the park] a reading that is in accord with the well recognized canon of statutory construction that, when possible, legislation should be construed in a way that upholds its validity.

524 P.2d at 816.

Unlike the situation in University of Alaska, the present case does not involve a disposition of a portion of trust lands for a specific use. Instead, the entire corpus of the trust is intermingled with the general grant lands of the state. No particular use of the trust lands is specified and it may be years before much of the land is used. While it was reasonable to infer a legislative intent to pay for 5,040 acres for which there was a present park land use in University of Alaska, it is not reasonable to infer that the legislature meant to pay for a quantity of trust land approaching one million acres for which in large part there is no present use. Thus, the payment remedy imposed in University of Alaska is not appropriate here. Because the state in passing the redesignation act went

beyond the power which had been granted it with respect to the trust lands by Congress, the redesignation act must be declared invalid.

It follows from our conclusion that the redesignation legislation is invalid that the trust must be reconstituted to match as nearly as possible the holdings which comprised the trust when the 1978 law became effective. The case is remanded so that requisite findings can be made. We take this opportunity to provide some guidance to the trial court to simplify its task.

Those general grant lands which were once mental health lands will return to their former trust status. In the event exchanges have been made, those properties which can be traced to an exchange involving mental health lands will also be included in the trust. To the extent that former mental health lands have been sold since the date of the conveyance the trust must be reimbursed for the fair market value at the time of sale. In calculating the total amount owed, the trial court should grant a set-off for mental health expenditures made by the state during the same period. In the event that expenditures exceeded the value of lands sold, the state need not furnish cash as part of the reconstitution. The goal is to restore the trust to its

and consequently breached its duty to preserve the corpus.³ The fact that the state has provided mental health care in the past and will most likely do so in the future is no justification for termination of the trust. Whether a beneficiary can rely on the bona fides of a trustee to continue voluntarily to uphold the terms of a defunct trust is quite beside the point. We decline the opportunity to encourage the state, or any trustee for that matter, to determine unilaterally when to terminate a trust without specific authority to do so.

B. Remedy.

Having concluded that the state breached the trust, we find it necessary on the facts of this case to invalidate the redesignation statute, Ch. 181, § 3(a), SLA (1978). State v. University of Alaska, 624 P.2d 807, 815 (Alaska 1981) does not compel a different result. In that case, the federal government had granted 100,000 acres to the state "for the exclusive use and benefit" of the

3. Our reliance upon basic trust law principles finds ample support in the precedents of this court and the United States Supreme Court. See Lassen v. Arizona, 385 U.S. 458, 17 L.Ed.2d 515 (1967); State v. University of Alaska, 624 P.2d 807 (Alaska 1981). Both Lassen and University of Alaska involved federal grants to be used by states for school purposes. Those cases stand for the proposition "that the same private trust law principles are to apply to federal land granted to the states for school purposes." University of Alaska, 624 P.2d at 813. There is no reason to treat federal lands granted for mental health purposes differently.

which establishes that Congress did not wish to limit the use of grant lands exclusively to mental health programs.¹

Despite these observations, we think it irrefutable that Congress intended to create a trust, to be based on a corpus of one million acres of federal land. It is a commonplace of the law that without trust property there can be no trust. Restatement (Second) of Trusts § 74 (1959).² When the state, through the legislature, altered the status of the property grant the trust was thereby effectively terminated. The state, as trustee, had no power to do this

1. The debates in the House and Senate are too lengthy to reproduce in their entirety here, but certain remarks are representative of the discussions. Senator Jackson commented that "[t]he income from sales or leases will be used to support the mental health program in Alaska. The income will be held in trust for that purpose. Any money received over and above the need for the mental health program may be used for other public purposes." He further noted that the language change was not of a fundamental nature, and thus said that, "[t]he purpose of granting 1 million acres is the same as in all other similar grants, such as the public school land-grant program." 102 Cong. Rec. 9761 (June 7, 1956).

We note that the language in the federal grant was changed from designating the proceeds of the land grant to be used as a public trust for Alaska's mental health program, to saying that the proceeds "shall first be applied to meet the necessary expenses of the mental health program" only because of worry among members of Congress that the land may actually have a value far in excess of the necessary health care expenses. The record in this case shows that income from the land grant was actually less than state expenditures for mental health programs.

2. Section 74 provides: "A trust cannot be created unless there is trust property."

as having been removed from trust status
by the State of Alaska on that date . . .

The court also ordered a set-off for all monies spent by the state on mental health care.

The state appeals from the judgment, except the holding that the redesignation legislation was valid. Weiss et al. cross-appealed the trial court's failure to rule the legislation invalid.

II. DID THE STATE BREACH THE PUBLIC TRUST
CREATED BY CONGRESS WHEN IT REDESIGNATED
PROPERTY IN THE TRUST AS "GENERAL
GRANT LAND?"

A. Nature of the Trust.

The state argues, essentially, that the redesignation is of no legal consequence because the state has always provided public mental health programs in the past and, implicitly, will provide them in the future. The state maintains that providing such programs fulfills its obligations according to AMHEA, freeing the grant lands for other public purposes. Textual support for this position comes from the portion of Section 202(e) which states that "proceeds and income shall first be applied to meet the necessary expenses of the mental health program of Alaska." It is suggested that this language means Congress intended that the land grant serve as a revenue base guarantee. Great emphasis is placed on the legislative history of AMHEA

separately." The record does indicate that as of 1973, total revenues from these mental health trust lands amounted to \$19,555,582. The state's total expenditures to that point amounted to \$66,726,176.

Weiss et al. filed a class action in 1982 alleging that the state breached the public trust by 1) failing to account for revenues realized, 2) using revenues for purposes other than mental health care and 3) passing legislation redesignating the property "general grant land." Plaintiffs sought: declaratory relief invalidating the redesignation legislation; injunctive relief compelling the state to administer the trust according to the law; general relief establishing a trust account "for the receipt of funds generated from all lands selected by the State of Alaska under the aforesaid mental health land grant"

The superior court ruled that invalidation of the redesignation legislation was not an available remedy, based on State v. University of Alaska, 624 P.2d 807, 815 (Alaska 1981). However, the court did hold that the state breached its duties as trustee by removing the federal grant lands from the trust. As a remedy, the court ordered that

[t]he public trust established by P. L. 84-830, 70 Stat. 709, shall recover from the defendant State of Alaska an amount equal to the fair market value of all lands conveyed from the trust as of the date of conveyance, plus prejudgment interest from the date of each conveyance. For the purposes of this judgment, all lands remaining in the trust as of July 19, 1978, shall be considered

affirm the holding to this extent, but reverse the superior court's conclusion that the redesignation legislation was valid.

I. FACTUAL AND PROCEDURAL BACKGROUND

In 1956 the United States Congress passed the Alaska Mental Health Enabling Act (AMHEA) which, insofar as it concerns this case, granted the Territory of Alaska one million acres of federal land to be held in public trust to help effectuate the creation and operation of mental health care facilities in Alaska. Pub. L. No. 84-830, 70 Stat. 709 (1956). Section 202(e) of the Act specifically provides:

All lands granted to the Territory of Alaska under this section, together with the income therefrom and the proceeds from any dispositions thereof, shall be administered by the Territory of Alaska as a public trust and such proceeds and income shall first be applied to meet the necessary expenses of the mental health program of Alaska. Such lands, income and proceeds shall be managed and utilized in such manner as the Legislature of Alaska may provide. Such lands, together with any property acquired in exchange therefor or acquired out of the income or proceeds therefrom, may be sold, leased, mortgaged, exchanged, or otherwise disposed of in such manner as the Legislature of Alaska may provide in order to obtain funds or other property to be invested, expended or used by the Territory of Alaska. The authority of the Legislature of Alaska under this subsection shall be exercised in a manner compatible with the conditions and requirements imposed by other provisions of this Act. (emphasis added)

The state managed these lands without maintaining a separate account until 1978. The Alaska State Legislature made its practice law in 1978 when it passed the following statutory provision:

REDESIGNATION AND DISPOSAL OF MENTAL HEALTH LAND

(a) Land granted to the state under the Mental Health Enabling Act of 1956, 70 Stat. 709, and patented to or approved for patent to the state on July 1, 1978 and land designated as mental health land which was received by the state in exchange for land granted under that federal land grant is redesignated as general grant land and shall be managed and disposed of by the Department of Natural Resources under applicable provisions of law.

Ch. 181, § 3(a), SLA (1978).

Alaska has provided continuous mental health care since statehood. The record indicates that between 1959 and 1982 the state spent over \$222,000,000 on mental health care. Generally speaking, there has been a constant increase from 1959 to the present in mental health expenditures: slightly less than \$1,200,000 was expended in 1959, and slightly more than \$29,000,000 was expended in 1982. The record does not indicate how much of the trust land at issue has been disposed of, nor the total value of such disposed land. In the state's answer to the complaint, it alleges that "state expenditures for mental health purposes exceeded revenues from mental health grant lands in all years for which revenues from those lands were tabulated

APPENDIX F

November 21, 1986

The Honorable Rick Halford
The Honorable Pat Pourchot
Co-Chairs
Interim Mental Health Lands Trust Committee

Dear Senator Halford and Representative Pourchot:

The Interim Mental Health Trust Commission has reviewed the special report produced by the Division of Legislative Audit on the State of Alaska's mental health program expenditures for the period from July 1, 1978, to September 30, 1985. The Commission has determined that expenditures on Alaska's mental health program during this period of time totaled \$197,792,060 in general funds.

This amount represents the best thinking of the Commission as to the common definition of the Alaska mental health program during the audit period of 1978 - 1985. This amount also reflects the Commission's decision that revenues such as federal funds should not be included in the total of the State of Alaska's effort to fund the mental health program.

Compilation of the costs proved to be an expansive and difficult task. The Commission wishes to commend the staff of the Division of Legislative Audit for its professionalism and ^{thoroughness} in producing the data.

Compilation of these materials is a significant accomplishment because it marks the first time that such an accurate picture of expenditures for these programs has been collected. Where possible, detailed accounting methods were used to quantify expenditures. Mental health professionals and program managers spent many hours assisting the auditors in quantifying eligible costs.

In keeping with Legislative intent, the Interim Mental Health Trust Commission authorized the audit team to conduct a review that was broad in scope. Lack of time and limited resources were the only major constraints to the collection of more data. Then, the Commission conducted a second-tier review, applying previously developed criteria to make findings about what should be considered legitimate mental health expenditures for this period of time.

The two reports viewed together reflect the chronology of the process and the dual nature of the Commission's charge in overseeing the audit of mental health program expenditures. First, the Legislative Budget and Audit report clearly spells out the broadest universe of potential mental health expenditures. Second, the Commission's report makes a reasoned finding as to what can best be determined as constituting Alaska's mental health program from 1978 to 1985.

