

ALASKA LEGISLATURE COMMITTEE FILES 1991-1992 8672
7155 HOUSE RESOURCES

- 1 (2) household furniture and personal effects of members of a household;
- 2 (3) property used exclusively for nonprofit religious, charitable, cemetery,
- 3 hospital, or educational purposes;
- 4 (4) property of a nonbusiness organization composed entirely of persons with 90
- 5 days or more of active service in the armed forces of the United States whose conditions of
- 6 service and separation were other than dishonorable, or the property of an auxiliary of that
- 7 organization;
- 8 (5) money on deposit;
- 9 (6) the real property of certain residents of the state to the extent and subject to
- 10 the conditions provided in (e) of this section;
- 11 (7) real property or an interest in real property that is exempt from taxation under
- 12 43 U.S.C. 1620(d), as amended.

13 * Sec. 4. AS 36.30.850(b) is amended to read:

14 (b) This chapter applies to every expenditure of state money by the state, acting through

15 an agency, under a contract, except that this chapter does not apply to

16 (1) grants;

17 (2) contracts for professional witnesses to provide for professional services or

18 testimony relating to existing or probable lawsuits in which the state is or may become a party;

19 (3) contracts of the University of Alaska where the work is to be performed

20 substantially by students enrolled in the university;

21 (4) contracts for medical doctors and dentists;

22 (5) acquisitions or disposals of real property or interest in real property, except

23 as provided in AS 36.30.080;

24 (6) disposals under AS 38.05;

25 (7) contracts for the preparation of ballots under AS 15.15.030;

26 (8) acquisitions or disposals of property and other contracts relating to airports

27 under AS 02.15.070, 02.15.090, and 02.15.091;

28 (9) disposals of obsolete property under AS 19.05.060;

29 (10) disposals of obsolete material or equipment under AS 35.20.060;

30 (11) agreements with providers of services under AS 44.47.250; AS 47.07;

31 AS 47.08; AS 47.10; AS 47.17; AS 47.24; AS 47.25.195, and 47.25.310;

1 (12) contracts of the Department of Fish and Game for flights that involve
2 specialized flying and piloting skills and are not point-to-point;

3 (13) purchases of income-producing assets for the state treasury or a public
4 corporation of the state;

5 (14) operation of the state boarding school established under AS 14.16, if the
6 State Board of Education or the commissioner of education adopts regulations for use by the state
7 boarding school in procurement and contracting;

8 (15) a contract that is a delegation, in whole or in part, of investment powers held
9 by the commissioner of revenue under AS 14.25.180, AS 14.40.400, AS 14.42.200, 14.42.210,
10 AS 18.56.095, AS 22.25.048, AS 26.05.228, AS 37.10.070, 37.10.071, AS 37.14, or
11 AS 39.35.080;

12 (16) a contract that is a delegation, in whole or in part, of investment powers of
13 (A) the Board of Trustees of the Alaska Permanent Fund Corporation
14 under AS 37.13;

15 (B) the Alaska Mental Health Trust Authority under AS 37.14.001 -
16 37.14.099;

17 (17) the purchase of books, book binding services, newspapers, periodicals,
18 audio-visual materials, network information services access, approval plans, professional
19 memberships, archival materials, objects of art, and items for museum or archival acquisition
20 having cultural, historical, or archaeological significance; in this paragraph

21 (A) "approval plans" means book selection services in which current book
22 titles meeting an agency's customized specifications are provided to the agency subject
23 to the right of the agency to return those books that do not meet with the agency's
24 approval;

25 (B) "archival materials" means the noncurrent records of an agency that are
26 preserved after appraisal because of their value;

27 (C) "audio-visual materials" means nonbook prerecorded materials,
28 including records, tapes, slides, transparencies, films, filmstrips, cassettes, videos, compact
29 discs, laser discs, and items that require the use of equipment to render them usable;

30 (D) "network information services" means a group of resources from which
31 cataloging information, holdings records, inter-library loans, acquisitions information, and

1 other reference resources can be obtained;

2 (18) contracts for the purchase of standardized examinations for licensure under
3 AS 08;

4 (19) contracts for home health care and adult residential and foster care services
5 provided under regulations adopted by the Department of Health and Social Services;

6 (20) contracts for supplies or services for research projects funded by money
7 received from the federal government or private grants; [OR]

8 (21) guest speakers or performers for an educational or cultural activity; or

9 (22) contracts for services that are entered into by the Alaska Mental Health
10 Trust Authority under AS 47.30.061.