In embarking on this project, the Commissioner of Health and Social Services, with concurrence of the Commission, was charged with establishing guidelines for conducting the audit. This task proved difficult because no one measure was found suitable. No standard

definition of mental health or illness exists at the state or federal level. Additionally, Congress did not adequately define what the Alaska's mental health program was to entail in the 1956 legislation and of course, even if it had, treatment philosophies have changed dramatically from 1956 to the present. Diagnostic manuals exist to aid professionals in the treatment of mental disorders, but not to define program costs. Since the purpose of the audit was to tally the amount of funds spent by the State for the mental health program of Alaska for potential offset, the Commission decided to employ indices which would best recreate the common wisdom of what constituted the Alaska mental health program from 1978 to 1985. These indices were applied to each item in the audit report to come up with the Commission's findings.

Tests applied to the costs were:

- Was the program an integral part of the 1977 Alaska Mental Health Plan?

- Does the program address a diagnosis of mental illness as defined by professionals through such indices as the DSM III?

- Do the Alaska statutes define the program in the context of a mental health program used in the delivery of treatment? Do the statutes specifically exclude the program from the mental health service model?

- Was the primary purpose of the program to provide mental health services?

In applying this methodology it is important to note that the Commission did not use any one of these indices alone to determine if the cost should be included. Instead, all factors were combined together and the Commission evaluated the weight of the evidence to make the best possible decision of whether the cost was eligible.

This methodology was necessary because there was not one simple way, in the Commission's opinion, to use existing indices for this purpose. For instance, the Diagnostic Statistical Manual Volume III (DSM III) was developed by the American Psychiatric Association to provide a broad range of diagnostic criteria for the mental health professional to use to code a condition. The manual warns against using it for purposes of administrative or policy information. Therefore, DSM III was used to define the universe of eligible costs and provide a rudimentary threshold as to whether a cost could be considered a mental health expenditure at all.

The 1977 plan most accurately represented the thinking of the mental community at the time. Even so, the plan was written to provide coordination with other systems. Simple inclusion or mention of a program in the 1977 plan did not prove that it was considered a mental health program, and conversely, some programs not included in the Division's mental health plan were delivering mental health services.

The Commission determined that the expenditures fell into four basic categories, or tiered levels of compliance with this methodology.

- For programs that clearly met all tests and the weight of the evidence was indisputable, all costs were considered eligible.
- For mixed client programs where adequate data and cost information existed, some costs were determined eligible.
- In some programs, a portion of costs were likely to be eligible, but no valid data existed. The Commission indicated that these expenditures for mental health purposes were "indeterminate". Further work would have to be done to make reasonable allocations of costs in these systems.
- Some costs were excluded altogether because the Commission felt they did not meet the clear test of the criteria set out.

Again, the Commission wishes to emphasize the difficulty of gathering valid information that is dated and in a profession that is complex. In cases where the Commission felt that more cost information could predictably be recovered, additional information was requested from Legislative Audit staff. Some indeterminate recommendations were changed to include costs.

In items listed by the Commission as indeterminate, validity of the existing data should not be compromised by educated guesses. The Commission recommends that no further costs programs be included unless substantially more data is gathered and evaluated. The cost of gathering this data and the time involved should be carefully weighed against the likely

result. The Commission does not consider further exploration cost-effective until it is clear that the offset will be utilized by the parties.

DEPARTMENT OF HEALTH AND SOCIAL SERVICES

Division of Mental Health and Developmental Disabilities:

Alaska Psychiatric Institute: (\$62,562,885 p. 54)

The Commission agreed that all of the audited expenditures at API should be included as an expenditure of the mental health program. As the state's only designated psychiatric hospital, API is clearly mandated by the Alaska statutes dealing with mental health.

Community Mental Health Grants: (\$30,270,529 p.54-55)

The Commission agrees that all the funds expended in Community Mental Health System should be included as expenditures of the mental health program. The Community Mental Health System is an integral part of the 1977 plan, and is mandated by statutes pertaining to mental health.

Capital Improvement Projects, Miscellaneous Programs, Mental Health and Mental Health Administration: (\$16,284,971 p.55)

After receiving detailed backup from the auditors on capital accounts the Commission was satisfied that all funds were acceptable expenditures

for the mental health program. The costs related to repair and maintenance of API or construction of Community Mental Health Centers.

Harborview Developmental Center: (\$6,306,514 p.56)

The Commission has included costs of operating the facility from FY 79-81. In 1978, the Legislature began to make a distinction between the care of mentally ill and developmentally disabled persons by passing AS 47.80 mandating a separate plan of care for mentally retarded clients. In 1981, the separation of the systems were made complete by the statutory removal of mental retardation from the definition of mental health.

Developmental Disabilities Contracts and Grants: (\$9,456,000 p.56)

The Commission felt the same rationale should be used for these grants and contracts as was used for Harborview Developmental Center and would make the recommendation that the expenditures from July 1, 1978 to June 30, 1981 be included as expenditures of the mental health program.

Due to the statute change in 1981, excluding mental retardation from definition of mental health, all expenditures after July 1, 1981 would be excluded from expenditures.

Capital Improvement Projects, Miscellaneous Programs, Developmental Disabilities, and Mental Health Administration: (\$1,295,401 p.57)

The Commission adopted the same rationale for this expenditure item as it did for Harborview Developmental Center and community developmental disabilities grants and contracts. The expenditures in this area should be included from July 1, 1978 to June 30, 1981. The costs related to repair and maintenance of Harborview and construction of community developmental disabilities facilities.

STATE OFFICE OF ALCOHOLISM AND DRUG ABUSE: (0 p.58-62)

The Commission recommended all expenditures under the State Office of Alcoholism and Drug Abuse be excluded. Organizationally and programmatically, alcohol and drug abuse programs historically have not been regarded as part of the Alaska mental health system. In 1972, the Legislature formalized this distinction by establishing the State Office of Alcoholism and Drug Abuse and clearly delineated a separate program for prevention and intervention. The 1977 Mental Health plan recognized the statutory distinction between the systems. It stressed coordination between systems and acknowledged that many persons with alcohol and drug related problems are treated in the Community Mental Health System.

The Commission did discuss the possibility of allocating a percentage of the State Office of Alcoholism and Drug Abuse expenditures to mental health program on the basis that some individuals treated by this system possibly could be mentally ill. However, it was determined that the State Office of Alcoholism and Drug Abuse programs do not treat people who are primarily diagnosed with a mental illness. Clients who are identified as having mental health diagnoses are referred to community

mental health centers and therefore the expenditures are captured in under that category of the report.

DIVISION OF FAMILY AND YOUTH SERVICES

Family/Social Services:

The provision of social services are not mandated by Alaska's mental health statutes. However, virtually no mental health services for children existed during the audit period, therefore DFYS services became the system of care for mentally and emotionally disturbed youth. The FY 77 mental health plan recognized the need for the mental health system to treat these youth. The plan states that the Federal Community Mental Health Centers Act of 1975 (P.L. 95-63) requires that special attention be paid to the mental health needs of children. A full range of diagnostic, treatment, liaison, and follow-up services needed to be provided. However, no funds were available to accomplish this task.

Ongoing Social Services: (\$2,135,161 p.66)

The Commission agreed with the methodology established by Legislative Audit in allocating a percentage of the cost of ongoing social services to the mental health system. The Commission felt that the estimated percentage of cases that were diagnosed as having various mental illness was fair and should be utilized. Therefore, the Commission accepted this allocation. However, they rejected the allocation of \$2,581,815

which was identified as cases relating to alcohol and substance abuse problems. Treatment of alcohol and drug abuse problems were all within the statutory purview of the State Office of Alcoholism and Drug Abuse.

Adult Protective Services: (\$19,178,873 p.68)

A detailed Department of Health and Social Services study of case files in 1985 showed that 80 percent of the clients of the adult protective services system have been identified as individuals with severe mental disorders or illness. Services for the chronically mentally ill adults are clearly a part of the FY 77 plan and a mandate under the Alaska state statutes. In 1986, the responsibility for those clients was transferred to the Division of Mental Health and Developmental Disabilities. The Commission accepts the audit allocation.

Residential Care: (\$12,903,696 p.68-70)

The Commission felt that the FY 77 plan clearly identified the need for children's services in the mental health system. Yet, between the years of 1978 - 1985 there were very few mental health services for children. Therefore, the children who were placed in the more intensive levels of residential care, category three and four, had significant mental health problems. The Commission did not feel it was appropriate to allocate the expenditures by the use of the weighted average of 8.3 percent, as suggested in the report, because children who are in more intensive

residential care would normally have a higher than normal incidence of mental disorders.

The Commission recommended instead to utilize actual expenditures for the Alaska Children's Services programs (Jesse Lee Home, Rabbit Creek, and the Alaska Children's Services Intensive Care Unit) in order to fairly identify the expenditures of the mental health program. As a result of this decision, the Commission recommends a higher level of inclusion than was originally proposed by mental health professionals.

Once again, the Commission rejects the rationale utilized by the audit team for including some of the residential care expenditures for children with alcohol and substance abuse problems. The Commission feels that these are responsibilities of the State Office of Alcoholism and Drug Abuse and should not be included as expenditures in the mental health system.

Contract/Purchase Services: (\$3,704,849 p.70)

The Commission had difficulty determining if these contracts with community providers were actually providing some mental health services and so recommended that the audit staff review the list of providers who had received grants. As a result of this review, the Commission recommends that a portion of dollars be added to expenditures for the mental health program because these grants were made directly to community mental health centers for prevention and treatment of child abuse. The Commission does not feel that it is appropriate to include

any expenditures for alcohol and substance abuse problems. Contract services obtained to meet the mental health treatment needs of youth in foster care and residential care should be considered legitimate costs. The Commission requested these costs be developed and has included them in this category.

Out-of-State Residential Care: (\$967,825 p.72)

The Commission recognizes that most of the children who are sent to out-of-state treatment facilities are severely mentally or emotionally disturbed and require specialized and intensive treatment. The Commission recommends that the entire \$967,825 be included in the expenditures for the program.

Youth Services:

The provision of Youth Services for juveniles in delinquency are not mandated by mental health statutes, nor an integral part of the FY 77 plan. As with the social services programs, mental health programs to assist juveniles were only being developed during the period covered in the audit. The Commission has therefore determined that some costs within the youth services system were used to provide specific mental health treatment services to these youth. Costs for simply detaining or caring for juvenile delinquents have not been considered mental health expenditures, because they are non-discretionary responsibilities of the state.

Intake Probation Services: (0 p. 73)

Youth services are not identified in the FY 77 plan and are not a part of the statutory mandate for the program. Juvenile intake involves the preliminary assessment of delinquency behavior by juveniles and the Commission does not consider this to be an eligible mental health expenditure.

Formal Probation Services: (\$952, 078 p.74)

Probation services are not a part of the FY 77 plan or the statutory mandates of mental health. However, the Commission recognizes that due to lack of alternative mental health care, some children who were emotionally and mentally disturbed were treated in the juvenile corrections/probation system. The Commission accepts a weighted average estimate of 8.3 percent of the caseload as having DMS III diagnosis.

Detention Program: (0 p. 75)

The FY 77 plan does not identify detention facilities as part of the mental health system, nor do the statutes mandate detention as part of a mental health program. The Commission recommends that these expenditures be rejected as part of the expenditures of the mental health system.

Long-Term Treatment Program: (\$255,319 p. 76-77)

The FY 77 plan does not include the McLaughlin Youth Center treatment program as part of mental health program. Juvenile Corrections is a non-discretionary responsibility of the state. The system exists to serve youth ordered there by the Court. Costs of caring for these youth are not specifically mental health expenditures.

Professional mental health services are available to youth services clients by referral. The Commission recommends all costs for psychiatric and psychological services at the youth facilities be included as expenditures for the mental health program. Staff researched and identified these costs at the request of the Commission.

Residential Care: (\$3,990,216 p.77-78)

The Commission recommends using the same rationale for residential care for Youth Services as it did for the Family Services section of the report. All expenditures relating to utilization of the Alaska Children's Services Jesse Lee Home, Rabbit Creek and Intensive Care Unit would be included as expenditures for the mental health system. These facilities employ qualified mental health professionals who provide services to mentally and emotionally disturbed youth.

Foster Care: (0 p.79)

Foster care is not an identified program in the FY 77 plan. Foster Care is designed to provide a home-like environment for youth, and any specialized treatment or counseling services needed are provided through

contracts with qualified mental health professionals. The Commission instructed auditors to identify these costs and have included them as legitimate costs of the mental health program, these costs are accounted for in the contract/purchased services category.

DIVISION OF MEDICAL ASSISTANCE

Medicaid Nursing Homes: (\$12,301,640 p.80-81)

The 1977 mental health plan anticipated that Medicaid would play a large part in delivery of mental health services. The Medicaid payment system makes it possible to determine what percentage of individuals utilizing Medicaid-funded nursing home beds have a primary diagnosis of a mental disorder as defined by DSM III. The Commission accepts all these costs except for patients with alcohol or drug related conditions, and those developmentally disabled clients who were served after 1981. The Commission did not feel it was appropriate to also include those individuals with a secondary diagnosis of a severe mental illness because the primary reason for their admission to the nursing home was for a physical condition.

Hope Cottage: (\$2,255,760 p.81)

Hope Cottage is an intermediate care facility for developmentally disabled persons and therefore the Commission adopted the same rationale in allocating expenditures as it did for Harborview Developmental Center and community developmentally disabilities grants. Since mental

retardation was a part of the 1977 plan and was not removed from the statutes until July, 1981, the Commission recommended that expenditures from July 1, 1978 to June 30, 1981 be included as mental health expenditures.

Medicaid-Mental Health Clinics: (\$2,186,080 p.82)

The 1977 plan recognized that the state's Medicaid law was expanded to include payment for clinic services in addition to physician services in 1976. These funds pay for indigent Alaskans who are being served in community mental health centers. All costs are eligible.

DEPARTMENT OF EDUCATION

Special Education/State Program: (Indeterminate p.83-84)

The 1977 plan does not specifically address special education as a part of the mental health program. Nor is there any statutory inclusion of special education in the mental health program. The State has a constitutional obligation to educate all children. Therefore, the Commission has determined that basic educational expenditures should not be included as expenditures of the mental health system. Costs for mental health services beyond those incurred to educate any child would be considered eligible.

Unfortunately, such costs are difficult to obtain. Total program expenditures recorded for special education are approximately \$1.7

billion for the audit period. These costs are derived from adding \$224 million in basic classroom expenditures, and \$1.4 billion in support costs for all students in Alaska. Support costs include district administration, pupil transportation, and auxiliary services such as school psychologist and specialists. To obtain accurate eligible mental health costs from the support services category would require the auditors to sift through \$1.4 billion in expenditures at the school district level. Examination of school districts records by audit staff did not reveal enough information to make this determination.

Special Education/Federal Program: (Indeterminate p.85-86)

The Commission has similar recommendations regarding this area as it did in the special education state program. The Commission recognizes that some of the students with multi-handicaps may well have severe mental disorders, but the costs presented make it impossible to determine how much of the expenditures should be allocated to the mental health program. The Commission does not recommend allocating any expenditures without further study of this area.

Providence Heights School : (\$853,735 p.87) The Providence Heights School provides special education services for children who are residing at the Alaska Psychiatric Institute. The Commission feels that these children are in need of more intensive treatment and that therapy is such an integral part of the educational program for these youth that the entire amount should be allocated.

Alaska Resources for the Moderately/Severly Impaired: (Indeterminate p.87)

The Commission recognizes that some of the children served by Alaska Resources for the Moderately/Severly Impaired may indeed be mentally and emotionally disturbed, but the data available does not enable the Commission to recommend or allocate these expenditures to the mental health program.

McLaughlin Youth Center and Fairbanks Youth Facility: (0 p.88)

The McLaughlin Youth Center and Fairbanks Youth Facility school are not special education facilities for mentally and emotionally disturbed youth and therefore the Commission does not recommend that these expenditures be included as part of the expenditures of the mental health system. Special mental health costs at McLaughlin Youth Center and Fairbanks Youth Facility have been designated in the Youth Services portion of this report.

Out-of-District Transfers: (\$1,565,234 p.89)

The Commission recognizes that the FY 77 plan requires services for children and that the majority of the out-of-district transfers are mentally and severely emotionally disturbed youth. The Commission recommends that the entire amount be included as an expenditure of mental health program.

DIVISION OF VOCATIONAL REHABILITATION/SERVICES TO CLIENTS

Vocation Rehabilitation Programs: (\$5,062,184 p. 90-92)

The Commission accepted the allocation ratios presented in the audit report for all Division of Vocational Rehabilitation programs. However, in keeping with existing methodology, alcoholism expenditures and expenditures identified as targeted to the mentally retarded beyond 1981 were excluded.

DEPARTMENT OF CORRECTIONS

Adult Confinement - (Indeterminate p. 92)

The Commission finds that the primary reason for the confinement of adult offenders is their criminal behavior. Mental health services may be needed by some attendees, but these services are secondary to the need for confinement. The FY 77 Plan recognizes this secondary need by stating that "The Division of Corrections has, by the very nature of those persons in their custody, historically required the availability of mental health services. Those services have traditionally been provided by the state operated mental health clinics and the Alaska Psychiatric Institute." Presently, API provides services in the Not Guilty by Reason of Insanity (NGI), the Incompetent to Stand Trial, and correctional transfers. In addition, the Forensic team members at API visit the correctional facilities to provide evaluation and treatment for offenders requiring mental health services. These expenditures are captured in the Alaska Psychiatric Institute Category.

DEPARTMENT OF ADMINISTRATION

Division of Pioneer Benefits: (Indeterminate p. 94)

The Commission recognizes that there are some costs associated with the treatment of patients in Pioneer Homes who are suffering from mental illness. However, as concluded by the audit report, these costs cannot currently be identified. Further analysis would have to be done to determine the cost of mental health services actually delivered.

Older Alaskan's Commission: (Indeterminate p. 95)

The Commission acknowledges that some mental health costs were incurred in this program. However, it would be difficult to determine the amount spent on clients with specific mental disorders because client profiles are not maintained by the OAC. Time constraints prevented the auditors from breaking out the specific payments made for mental health services.

Municipal Grants: (\$3,303,200 p.96-97)

Consistent with programmatic decisions made by the Commission, some grants were included in the Commission's determination. Expenditures for construction of community mental health facilities and other mental health programs such as a crisis line were included. Construction of domestic violence facilities and alcohol facilities were excluded.

DEPARTMENT OF PUBLIC SAFETY

Council on Domestic Violence and Sexual Assault (Indeterminate p.98)

The Commission was not able to determine what portion of the Council's program budget was specifically used to treat individuals with mental illness. To the extent that individuals receiving counseling from the system have identified mental disorders or are receiving treatment from qualified mental health professionals, the program would be incurring mental health expenditures. It is believed that the bulk of the costs in this system are for the treatment of the victim, who is not considered to be, in most cases, a mentally ill individual. Further analysis of expenditure records would have to be conducted before eligible costs could be determined.

The Commission recognizes that there are some mental health services in the Department of Corrections, but did not have the data to allocate a percentage of the overall budget or to provide actual expenditures for psychiatric and psychological services.

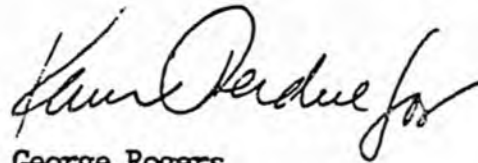
Senator Halford
Representative Pourchot

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November 21, 1986

If you should have further questions regarding this audit report, I offer the services of myself and other Commission members. Please feel free to contact us.

Sincerely,

A handwritten signature in cursive script, appearing to read "George Rogers".

George Rogers

Chairman

Mental Health Interim

Trust Commission

APPENDIX G

Mental Health Lands Inventory
July 19, 1978 - October 4, 1985
LAND SALES

The following report identifies all mental health lands sold by October 4, 1985. Values for land sales made on or prior to the date of the legislative redesignation (July 19, 1978) are not shown in this report as it would interfere with the computation of the state's potential liability in Weiss. However, basic case information is provided to identify the total mental health acreage which was no longer in state ownership on October 4, 1985, the date of the Weiss opinion (some information, such as the subdivision name were generally not readily available for these sales and was therefore not included.) Information concerning these values can be found in the 1985 report prepared for Superior Court in the Weiss case.

The initial data for this report was obtained from the status plats and historical indices. A cross reference in case number sequence is also provided. Additional information was obtained in a review of case files located in the department's Contract Administration Unit.

1. "Township" - is the basic legal description (meridian, township, range).
2. "Section(s)" - lists the section(s) of mental health lands within the case.
3. "Additional Legal" - further defines the area in which mental health land may be found (e.g. lot, block, tract, and/or U.S. Survey number). Detailed legal descriptions may be found in DNR case files. This column also contains cross reference notations as discussed above.
- 4-5. "MH # " and "Additional MH#" - show the case number(s) assigned by the state to selections made under the Mental Health Enabling Act.
6. "ADL" - is the Alaska Division of Lands case file number assigned to the sale.
7. "Subtype" - shows the method of disposal and case subtype. The disposal method is given as a number in order to conserve space:
 - 1 = lottery = this method was authorized in 1978. Applicants must apply for a parcel, to be sold at fair market value; the winner of the parcel is chosen at a drawing.
 - 2 = over-the-counter (OTC) = parcels not purchased at the time of disposal, or later relinquished, are sold by this method.
 - 3 = auction = this was the first method of disposal authorized (AS 38.05.055). Until 1984, the lowest acceptable bid was the fair market value of the parcel. Under the 1984 revision of the statute, the lowest acceptable bid is 70 percent of appraised fair market value.