11 * Sec. 5. AS 37.05.540(b) is amended to read:

12 (b) Except for appropriations to the permanent fund or for Alaska permanent fund
13 dividends, appropriations to the budget reserve fund, appropriations of revenue bond proceeds,
14 appropriations required to pay the principal and interest on general obligation bonds, [AND]
15 appropriations of money received from a nonstate source in trust for a specific purpose, including
16 revenue of a public enterprise or public corporation of the state that issues revenue bonds, and
17 appropriations authorized by AS 37.14.031(a)(4) and (5), appropriations from the treasury
18 made in a fiscal year may not exceed appropriations made in the preceding fiscal year by more
19 than five percent plus the change in population and inflation since the beginning of the preceding
20 fiscal year. For purposes of applying this limit an appropriation is considered to be made in the
21 fiscal year in which it is enacted and a reappropriation remains attributed to the fiscal year in
22 which the original appropriation is enacted. The determination of the change in population for
23 purposes of this subsection shall be based on an annual estimate of population by the Department
24 of Labor. The determination of the change in inflation for purposes of this subsection shall be
25 based on the Consumer Price Index for all urban consumers for Anchorage prepared by the
26 United States Bureau of Labor Statistics. The amount of money received by the state that is
27 subject to the appropriation limit includes the balance in the general fund carried forward from
28 the preceding fiscal year.

29 * Sec. 6. AS 37.13.030 is amended to read:

30 Sec. 37.13.030. PURPOSE. It is the purpose of AS 37.13.010 - 37.13.210 [THIS
31 CHAPTER] to provide a mechanism for the management and investment of those permanent fund

1 assets allocated to the Alaska Permanent Fund Corporation in a manner consistent with the
2 findings in AS 37.13.020.

3 * Sec. 7. AS 37.13.040 is amended to read:

4 Sec. 37.13.040. ALASKA PERMANENT FUND CORPORATION. There is established
5 the Alaska Permanent Fund Corporation. The corporation is a public corporation and government
6 instrumentality in the Department of Revenue managed by the board of trustees. The purpose
7 of the board is to manage and invest the assets of the corporation in accordance with
8 AS 37.13.010 - 37.13.210 [THIS CHAPTER].

9 * Sec. 8. AS 37.13. is amended by adding a new section to read:

10 Sec. 37.13.300. CORPORATION TO MANAGE CERTAIN ASSETS OF THE MENTAL
11 HEALTH TRUST. (a) The corporation shall manage the cash assets of the corpus of the trust
12 established under the Alaska Mental Health Enabling Act of 1956, P.L. 84-830, 70 Stat. 709.

13 (b) The corporation shall

14 (1) continually hold and invest the cash assets of the corpus of the trust subject
15 to AS 37.13.120;

16 (2) at least quarterly, prepare, publish, and distribute to the Board of Trustees of
17 the Alaska Mental Health Trust Authority a financial report indicating investment revenue and
18 expenditures, and including a statement setting out the allocation of the cash assets of the trust
19 among investment vehicles;

20 (3) annually prepare, publish, and distribute to the Board of Trustees of the Alaska
21 Mental Health Trust Authority externally audited financial statements and an external audit
22 opinion as to the fair presentation of the financial position of the Alaska mental health trust in
23 conformity with generally accepted accounting principles; and

24 (4) periodically advise the Board of Trustees of the Alaska Mental Health Trust
25 Authority of potential changes to long-range investment policy, including pending asset allocation
26 policy changes, and provide an opportunity for consultation and comment on the potential
27 changes.

28 (c) Net income from the cash assets of the corpus of the trust managed under this section
29 may not be included in the computation of net income available for distribution under
30 AS 37.13.140.

31 * Sec. 9. AS 37.14 is amended by adding new sections to read:

Under otherwise determined by the AMHTA under AS 37.14.086(1)(5)

1 Sec. 37.14.001. TRUSTEE. (a) The Alaska Mental Health Trust Authority, established
2 by AS 47.30.011, is the trustee of

3 (1) the trust established under the Alaska Mental Health Enabling Act of 1956,
4 P.L. 84-830, 70 Stat. 709; and

5 (2) the mental health trust income account established under AS 37.14.021.