7. "Subtype" (continued)
4 = negotiated sale = the state is prevented from making privately negotiated (i.e. not offered to the citizenary at large) sales except under the preference right laws or AS 38.05.810.
case subtypes are:
°"PRFRT" (preference rights) = preference rights to purchase are obtained under AS 38.05.035 and AS 38.05.102.
°".810" (public and charitable use) = sales made under AS 38.05.810 (formerly AS 38.05.315). These sales are usually made for less than fair market value and are negotiated.
°"AG" = land sales in which only the agricultural rights are sold.
°"AGHMSTD" (agricultural homestead) = conveyances of agricultural rights under a "sweat equity" program.
°"HMSITE" (homesites) = subdivision parcels which can be acquired by "sweat equity" rather than monetary compensation.
°"SALE" = subdivision sales. May be made by auction or lottery.
°"HMSTD CO" (homestead conversion) = conversion of a remote parcel lease to a homestead under AS 38.09.100.
°"OTE" (open-to-entry) = land sales made under the provisions of the open-to-entry program (restructured to the remote parcel program in 1979).
°"QCD" (quit claim deeds) = these are not sales per se, but are issued to clarify title. Sales for which the final conveyance document is a QCD rather than a patent have a subtype of "sale", status of "conveyed", and the QCD number in the patent number column if available.
°"ODDLOT" = miscellaneous parcels sold at a single "odd lot" sale.
8. "Status" - shows the status of the land sale as of October 4, 1985, however, some cases may have subsequently changed. This change will be indicated by the inclusion of a conveyance number or closure date after October 4, 1985. The status codes used in this report are:
a) "active" - contract issued, final title document not yet issued.
b) "patented" - fee simple ownership of land is now passed to the purchaser by patent.
c) "default" - purchaser has not made a required payment. Once the applicant pays all past due payments and interest, the contract may be reinstated; reinstated contracts show as active.
d) "relinquished" - purchaser has surrendered right to purchase land.
e) "conveyed" - property title transferred under a quit claim deed.
9. "Patent Number" - shows the number assigned by the state to the final conveyance document (patent or quit claim deed).
10. "Issue Date" - shows the date the sale contract was issued.

11. "Closure date" - shows the date patent or deed was issued or date of default or relinquishment of contract;
12. "Total Acres" - shows the total amount of state land in this sale.
13. "MH Acres" - the acreage listed in this column for active cases is the mental health sale acreage as of October 4, 1985. Acreage figures for closed or transferred cases reflects the total mental health acreage as of the date of closure or transfer.
14. "% MH Acres" - shows the percentage of the total case area made up of mental health lands (decimal figures were rounded to the nearest whole number).
15. "Appraised Value" - appraised value of the land. (If only a percentage of the total acreage of a parcel is mental health then only that percentage of the appraised value of the land will be listed.) For lottery sales the amount in this column will be identical to the amount in the appraisal column; for auction sales the amount may be higher. This amount will not be shown for land sale contracts issued prior to July 19, 1978.
16. "Total MH Income" - the full amount of the sale is shown for all land sales under contract on or before October 4, 1985, whether discounted or fully paid. (However, only the amount of 'principal' actually received is shown for those cases in default as of October 4, 1985.) For lottery sales the amount in this column will be identical to the amount in the appraisal column; for auction sales the amount may be higher. This amount will not be shown for land sale contracts issued prior to July 19, 1978.
17. "Subdivision Name" - gives the name of the subdivision or disposal (when applicable and available).

LAND SALES SUMMARY CHART
Prior to 1978 Redesignation

STATUS	4 PREFRT		4 .810		3 SALE		3 OTE		3 ODDL0T	
	# Cases	Acreage	# Cases	Acreage	# Cases	Acreage	# Cases	Acreage	# Cases	Acreage
Active	0	0	0	0	0	0	0	0	9	470.11
Conveyed	1	.03	1	2.60	0	0	0	0	0	0
Patented	11	228.69	11	358.51	17	69.29	0	0	0	0
Relinquished	0	0	0	0	0	0	0	0	0	0
Default	0	0	0	0	0	0	0	0	0	0

STATUS	3 PREFRT		LANDSALE		2 ODDL0T		SALE		QCD	
	# Cases	Acreage	# Cases	Acreage	# Cases	Acreage	# Cases	Acreage	# Cases	Acreage
Active	0	0	0	0	0	0	0	0	36	37.24
Conveyed	0	0	1	78.90	0	0	0	0	22	515.72
Patented	8	23.67	2	360.00	1	5.00	2	12.14	0	0
Relinquished	0	0	0	0	0	0	0	0	0	0
Defaulted	0	0	0	0	0	0	0	0	0	0

No Subtype - 21 Active Cases with 285.60 Acres, 1,616 Patented Cases with 17,261.61 Acres, 1 Conveyed Case with 2.56 Acres and 15 Relinquished Cases with 85.85 Acres.

LAND SALES SUMMARY CHART
From 1978 Redesignation to Weiss Decision (continued)

STATUS	1 AG		2 AG		3 AG		1 AG HMSTD		2 AG HMSTD	
	# Cases	Acreage	# Cases	Acreage	# Cases	Acreage	# Cases	Acreage	# Cases	Acreage
Active	74	16975.75	64	215.46	16	2698.06	6	390.00	1	60.00
Conveyed	0	0	0	0	0	0	0	0	0	0
Patented	4	233.07	0	0	0	0	0	0	0	0
Relinquished	0	0	0	0	0	0	0	0	0	0
Defaulted	3	1147.48	0	0	0	0	0	0	0	0

STATUS	3 AG HMSTD		HMSTD CO		1 OTE		2 OTE		3 OTE	
	# Cases	Acreage	# Cases	Acreage	# Cases	Acreage	# Cases	Acreage	# Cases	Acreage
Active	0	0	1	39.95	123	1019.28	0	0	0	0
Conveyed	0	0	0	0	0	0	0	0	0	0
Patented	0	0	0	0	49	542.14	0	0	1	.27
Relinquished	0	0	0	0	0	0	0	0	0	0
Defaulted	0	0	0	0	6	22.88	0	0	0	0

LAND SALES SUMMARY CHART
 From 1978 Redesignation to Weiss Decision (continued)

STATUS	1 REMOTE		2 REMOTE	
	# Cases	Acreage	# Cases	Acreage
Active	0	0	0	0
Conveyed	0	0	0	0
Patented	0	0	0	0
Relinquished	0	0	0	0
Defaulted	0	0	0	0

SUMMARY:

Total Cases Conveyed/Patented: 1,818 cases, 20,456.11 acres
 Total Active Cases: 846 cases, 24,407.28 acres
 Total Defaulted Cases: 36 cases, 1,249.34 acres
 Total Relinquished Cases: 20 cases, 172.00 acres
 Total Mental Health Income - \$13,545,014.41
 Total Appraisal Value - 12,799,759.00
 Total Cases with no Income: 1,783 cases, 20,321.96 acres
 Total Cases with no Appraised Value: 1,786 cases, 20,309.99 acres

Mental Health Lands Inventory
July 19, 1978 - October 4, 1985
LAND LEASES

This report is part of the Department of Natural Resources' inventory of mental health lands which was produced following the Supreme Court decision of October 4, 1985 (Weiss v. Alaska) concerning mental health trust lands. It identifies those land leases located on mental health lands which were in effect between July 19, 1978 and October 4, 1985. The initial data was obtained from state status plats and historical indices. Additional information was obtained in a review of case files located within the Division of Land and Water Management.

This report is organized by location according to legal description. A cross reference report in case number sequence is also provided. For those land leases which lie within more than one township, complete information is listed in the initial township entry. Additional entries contain only the township and range, ADL number, and cross reference to the original entry.

The columns of the report show the following information:

1. "Township" - is the basic legal description (meridian, township, range).
2. "Section(s)" - lists the section(s) containing mental health lands within the case.
3. "Additional Legal" - further defines the area in which mental health land may be found (e.g. lot, block, tract, and/or U.S. Survey number). Detailed legal descriptions may be found in DNR case files. This column also contains cross reference notations as discussed above.
4. "MH #" - shows the case number assigned by the state to selections made under the Mental Health Enabling Act.
5. "ADL" - is the Alaska Division of Lands case file number assigned to the lease.
6. "Subtype" - various (sub)types of surface leases are included in this report:
 - °"55 Year" - AS 38.05.070(c) allows leases to be issued for a period of up to 55 years, if made at public auction. Although some lease terms may be less, these leases are usually issued for 55 year terms.
 - °"5 Year" - are negotiated leases issued under AS 38.05.070(b). Prior to 1984, the lease term could not exceed 5 years (with a renewal provision) and the appraised value of the transaction could not be more than \$250 per year.
 - °"Grazing" - these are leases issued for grazing purposes only. They may be negotiated (short term) obtained at auction (55 year), or transferred or reissued federal grazing leases.
 - °".810" - are public and charitable use leases made under AS 38.05.810 (formerly AS 38.05.315). These leases are usually made for less than fair market value.

6. "Subtypes" (continued)
 - °"Ag" - a lease issued for agricultural rights only. May be short term negotiated or long term.
 - °"OTE" - land leases made under the provisions of the open-to-entry program (restructured to the remote parcel program in 1979). Most of these leases have matured to sale under the terms of the program, and will therefore appear on the land sale report.
 - °"Remote" - the OTE program was reorganized to become the Remote Parcel Program on July 1, 1979. Under this program the applicant may lease the parcel for two five year terms, and may purchase the parcel when survey is complete for its value as of the date of lease issuance.
7. "Status" - the status codes used for these cases are shown below.
 - active: the lease was in effect as of October 4, 1985. Some of these leases may now be closed.
 - closed: the lease term expired prior to October 4, 1985.
 - transferred: cases transferred with land title (usually to municipalities). Land leases ADL #21550 and 39218 issued under AS 38.05.810 were conveyed to the City and Borough of Juneau under ADL 101081. These leases therefore show a status of "closed" rather than "transferred".
8. "Issue Date" - shows the date the lease was issued.
9. "Closure Date" - shows the date the lease terminated, expired or was relinquished, (for transferred cases, this reflects the date of transfer).
10. "Total Acres" - shows the total amount of state land in this lease.
11. "MH Acres" - the acreage listed in this column for active cases is the mental health lease acreage as of October 4, 1985. Acreage figures for closed or transferred cases reflects the total mental health acreage as of the date of closure or transfer.
12. "% MH Acres" - shows the percentage of the total case area made up of mental health lands (decimal figures were rounded to the nearest whole numbers).
- 13-18. (original appraised value, 1st and 2nd reappraised values and dates, next reappraisal date) - All appraisal amounts shown are fair annual rental amounts which are based on a percentage of the appraised fair market (sale) value. The reappraisal columns show the date of the completed or projected reappraisals. If the reappraisal has been executed, a reappraised value will be shown. The "Next Reappr. Date" shows when the next reappraisal of the property is due.

Prior to the revision of AS 38.05.085 in 1978, all 55 year leases were to be reappraised every five years; those leases issued after or converted under the 1978 revision are reappraised after the first 25 years and at ten year intervals thereafter. For leases issued prior to 1978 which did not convert, reappraisals have not been performed due to lack of funding for that task. The next reappraisal date shown for these cases is the next five year anniversary for these lease. Rental for OTE and Remote leases was set by statute (AS 38.05.077(c)(3) - \$10 per acre), therefore the appraisal columns are inapplicable to these case types.

19. "Conv" (converted) - if 55 year leases issued were converted pursuant to Chapter 138, SLA 1977 and Chapter 182, SLA 1978 (the revision of AS 38.05.085) the column is marked "T" (true); if not the column is marked "F" (false). The conversion allowed existing leases to convert to a new lease under the revised terms of AS 38.05.085 (leased for a fixed base annual rental for a 25 year period; controlled rental increases every 10 years thereafter). Qualifying (non-profit organization youth encampment) leases issued under AS 38.05.810 may have converted under AS 38.05.097 (also passed in 1978) which exempts the holder from lease rental payments. If so this column will be marked "T" (true).
20. "Total MH Income (1978-1985)" - The mental health income for land leases was determined using the following formula:

Leases entered into between the first and the 15th of the month were considered effective the first of the month. Leases entered into between the 16th and the last day of the month were considered effective on the first day of the following month.

If a lease was converted subsequent to August 1, 1978 then the following formula was used to determine income:

Example: Lease issue date June 1, 1970. Conversion date March 1, 1979; annual rental amount prior to conversion \$150.000; converted lease amount \$236.92.

1978-1979 Rental Payment

June 1, 1978	July 20, 1978	March 1, 1979	June 1, 1979
(not a part of this report)	\$150.00/yr. (7 mo.)		\$236.92/yr. (3 mo.)

\$150 - 12 (months/years) x 7 (months) = \$87.50

\$236.92 - 12 (months/years) x 3 (months) = \$59.23

78 / 79 rental amounts = \$143.73

Please note that the "Total MH Income" column only reflects monies received from July, 1978, to October, 1985. It does not reflect income received outside that time frame.

 LAND LEASE SUMMARY CHART

ACTIVE CASE				CLOSED/TRANSFERRED CASES		
Subtype	# of Cases	MH Acres	MH Income	# of Cases	MH Acres	MH Income
55 year	112	690.62	296,381.0	24	85.78	60,586.0
5 year	2	3.05	10,211.0	24	90.40	12,219.0
.810	9	153.87	50,591.0	11	432.64	44,572.0
AG	-	-	-	2	144.40	1,234.0
OTE	-	-	-	13	85.36	13,078.0
Remote	178	1,066.20	35,368.0	3	48.50	770.0
Grazing	-	-	-	1	1,700.00	10.0
TOTAL	301	1,913.74	392,551.0	78	2,687.43	132,469.0

ACTIVE 55 YEAR LEASES

	# Of Cases	MH Acres	MH Income
Converted	99	648.47	281,765.0
Not Converted	13	42.15	14,616.0
Total	112	690.62	296,381.0

Mental Health Lands Inventory
July 19, 1978 - October 4, 1985
PUBLIC AND CHARITABLE USE
(AS 38.05.810)

The following report shows sales and leases made under AS 38.05.810 for public or charitable uses. Some of these uses are for mental health purposes; others are not. This report is a subset of the reports showing land sales and land leases in existence on mental health land between July 19, 1978 and October 4, 1985. All of the cases listed in this report are also shown in the larger land sale and land lease reports. Because of the complexity and size of those reports, information specific to the public and charitable use case type could not be included in them necessitating this report. It shows the basic land and case information, additionally it shows the holder of the sale or lease, and the use for which the land was obtained. For complete land and case information, please refer to the land sale and land lease reports.

Several municipalities in southeast Alaska (Kupreanof, Petersburg and Wrangell) received no entitlement under the Municipal Entitlement Act (AS 29.65) because all lands within municipal boundaries were mental health lands. These municipalities sued to obtain their entitlement. In an out of court settlement these municipalities obtained the right to receive a certain amount of municipal land under AS 38.05.810. The City of Kupreanof received 180.82 acres (ADL 100503) with no selections remaining; the City of Petersburg has received 79.966 acres (ADL 100494) with 16.64 acres remaining; and the City of Wrangell has selected 310 acres (ADL 100553) none of which has been conveyed. Because these applicants may have acquired an equitable interest in mental health lands, the pending conveyances are identified below.

City of Petersburg:

<u>ADL#</u>	<u>M-T-R-S</u>	<u>Survey</u>	<u>Acreage</u>
100494	CRM, T58S, R79E, Sec. 35	(GLO Lots 8, 10, 11-13)	16.64
TOTAL			16.64

City of Wrangell:

<u>ADL#</u>	<u>M-T-R-S</u>	<u>Survey</u>	<u>Acreage</u>
100553	CRM, T62S, R83E, Sec. 24	USS 3753	40.000
100553	CRM, T72S, R83E, Sec. 24	USS 3753	20.000
100553	CRM, T62S, R84E, Sec. 19	USS 3753	39.000
100553	CRM, T62S, R84E, Sec. 19	USS 3705	40.000
100553	CRM, T62S, R84E, Sec. 20	USS 3705	42.000
100553	CRM, T62S, R84E, Sec. 30	USS 3753	31.000
100553	CRM, T62S, R83E, Sec. 25	USS 3753	21.000
100553	CRM, T62S, R84E, Sec. 29	USS 3705	73.000
100553	CRM, T62S, R84E, Sec. 31	USS 3753	4.000
TOTAL			310.000

Public and Charitable Use Summary

		Pre-1978 Redesignation	After Redesignation Prior to <u>Weiss</u>
Leases	# Cases	16	4
	Acres	513.28	55.22
Sales	# Cases	10	11
	Acres	379.61	432.56

Mental Health Lands Inventory
July 19, 1978 - October 4, 1985
LEGISLATIVELY DESIGNATED AREAS

This report is part of the Department of Natural Resources' inventory of mental health lands which was produced following the Supreme Court decision of October 4, 1985 (Weiss v. Alaska) concerning mental health trust lands. It consists of legislatively designated State Park Units, State Forests and State Fish and Game Units which were in effect on mental health land on October 4, 1985. Administrative designations (Interagency Land Management Assignments) for Parks, Forestry or Fish and Game purposes are addressed in a separate report. The data in this report was compiled from the Alaska statutes creating the units, agency publications and state status plats. In most cases the designated boundaries are unsurveyed and the acreages are approximate.

This report is organized by location according to legal description. A cross reference report in case number sequence is also provided. For those legislative designations which lie within more than one township, complete information is listed in the initial entry. Additional entries do not contain acreage amounts. A cross reference to the original township is found in the "Additional Legal" column.

The columns of the report show the following information:

1. "Township" - is the basic legal description (meridian, township, range).
2. "Section" - lists the section(s) of mental health land within the case.
3. "Additional Legal" - further defines the area where mental health land in the case may be found (i.e. lot, block, tract, and/or U.S. survey number). Detailed legal descriptions may be found in DNR case files. This column also contains cross reference to additional townships.
4. "MH #" - shows the case number(s) assigned by the state to selections made under the Mental Health Enabling Act.
5. "Additional MH #" - shows any additional case number(s) assigned by the state to selections made under the Mental Health Enabling Act.
6. "ADL" - shows the artificial Alaska Division of Lands (ADL) case file number assigned to the case for purposes of this report (ADL numbers are not assigned to legislative designations).
6. "Status" - shows the status of the case as of October 4, 1985. The only applicable status code for this report is "active".
7. "Total Acres" - shows the total number of acres of state land encumbered by this case.

8. "MH Acres" - shows the mental health acreage within the case. Lands selected under the Alaska Mental Health Enabling Act (MIEA), but not yet conveyed to the state are not included here.

Please note that the legislative designations (in the Haines area) have overlapping boundaries. Mental health acreage within these overlapping areas is as follows: Chilkat Bald Eagle Preserve/Haines Forest 23,251.26 acres; Chilkat Bald Eagle Preserve/Haines Forest/Chilkat River/Critical Habitat area 2,480.48 acres; Chilkat Bald Eagle Preserve/Critical Habitat Area 974.64 acres. The acreage figures in the report are not adjusted for this overlap.

Two land exchanges (Seldovia, Phases I (1983), and II (1985) resulted in conveyance of lands acquired under the MIEA to Seldovia Natives, Inc. in exchange for the state's acquisition of Seldovia lands within Kachemak Bay State Park. The mental health lands constituted a portion of the lands conveyed, and that portion of lands acquired within the park which may be considered mental health lands remain unidentified. (See also "Settlements", this Mental Health Inventory report for more information.)

9. "% MH Acres" - shows the percentage of the total unit made up of mental health lands.
10. "Designated MH Acres" - shows the mental health acreage designated on a particular date.
11. "Effective Date" - shows the date the legislation designating particular sections of mental health land became effective. Please note that Nancy Lake State Recreation area was legislatively designated in 1966. However, because the designation was made prior to the state's receipt of the land from the federal government the designation did not take effect until a later date (the land was received in 1967 and 1970).
12. "Managing Agency" - shows the agency primarily responsible for managing the unit.
13. "Unit Name" - shows the name of the legislative unit.
14. "Alaska Statute" - lists the reference number of the statute creating the unit.

SUMMARY CHARTS
MENTAL HEALTH LAND WITHIN LEGISLATIVE UNITS
PURPOSE/BY UNIT NAME

(FISH AND GAME UNITS)

ADL Number	Unit Name	MII Acres	% MII
999971	Goose Bay State Game Refuge	453.05	4
999972	Potter Point State Game Refuge	740.50	2
999973	Susitna Flats State Game Refuge	38,846.52	13
999974	Trading Bay State Game Refuge	3,840.00	2
999975	Matanuska Valley Moose Range	38,035.00	29
999976	Chilkat River Critical Habitat Area	3,647.21	76
999977	Mendenhall Wetlands State Game Refuge	144.83	4
999978	Creamer's Field State Game Refuge	2.50	1
TOTAL MENTAL HEALTH ACREAGE		85,709.61	

(FOREST UNITS)

ADL Number	Unit Name	Mil Acres	% Mil
999981	Tanana Valley State Forest	31,955.00	2
999982	Haines State Forest	100,000.00	40
TOTAL MENTAL HEALTH ACREAGE		131,955.00	

(PARK UNITS)

ADL Number	Unit Name	Mil Acres	% Mil
999991	Chugach State Park	14,028.00	3
999992	Kachemak Bay State Park	5,622.00	2
999993	Nancy Lake State Recreation Area	1,709.93	8
999994	Kenai River Special Management Area	806.66	30
999995	Chena River State Recreation Area	92,083.42	36
999996	Chilkat State Park	3,270.18	54
999997	Alaska Chilkat Bald Eagle Preserve	33,056.16	67
TOTAL MENTAL HEALTH ACREAGE		150,576.35	

SUMMARY CHART
LEGISLATIVELY DESIGNATED MENTAL HEALTH ACREAGE
By Year/Purpose .

Year	Fish and Game	Forest	Park	Total
1967	0	0	16,752.61	16,752.61
1970	0	0	20,426.28	20,426.28
1971	740.5	0	0	740.5
1972	3,647.21	0	0	3,647.21
1975	453.05	0	79,534.64	79,987.69
1976	42,831.35	0	0	42,831.35
1979	2.5	0	0	2.5
1982	0	100,000.0	33,056.16	133,056.16
1983	0	31,955.0	0	31,955.0
1984	38,035.0	0	806.66	38,841.66
TOTAL	85,709.61	131,955.0	150,576.35	368,240.96

Mental Health Lands Inventory
July 19, 1978 - October 4, 1985
MUNICIPAL CONVEYANCES

The following report identifies all municipal selections made on mental health lands under the Municipal Entitlement Act, AS 29.65, and the current status of such selections on October 4, 1985. (Municipalities may also obtain land under AS 38.05.810. Those conveyances are shown in a separate report.) The first state land entitlement law for boroughs was enacted in 1963 (AS 7.10.150). The purpose of the grant was "as assistance and incentive to exercise local government over broad areas" and was patterned after the grant of land to the state made by congress in the Alaska Statehood Act. Under Title 7, a borough could select up to 10 percent of vacant, unappropriate, unreserved state land within borough boundaries within five years of the date of availability (i.e. five years after selection by the state). A 1970 amendment deleted the five year limitation, and extended the grant to first and second class cities. Titles 7 and 29 were combined and substantially revised in 1972. The subsections dealing with grant of land to boroughs and cities (AS 7.10.150 and AS 7.05.040, respectively) were combined into AS 29.18 (now AS 29.65). The 1978 redesignation of mental health lands made this statute applicable to those lands.