6 (b) In its capacity as the trustee of the trust established by the enabling Act, the authority
7 may

8 (1) except as provided by AS 37.13.300, receive, manage, and invest money or
9 other real, personal, or mixed property for the purpose of the trust, its improvement, or the aid
10 or advantage of its beneficiaries; and

11 (2) act as trustee on behalf of the trust for any of these purposes.

12 Sec. 37.14.006. TRUST MANAGEMENT. (a) The Alaska Mental Health Trust
13 Authority

14 (1) shall manage the assets of the trust, except the assets of the trust managed
15 by the Alaska Permanent Fund Corporation under AS 37.13.300; the assets of the trust managed
16 by the authority shall be managed according to the prudent-person rule; the prudent-person rule
17 as applied to investments of the authority means that in making investments the board shall
18 exercise the judgment and care under the circumstances then prevailing that an institutional
19 investor of ordinary prudence, discretion, and intelligence exercises in the management of large
20 investments entrusted to it not for speculation but for the permanent disposition of funds,
21 considering probable safety of capital as well as probable income; an evaluation to determine
22 whether the board has exercised the requisite judgment and care in its management of the
23 investments of the trust must be

24 (A) based on the facts and circumstances prevailing at the time the asset
25 was incorporated into the trust; and

26 (B) made on an asset-by-asset basis taking into account the entire
27 investment portfolio of the trust;

28 (2) may, notwithstanding (1) of this subsection, retain assets of the trust that have
29 been incorporated into the trust with the trust's establishment until the board determines that it
30 is in the best interests of the trust to exchange or otherwise dispose of those assets;

31 (3) may, notwithstanding (1) of this subsection, use land that is an asset of the

1 trust directly for a comprehensive service program for the trust beneficiaries; and

2 (4) shall delegate management of trust land described in AS 37.14.031(a)(3) to
3 the Department of Natural Resources.

4 (b) The authority shall

5 (1) at the end of each fiscal year, calculate the amount that must be transferred
6 from the trust income account established in AS 37.14.021 to the mental health trust corpus in
7 order to offset the effect of inflation on the money in the trust corpus during that year, as
8 measured by the change in the calendar year average United States Consumer Price Index for all
9 urban consumers or, if that index does not exist, an equivalent index; and

10 (2) transfer from the trust income account to the mental health trust corpus 1/12th
11 of the amount determined under (1) of this subsection each month.

12 (c) At least annually, the authority shall prepare, publish, and distribute to the legislature
13 and make available to the public a financial report indicating trust revenue and expenditures, and
14 including a statement of its method of allocating the assets of the trust among appropriate
15 investment vehicles. The asset allocation policy shall be designed to provide for prudent
16 diversification and to meet the investment objectives and needs of the authority.

17 * Sec. 10. AS 37.14.021 is repealed and reenacted to read:

18 Sec. 37.14.021. TRUST INCOME ACCOUNT. (a) The mental health trust income
19 account is established as an account separate from the trust corpus. The mental health trust
20 income account consists of money

21 (1) earned by the authority on its investment of the assets of the trust corpus
22 during the fiscal year; and

23 (2) transferred to the account by the board from any source.

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

26 (c) Expenditure of money from the mental health trust income account

27 (1) is subject to AS 37.07 (Executive Budget Act);

28 (2) may not be made before July 1, 2007.

29 (d) Beginning July 1, 2007, the legislature shall appropriate money in the mental health
30 trust income account first to meet the necessary expenses of the comprehensive program of
31 services required by AS 47.30.061. In making annual appropriations, the legislature shall

1 consider the budget prepared and submitted by the authority. If the legislature does not
2 appropriate from the account in the manner submitted by the authority, the legislature shall
3 prepare a report showing how, in the judgment of the legislature, the necessary expenses of the
4 comprehensive program of services required by AS 47.30.061 will be met.

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

6 Sec. 37.14.031. TRUST CORPUS RECONSTITUTED. (a) On the effective date of this
7 section, the mental health trust corpus is reconstituted to include

8 (1) land granted to the state under the enabling Act and not transferred or
9 encumbered by the state;

10 (2) land granted to the state under the enabling Act that, on the effective date of
11 this section, is subject to a land use permit issued by the Department of Natural Resources under
12 AS 38.05;

13 (3) land granted to the state under the enabling Act and subsequently established
14 as legislatively-designated land;

15 *mental* (4) money paid by the state under AS 37.14.041; and

16 (5) money paid by the state and directed by a law to be placed in the trust corpus.