The initial data was obtained from state status plats and was verified and augmented from the case files by the Division of Land and Water Management's regional offices. This report is organized by location according to legal description. A cross reference report in case number sequence is also provided. For those municipal selections which lie within more than one township, complete information is listed in the initial entry. Additional entries contain only the township and range, ADL number, holder's name, and a cross reference to the original township in the "Additional Legal" column.

The columns of the report show the following information:

1. "Township" - is the basic legal description (meridian, township, range).
2. "Section(s)" - lists the section(s) of mental health lands within the case.
3. "Additional Legal" - further defines the area in which mental health land may be found (e.g. lot, block, tract, and/or U.S. Survey number). Detailed legal descriptions may be found in DHR case files. This column also contains cross reference notations as noted above.
4. "ADL" - is the Alaska Division of Lands case file number of the initial selection. Many of the selections were made in broad areas which were later broken into discrete parcels for purposes of conveyance. Occasionally, selections overlapped or were combined, and a site will have two ADL numbers.
5. "Mil Acres" - shows the mental health acreage within the case (the cases shown in this report are all 100% on mental health lands).
6. "Holder" - shows the municipality or borough making the selection.

7. "Status" - shows the status of the case as of October 4, 1985. The status codes used in this report are defined below:
 - closed: Municipal selections denied or rejected by the state.
 - relinquished: Municipal selections approved by the state (final approval issued) but subsequently relinquished by the municipality/borough, or selections relinquished by the municipality/borough.
 - selected: Lands still under selection by the municipality/borough. Management of these lands still lies with the state.
 - approved: Municipal selections which have received approval of selection by the state. Conditional management authority for these lands lies with the municipality/borough.
 - patented: Lands patented to the municipality/borough. Ownership lies with the municipality/borough.
8. "Approval Date" - shows date of final approval by the state.
9. "Patent Date" - shows the date that patent (final title) was issued.
10. "Patent Number" - shows the number assigned to the final title document (patent) by the State of Alaska.
11. "MH #" - shows the case number assigned by the state to selections made under the Mental Health Enabling Act.
12. "Comments" - shows miscellaneous facts concerning these selections which were discovered in the course of our research. For example, certain municipal selections are located within legislatively designated units. These units are identified within the report and may have an affect on the state's ability to transfer these lands. Other encumbrances (e.g., mining claims, land leases, rights-of-way) have not been noted here as these encumbrances have been or may be transferred with the land and do not affect the state's ability to transfer the land. These encumbrances will be noted in other reports concerning mental health land cases.

Those municipalities/boroughs which made municipal selections on mental health lands are identified below. Also noted is the total entitlement acreage each receives under the Municipal Entitlement Act (AS 29.65); the total amount of acreage which has been patented as of January 1986; the selection acreage which has been approved for patent; and the remaining acreage (based on the assumption that approval vests title with the municipality/borough) which the municipality/borough is entitled to under AS 29.65. Municipalities may also obtain land under AS 38.05.810. Those conveyances are shown in a separate report.

MUNICIPAL CONVEYANCE SUMMARY CHART
(All State Lands)

Municipality/Borough	Total Entitlement Acreage	Patented Acreage	Approved Acreage	Remaining Entitlement
Municipality of Anchorage	44,893.0	17,480.0	3,196.1	24,221.9
Kenai Peninsula Borough	155,780.0	60,652.8	38,739.7	56,387.5
Fairbanks North Star Borough	112,000.0	66,624.8	23,947.3	21,427.9
Matanuska-Susitna Borough	355,210.0	193,452.0	162,250.7	492.7
Haines Borough	2,800.0	780.9	2,256.0	-0-
Sitka, City and Borough	10,500.0	6,152.0	9,776.5	-0-
Ketchikan Gateway Borough	11,593.0	1,855.8	9,546.4	190.8
Juneau, City and Borough	19,584.0	2,842.9	19,155.0	-0-

MUNICIPAL CONVEYANCES SUMMARY REPORT
MENTAL HEALTH ACREAGE

	BOROUGH/ MUNICIPALITY	SELECTED	APPROVED	PATENTED	TOTAL
COPPER	Haines	.70	530.35	640.14	1,171.19
RIVER	Juneau	111.87	3,846.65	1,495.67	5,454.19
MERIDIAN	Sitka	0	806.78	513.11	1,319.89
	Ketchikan	.20	4,440.06	1,183.44	5,623.67
Subtotal - Meridian Total		112.77	9,623.84	3,832.33	13,568.94

MUNICIPAL CONVEYANCES SUMMARY REPORT (continued)
 MENTAL HEALTH ACREAGE

	BOROUGH/ MUNICIPALITY	SELECTED	APPROVED	PATENTED	TOTAL
SEWARD	Mat-Su	1,105.00	1,767.14	5,381.98	8,254.12
MERIDIAN	Houston	0	0	87.29	87.29
	Kenai	9,966.67	1,890.02	3,282.24	15,138.93
	Anchorage	1,367.89	0	752.96	2,120.85
Subtotal - Meridian Total		12,439.56	3,657.16	9,504.47	25,601.19

	BOROUGH/ MUNICIPALITY	SELECTED	APPROVED	PATENTED	TOTAL
FAIRBANKS	Fairbanks	0	7,126.21	9,343.93	16,470.04
MERIDIAN					
Subtotal - Meridian Total		0	7,126.11	9,343.93	16,470.04

	SELECTED	APPROVED	PATENTED	TOTAL
Total	12,552.33	20,407.11	22,680.73	55,640.17

Mental Health Lands Inventory
July 19, 1978 - October 4, 1985
SETTLEMENTS

This report is part of the Department of Natural Resources' inventory of mental health lands which was produced following the Supreme Court decision of October 4, 1985 (Weiss v. Alaska) concerning mental health trust lands. It identifies lands obtained by the state through the Mental Health Enabling Act which were affected by various agreements made to avoid continued litigation (e.g. University Settlement) or the initial data was obtained from state status plats. This information was verified and augmented from the agreements themselves.

This report is organized by location according to legal description. For those settlements which lie within more than one township but could not be separated by township, complete information is listed in the initial entry. Additional entries contain only the meridian, township, range and section, case number, mental health number, status and a cross reference to the original township in the "Comments" column. A cross reference report, organized by case number, is also provided.

The columns of the report show the following information:

1. "Township" - is the basic legal description (meridian, township, range).
2. "Section" - lists the section(s) of mental health land within the case.
3. "Additional Legal" - further defines the area that mental health land in the case may be found (i.e. lot, block, tract, and/or U.S. survey number). Detailed legal descriptions may be found in DNR case files.
4. "MH #" - shows the case number assigned by the state to selections made under the Mental Health Enabling Act.
5. "ADL" - is the Alaska Division of Lands (ADL) case file number.
6. "Additional Case #" - shows other related cases (e.g. federal cases) or the number of the state conveyance document (i.e. QCD).
7. "Status" - shows the status of the parcel on October 4, 1985. The only applicable status for this report is "conveyed".
8. "Settlement Name" - shows the common name of the agreement.
°Terms and Conditions ("T&C") - Terms and Conditions for Land Consolidation and Management in the Cook Inlet Area dated December 10, 1975, as clarified by the United States (Department of the Interior), State and Cook Inlet Region, Inc. (CIRI) Memorandum of Understanding dated August 31, 1986. Clarified ANCSA selection legislation enacted for CIRI's benefit (Sec. 12 of P.L. 94-204) to settle conflicting claims and further conveyance of CIRI's outstanding selection claims in the Cook Inlet area.

8. "Settlement Name" (continued)

°1979 Memorandum of Understanding (MOU) - Agreement between the State, CIRI, Seldovia Native Association, Inc. (SNA) and Kenai Peninsula Borough for partial settlement of pending court litigation and administrative appeals affecting the parties respective land claims as a result of ANCSA and state law. A portion of this MOU identifies specific "surface" and "subsurface" acreage on the Kenai Peninsula to be conveyed to CIRI (see also "T&C" Appendix C).

°Seldovia Exchange (Phases I and III) - Partial implementation of 1979 MOU whereby the state and the Seldovia Native Association (SNA) agreed to a full exchange of "surface" estate interim conveyed or selected by SNA, located within the boundary of legislatively designated Kachemak Bay State Park.

°Lake Clark Trade Out Agreement - Conveyance of certain lands to ANCSA Native (village) corporations in lieu of potential litigation by virtue of Native selection in the Lake Clark area. CIRI, as the regional corporation, obtained "subsurface" rights under the village conveyances.

°Salamatof Agreement - Outgrowth of Lake Clark Trade Out action for Salamatof. The state intervened in the original litigation to protect its interests in Salamatof's outstanding mental health selections in the Lake Clark area which the state felt were not valid ANCSA selections (Tyonek is the only Native village remaining).

°University Settlement - In April of 1979 the University of Alaska filed litigation against the state alleging the state had breached its trust obligations with regard to the university grant lands. In March, 1982 the state and the University entered an out-of-court settlement agreement. The settlement agreement provided for the state to "convey title in fee to certain university grant lands and certain other state lands to the University" Eleven of the "other state lands" parcels contained lands which had been granted to the state under the Mental Health Enabling Act.

9. "Settlement Date" - shows the effective date of the settlement.
10. "Conveyance Date" - shows the date the land was actually conveyed under the terms of the settlement
11. "Grantee" - shows the party to whom the land was conveyed and if applicable, the ultimate beneficiary.
12. "Appraised Value" - shows the appraised value in those few instances when appraisals were done.
13. "Comments" - show other information regarding the conveyance such as cross references, known facilities, which estates were conveyed.

SUMMARY

Settlement Name	Acreage Conveyed	Recipient	Value
Terms and Conditions	29,394.26	CIRI	Unknown
Lake Clark Trade Out	2,242.22 437.24	**Chickaloon **Knik	Unknown
Salamatof Agreement	964.14	**Salamatof	Unknown
1979 MOU	1,469.84	CIRI	Unknown
1983 MOU (Phase I Seldovia Land Exchange)	1,098.11	Seldovia	\$1,591,000*
1985 Final Exchange (Phase III - Seldovia)	670	Seldovia	\$899,500*
University Settlement	2,993.37	U of A	\$2,993,300
TOTAL	39,269.18		\$5,484,300

*Other lands were received for these lands, however, the lands received by exchange are within Kachemak Bay State Park. Because the mental health lands conveyed by exchange are part of pools containing other types of state lands, the lands received for mental health lands cannot be readily identified. The conveyance to Seldovia included land estate only for the mental health lands. The mineral interests were retained by the state provision of the 1979 MOU requirement that conveyance of these mineral interests be mutually agreed to between the state and CIRI.

**CIRI received subsurface for these lands.

Mental Health Lands Inventory
July 19, 1978 - October 4, 1985
TIMBER SALES

The following report identifies all timber sales (including firewood, sawlogs and houselog sales) on mental health lands. Timber sales were identified from state status plats, status plat pending actions list, historical indices, additional information was obtained from the Division of Forestry's regional and central offices. This report includes all sales of timber on mental health lands regardless of the vehicle used to execute that sale (e.g. use permit or sale contract).

This report is organized by location according to legal description. A cross reference report in case number sequence is also provided. For those timber sales which lie within more than one township, complete information is listed in the initial entry. Additional entries contain only the meridian, township, range and section, case number, mental health number, status and a cross reference to the original township in the "Additional Legal" column.

The columns of the report show the following information:

1. "Township" - is the basic legal description (meridian, township, range).
2. "Section(s)" - lists the section(s) containing mental health land within the case.
3. "Additional Legal" - further defines the area in which mental health land is found (e.g. lot, block, tract, and/or U.S. survey number). Detailed legal descriptions may be found in DNR case files. This column also contains cross reference notations as noted above.
4. "MH # " - shows the case number assigned by the state to selections made under the Mental Health Enabling Act.
5. "Case Identifier" - is the Alaska Division of Lands (ADL) case file number (numeric only), or regional office case number (alpha/numeric) assigned to the case.
6. "Status" - shows the status of the case as of October 4, 1985. The status codes used in this report are active or closed .
7. "Total Acres" - the total number of acres of state land encumbered by this case.
8. "MH Acres" - shows the mental health acreage within the case.
9. "% MH Acres" - the percentage of the total case area made up of mental health lands (decimal figures were rounded to the nearest whole number).

10. "Appraised Value" - the appraised value of the timber resource. Usually timber sales larger than the 50 thousand board feet (MBF) are sold by competitive auction. Sale areas with larger volumes showing no appraisals are usually for personal use firewood areas for which no appraisal was done and the price is based on a fee schedule. In some instances, appraisals were believed to have been done, but we were unable to locate them.
11. "Penalty Income" - is income obtained through forfeiture of a performance bond because the purchaser failed to execute the contract, failed to perform, or damaged the land.
12. "Total MH Income" - is the total amount of income received that is attributable only to mental health land.
- 13-15. Refer to the volume of timber removed. These are reported in the following standards of measurement:
 "Linear Feet" (houselogs, fence posts, cess pool logs) - under this standard, logs are measured in length.
 "Cords" (firewood) - a cord is 128 cubic feet as arranged in a pile eight feet long, four feet high, and four feet wide.
 "MBF" or thousand board feet (sawlogs, pulplogs) - a board foot is one foot square and one inch thick.
16. "Issue Date" - is the date the contract was issued or the area was opened for cutting.
17. "Closure Date" - is the date that the contract expired, was relinquished or terminated, or the area was closed to cutting.
18. "Comments" - notations and remarks regarding the sale.

The following timber sales which are included in this report are located within legislative designations: Tanana State Forest - ADL 408592, ADL 407148; Haines State Forest - ADL 100861, SE 420, PUP Church, PUP Pahl, PUP Harrington, PUP Ouderkirk, PUP Gilliam, PUP Scott, PUP Charrier, PUP Clayton, PUP Podskiki, PUP Scott, PUP Taverty, PUP Olerud, PUP Preserve #1, PUP Elserty. Timber sale ADL #60524 is partly located within Trading Bay State Game Refuge.

Summary Timber Sales

	Linear Feet	Cords	M B F	Acres	Income
Active	1,806	1,778.72	492,778.28	21,733.5	4,277,720.77
Closed	140,913	3,152.13	5,034.13	6,139.43	103,933.40
Total	142,713	4,930.85	497,812.49	27,872.93	4,381,704.17

Mental Health Lands Inventory
July 19, 1978 - October 4, 1985
USE PERMITS

The following report identifies all use permits (excluding those listed under material sales, timber sales, or rights-of-way) located on mental health lands between July 19, 1978 and October 4, 1985 and shown on state status plats. Permits are authorizations for the temporary use of state land or resources, are revocable, and convey no interest in the land. Permits issued for one year or less are not depicted on state status plats and are not part of this report (excepting one LUP: ADL 402552).

The initial data for this report was obtained from the state status plats and historical indices. Additional information was obtained from department casefiles. This report is organized by location according to legal description. A cross reference report in case number sequence is also provided. For those permits which lie within more than one township, complete information is listed in the initial township entry. Additional entries contain only the township and range, ADL number, and cross reference to the original entry.

The columns of the report show the following information:

1. "Township" - is the basic legal description (meridian, township, range).
2. "Section(s)" - lists the section(s) of mental health lands within the case.
3. "Additional Legal" - further defines the area in which mental health land may be found (e.g. lot, block, tract, and/or U.S. Survey number). Detailed legal descriptions may be found in DNR case files. This column also contains cross reference notations as discussed above.
4. "MH #" - shows the case number assigned by the state to selections made under the Mental Health Enabling Act.
5. "ADL" - is the Alaska Division of Lands case file number assigned to the use permit.
6. "Subtype" - various (sub)types of use permits are included in this report:
 - o "LUP" (Land Use Permit) - is a permit issued for the temporary surface use of state land for a period not to exceed one year.
 - o "SLUP" (Special Land Use Permit) - is a permit issued for temporary surface use of state land for a period not to exceed five years.
 - o "PER UP" (Personal Use Cabin Permit) - is a permit issued for the use of an existing cabin under 11 AAC 65.010-.900. Since these permits are issued for use of a site, no acreage is listed on the permit. Therefore, no acreage is shown on this report.

7. "Status" - the status codes used for these cases are shown below.
active - lands currently under permit.
closed - permit has expired.
transferred - lands and case transferred to the Cook Inlet Region, Inc., the Municipality of Anchorage, or the University of Alaska.
8. "Total Acres" - shows the total amount of state land in this permit.
9. "MH Acres" - the acreage listed in this column for active cases is the mental health permit acreage as of October 4, 1985. Acreage figures for closed or transferred cases reflect the total mental health acreage as of the date of closure or transfer.
10. "% MH Acres" - shows the percentage of the total case area made up of mental health lands (decimal figures were rounded to the nearest whole numbers).
11. "Total MH Income" - shows proceeds attributable to the mental health acreage.
12. "Issue Date" - shows the date the permit was issued.
13. "Closure Date" - shows the date the permit terminated, expired or was relinquished for transferred cases. For open cases this reflects the date of transfer or the end of the permit term.
14. "Holder" - shows the holder of the permit. Acronyms used in this column are as follows:
ADF&G = Alaska Department of Fish and Game
DOT/PF = Alaska Department of Transportation and Public Facilities
FAA = Federal Aviation Administration
UAF = University of Alaska, Fairbanks

15. "Comments" - gives information regarding the use of the permit; may show additional holders of interest in the permit and other information.

PERMIT SUMMARY
(SLUP/LUP Only)

	# of Cases	MH Acres	MH Income
Active	4	287.43	-0-
Closed	13	1422.37	3564.00
Transferred	4	58.07	651.00
Total	21	1767.87	4215.00

There are eleven "personal use cabin permits" in this report. None show acreage; all have a status of active.

Mental Health Lands Inventory
July 19, 1978 - October 4, 1985
MATERIAL SALES

This report describes all material sales issued for the removal of material from mental health lands. These sales were identified from state status plats, status plat pending actions list, historical indices and by the retained lands sections of the Division of Land and Water Management's regional offices.

For audit purposes any type of action for the removal of material (e.g. gravel) from mental health lands are considered "material sales" regardless of the type of authorization issued (e.g. personal use permit [PUP], state land use permit [SLUP], free use permit [FUP] or material sale contract).

This report is organized by location according to legal description. A cross reference report in case number sequence is also provided. For those timber sales which lie within more than one township, complete information is listed in the initial entry. Additional entries contain only the meridian, township, range and section, case number, mental health number, status and a cross reference to the original township in the "Additional Legal" column.

1. "Township" - is the basic legal description (meridian, township, range).
2. "Section(s)" - lists the section(s) of mental health lands within the case.
3. "MH #" - shows the case number assigned by the state to selections made under the Mental Health Enabling Act.
4. "Case Identifier" - is the Alaska Division of Lands (ADL) case file number (numeric only), regional office case number (alpha/numeric), or federal BLM case number (alpha numeric beginning with "A", "AA", "F" or "FF") assigned to the case.
5. "Status" - shows the status of the case as of October 4, 1985. The status codes used in this report are active or closed.
6. "Total Acres" - shows the total amount of state land within this case.
7. "MH Acres" - shows the mental health acreage within the case.
8. "% MH Acres" - shows the percentage of the total case area which is made up of mental health lands (decimal figures were rounded to the nearest whole number).

9. "Appraised Value" - shows appraised value of material in cases where an appraisal was made. Other sales were made from a fee schedule.
10. "MH Penalty Income" - shows monies earned from the forfeiture of deposits resulting from the contractors failure to comply with the terms of the contract.
11. "**Total MH Income" - shows proceeds attributable to the mental health acreage. Final accounting figures are lacking on few material sales. These figures have been solicited.
12. "**MH Volume" - describes cubic yards of material attributable to the mental health acreage.
13. "Issue Date" - shows the date that the material sale contract was issued.
14. "**Closure Date" - shows the date of closure or future expiration of a material sale contract (cases issued to the Department of Transportation and Public Facilities [DOT/PF] for an indefinite period of time have no closure date).
15. "Holder" - person or agency holding the material sale contract.
16. "Comments" - provides additional information regarding the material sale including the type of authorizations.

*Closed cases showing no volume or income reflect contracts which were issued but had no materials removed.

The following material sales (issued as free use permits to DOT/PF) are situated within a legislative designation in Chena River State Recreation Area: ADL's #34129, 34131, 54484, 54486, 54503, 54485

MATERIAL SALES SUMMARY CHART

Meridian		# of Sales	Volume	Income
Fairbanks Meridian	Sales with no Income	22	290,070.0	0
	Sales with Income	8	341,805.0	61,279.0
Seward Meridian	Sales with no Income	6	138,500.0	0
	Sales with Income	2	32,596.76	3,372.12
Copper River Meridian	Sales with no Income	8	5,906.0	0
	Sales with Income	23	466,334.3	324,753.6
Subtotals	Sales with no Income	36	434,476.0	0
	Sales with Income	33	840,736.06	389,404.12
Total		69	1,275,212.06	389,404.12

Mental Health Lands Inventory
July 19, 1978 - October 4, 1985
COAL PROSPECTING PERMITS

This report is part of the Department of Natural Resources' inventory of mental health lands which was produced following the Supreme Court decision of October 4, 1985 (Weiss v. Alaska) concerning mental health trust lands. It identifies those coal prospecting permits issued under AS 38.05.150(c) which were in effect between July 19, 1978 and October 4, 1985 located on land acquired under the Mental Health Enabling Act. This data was obtained from the Division of Mining's case files. As can be seen from the report, all of the coal prospecting permits are closed.

These permits were issued for a two year period (with renewal options), and granted the holder the exclusive right to prospect for coal. If commercial quantities of coal are found, and a mining plan submitted, the holder is also entitled to a coal (extraction) lease. Except for an application fee, no compensation is received from these permits.

The columns of the report show the following information:

1. "Township" - is the basic legal description (meridian, township, range).
2. "Section(s)" - lists the section(s) of mental health lands within the case.
3. "MH #" - show the case number assigned by the state to selections made under the Mental Health Enabling Act.
4. "ADL" - is the Alaska Division of Lands case file number.
5. "Status" - shows the status of the case as of October 4, 1985 (closed).
6. "Total Acres" - shows the total acreage of state land within the permit.
7. "MH Acres" - shows the acreage acquired under the Mental Health Enabling Act contained in the permit.
8. "% MH Acres" - gives the percentage of the total acreage of the permit acquired under the Mental Health Enabling Act.
9. "Issue Date" - gives the date the permit was issued.
10. "Closure Date" - shows the date the permit was closed.

Summary: Number of Permits = 5 Number of Acres Under Permit = 10,319.93

Mental Health Lands Inventory
July 19, 1978 - October 4, 1985
COAL LEASES

This report is part of the Department of Natural Resources' inventory of mental health lands which was produced following the Supreme Court decision of October 4, 1985 (Weiss v. Alaska) concerning mental health trust lands. It identifies those coal leases located on mental health lands which were in effect between July 19, 1978 and October 4, 1985. Coal leases are issued for the "privilege of mining or extracting the coal in the land covered by the lease" under AS 38.05.150(d). Lease conditions are set in statute (AS 38.05.150) and regulation (11 AAC 85). The initial data for this report was obtained from state status plats and historical indices. Additional information was obtained through a review of case files.

This report is organized by location according to legal description. A cross reference report in case number sequence is also provided. For those coal leases which lie within more than one township, complete information is listed in the initial entry. Additional entries contain only the meridian, township, range and section, case number, mental health number, status and a cross reference to the original township in the "Additional Legal" column.

The columns of the report show the following information:

1. "Township" - is the basic legal description (meridian, township, range).
2. "Section(s)" - lists the section(s) of mental health land within the case.
3. "Additional Legal" - further defines the area that mental health land in the case may be found (e.g. lot, block, tract, and/or U.S. survey number). Detailed legal descriptions may be found in DNR case files. This column also contains cross reference notations as noted above.
4. "MH # " - shows the case number assigned by the state to selections made under the Mental Health Enabling Act. One case, ADL 59502, falls within two such cases, MH-58 and MH-71.
5. "ADL" - is the Alaska Division of Lands case file number assigned to the case.
6. "Status" - shows the status of the case as of October 4, 1985.
active - lease was in effect of October 4, 1985 (some of these leases may now be closed).
Closed - lease term expired prior to October 4, 1985.
7. "Total Acres" - the total number of acres of state land encumbered by this case.
8. "MH Acres" - shows the mental health acreage within the case.
9. "% MH Acres" - the percentage of the total case area made up of mental health lands (decimal figures were rounded to the nearest whole number).

10. "Rental Income" - shows rental income received that is attributable to mental health land (rental income was determined using a pro-rata formula and was calculated for the period of July 19, 1978 to October 4, 1985). The formula for rental income is set in AS 38.05.150 and 11 AAC 85.235.
11. "Royalty Income" - shows revenue (royalties) gained from production. Royalties are based on the volume produced from the mine.
12. "Bonus Bid Income" - (included only if received after July 19, 1978) - these bids are the method by which a lessee is determined.
13. "Total Income" - rental income, bonus bid, and royalty income attributable to mental health land.
14. "Issue Date" - shows the date that the coal lease was issued. Some leases were transferred from the federal government and will show issue dates prior to statehood.
15. "Closure Date" - shows the date of closure or the future expiration of a coal lease. If no date is shown in this column the lease was let for an indefinite period conditioned on "diligent development and continued operation of the mine" (AS 38.05.150(e)).

	# of Cases	Acreage	Income 1978-1985
Issued Prior to July 19, 1978	32	49,750.5	717,613.0
Issued July 19, 1978 - October 4, 1985	4	1,812.72	6,665.0
Total	36	54,563.22	724,278.0

Mental Health Lands Inventory.
July 19, 1978 - October 4, 1985
MINING CLAIMS

The following report identifies all state mining claims in effect on mental health lands between July 19, 1978 and October 4, 1985. The initial data was obtained from state status plats, historical indices, and status plat pending actions lists. Further information was obtained from the Land Administration (computer) System or case files located within the Division of Mining and Geological and Geophysical Survey's Anchorage office.

Mining claims are acquired through the acts of discovery, location and filing. That is, a claimant must have discovered a "locatable" mineral such as gold, silver, copper, etc. in sufficient quantities that a prudent person would pursue development; must have set posts with a copy of a Notice of Location in the northeast corner and brushed and flagged the boundaries of the claim; and, must have filed a location certificate with the local recorder's office within 90 days from the date of posting the original notice. All state land is open to mineral entry unless closed by a mineral closing order, court order, or regulation. Claims are maintained through the performance of "annual labor": Holders of mining claims are required by state statute (AS 38.07.210) to perform a minimum \$200 annual labor per claim in order to maintain the claim's validity and to file an affidavit attesting to the performance of that labor at the end of the assessment year.

The assessment year for annual labor begins at noon on September 1st and runs to noon on September 1st of the following year. The first assessment year begins on the first of September after a claim is filed. For example, the first assessment year for a claim filed on September 5, 1983 began on noon September 1, 1984. The first affidavit of annual labor was not due until the close of the 1985 assessment year. An affidavit of annual labor must be filed within 90 days following the end of the assessment year. Failure to do so constitutes abandonment of the claim under AS 38.05.265. For this report all mining claims which are closed by action of law for failure to file an affidavit of annual labor at the close of the 90 day period, show a closure date of September 1 (the end of the assessment year) rather than the 91st day (usually December 1 or 2).

This report is organized by location according to legal description. A cross reference report in case number sequence is also provided. The columns of the report show the following information:

1. "Township" - is the basic legal description (meridian, township, range).
2. "Section(s)" - lists the section(s) of mental health land within the case.
3. "MH #" - shows the case number assigned by the state to selections made under the Mental Health Enabling Act.
4. "ADL" - is the Alaska Division of Lands case file number assigned to the mining claim.

5. "Status" - shows the status of the case as of October 4, 1985. The status codes used in this report are defined as:
active: Mining Claim is in effect
closed: Mining Claim is relinquished, abandoned or closed for failure to properly file an affidavit of annual labor or location certificate.
6. "Total Acres" - shows the total case acreage. Note that the following mining claims fall into more than one township with acreage (and other) information listed only in the lowest numbered township: ADL 309959, and ADL 309960, 9 & 10S, 5W, F.M.; ADL 352792, and ADL 32793, 9S, 5 & 6W, F.M. No cross reference statement is provided in the report.
7. "MH Acres" - shows the case acreage which was acquired under the Mental Health Enabling Act.
8. "% MH Acres" - shows the percent of the total case file acreage which is mental health land (decimal figures were rounded to the nearest whole number).

Since the state makes no attempt to adjudicate mining claim conflicts, many claims overlap. This report lists the full acreage for each mining claim even though it may overlap with other claims. This results in a total acreage figure greater than the amount of actual acreage covered by these claims.

9. "Posting Date" - shows the date that the Notice of Location was posted in the northeast corner of the claim (mining rights begin).
10. "Closure Date" - shows the date that the claim was closed, relinquished or abandoned.
11. "Annual Labor Years" - shows the number of years that affidavits of annual labor were due, filed by the claimant and accepted by the department.
12. "Holder" - shows the name of the mining claimant or holder of the claim as of October 4, 1985.

The state does not receive revenues from mining claims except through the mining license tax (AS 43.65.010-050). Therefore, no monetary receipts are shown.

The following (40 acre) mining claims are located within the Haines State Forest which may have been removed from the trust by its legislative designation.

ADL # 316273 (1980)	311033 (1970)	311031 (1970)	338934 (1980)
311030 (1970)	338893 (1980)	311032 (1970)	359581 (1983)

However, the majority of these claims were filed prior to the establishment of the Haines State Forest in 1982 (AS 41.15.305).

SUMMARY CHART

	Posted On or Prior To July 19, 1978*		Posted July 19, 1978 Thru October 4, 1985	
	Number	Acres	Number	Acres
Number of Active Claims in Fairbanks Meridian	90	2,834.48	220	7,450.34
Number of Active Claims in Seward Meridian	0	0	962	38,440.00
Number of Active Claims in Copper River Meridian	3	48.00	142	4,570.07
TOTAL	93	2,882.48	1,324	50,460.41
Number of Closed Claims in Fairbanks Meridian	4	75.00	109	3,741.00
Number of Closed Claims in Seward Meridian	14	80.00	17	645.00
Number of Closed Claims in Copper River Meridian	0	0	133	3,941.82
TOTAL	18	155.00	259	8,327.82
Total Claims in Fairbanks Meridian	94	2,909.48	329	11,191.34
Total Claims in Seward Meridian	14	80.00	979	39,085.00
Total Claims in Copper River Meridian	3	48.00	275	8,511.89
TOTAL	111	3,037.48	1,583	58,788.23

*This report shows only those state mining claims which were still in effect on July 19, 1978. State claims which were posted and were closed prior to that time will not appear on this report.

Mental Health Lands Inventory
July 19, 1978 - October 4, 1985
OIL AND GAS LEASES

This report is part of the Department of Natural Resources' inventory of mental health lands which was produced following the Supreme Court decision of October 4, 1985 (Weiss v. Alaska) concerning mental health trust lands. It identifies those oil and gas leases located on mental health lands which were in effect between July 19, 1978 and October 4, 1985. The initial data was obtained from state status plats and historical indices. Additional information was obtained in a review of case files located within the Division of Oil and Gas.

This report is organized by location according to legal description. A cross reference report in case number sequence is also provided. For those oil and gas leases which lie within more than one township, complete information is listed in the initial township entry. Additional entries contain only the township and range, ADL number, and cross reference to the original entry.

The columns of the report show the following information:

1. "Township" - is the basic legal description (meridian, township, range).
2. "Section(s)" - lists the section(s) of mental health lands within the case.
3. "Additional Legal" - Further defines the area that mental health land may be found (e.g. lot, block, tract, and/or U.S. Survey number). Detailed legal descriptions may be found in DHR case files. This column also contains cross reference notations as discussed above.
4. "MH #" - shows the case number assigned by the state to selections made under the Mental Health Enabling Act.
5. "Additional MH#" - shows the case number assigned by the state to selections made under the Mental Health Enabling act. This column is only used if there is more than one selection within the oil and gas lease area.
6. "ADL" - is the Alaska Division of Lands case file number assigned to the lease.
7. "Cross Reference" - Some oil and gas leases have been segregated (separated) into more than one lease. These segregations were usually done to facilitate the transfer of a portion of a lease. The lower ADL number reflects the original case. The cross reference number indicates the associated casefile.