17 (b) For purposes of (a)(1) of this section, land granted under the enabling Act is
18 encumbered land not to be included in the trust if the land

19 (1) has been conveyed by patent to a municipality before the effective date of this
20 section;

21 (2) is a municipal land selection made under AS 29.65 or under former
22 AS 29.18.190 - 29.18.200 and

23 (A) is an approved selection, as that term is defined by AS 29.65.130,
24 approved in writing by the director of lands, Department of Natural Resources, before the
25 effective date of this section; or

26 (B) has been selected by a municipality and on the effective date of this
27 section the selection has been neither approved nor disapproved by the director of lands,
28 Department of Natural Resources, and the land selected is necessary to fulfill the
29 municipality's entitlement authorized by AS 29.65 or by former AS 29.18.190 - 29.18.200
30 after all land other than former mental health trust land selected by the municipality is
31 included in the entitlement;

1 (3) was subject to an application for an easement or right-of-way under
2 AS 38.05.850 and, on or before July 9, 1990, the applicant had filed with the Department of
3 Natural Resources an as-built survey for construction of a road within the easement or right-of-
4 way for which the application was submitted; or

5 (4) except as to a municipal selection under (2) of this subsection or an
6 application made under (3) of this subsection, has been

7 (A) conveyed by deed;

8 (B) made subject to a lease or to a contract for sale or lease;

9 (C) made subject to an easement, right-of-way, or permit;

10 (D) made subject to a mineral lease;

11 (E) made subject to a reservation for public use by statute;

12 (F) made subject to interagency land management assignments made by
13 the Department of Natural Resources; or

14 (G) encumbered before the effective date of this section by the
15 commissioner of natural resources by a land use authorization, lease, or conveyance when
16 specifically authorized by law or under terms and conditions established by law.

17 Sec. 37.14.041. RENT PAYABLE FOR LEGISLATIVELY-DESIGNATED LAND. (a)

18 On July 1 of each year, for trust land identified in AS 37.14.031(a)(3), the state shall pay rent
19 for that fiscal year to the authority.

20 (b) Unless adjusted as required by law, the annual rent payable for the land identified in
21 this section is \$61,000,000.

22 Sec. 37.14.051. ENFORCEMENT OF PAYMENTS DUE THE TRUST. (a) If the state
23 fails to make a payment required under AS 37.14.041, the chief executive officer of the authority
24 shall notify each of the following of the state's failure to make the payment:

25 (1) the governor;

26 (2) the commissioner of revenue;

27 (3) the president of the senate; and

28 (4) the speaker of the house of representatives.

29 (b) The notice shall be in writing and must include a statement of the remedies available
30 to the authority to secure enforcement of its claim for payment.

31 (c) If payment is not made within 15 days after giving notice under (a) of this section.

1 the chair of the board shall convene the board to determine whether the authority shall exercise
2 its rights under this section to collect the payment.

3 (d) If authorized by the board, the authority may apply to the superior court to require
4 payment. In a proceeding under this subsection, the court is limited to a determination of
5 whether a payment due the authority is due and unpaid and the amount that is due and unpaid.
6 The court shall include in the judgment the authority's full attorney fees. The judgment bears
7 interest at the rate of 10.5 percent per year. The clerk of the court shall provide copies of a
8 judgment and order entered under this subsection to the officials named in (a) of this section.

9 Sec. 37.14.061. TRUST LAND CONVEYANCES. (a) The authority may convey trust
10 land to the state or to a person in exchange for land or money.

11 (b) Before the authority conveys land that is part of the trust, and in addition to any other
12 requirements of law, the authority shall negotiate with the conveyee to establish

13 (1) the value of the land to be conveyed and the value of replacement land, if any,
14 to be incorporated into the trust; if the conveyee proposes to exchange trust land for other land,
15 the conveyee shall make available to the trust replacement land that is of at least equal value and
16 with at least equal income production potential at the time of its transfer or conveyance to the
17 trust; or

18 (2) the amount of compensation due the trust for the land conveyed based on the
19 value of that land at the time of its transfer or conveyance from the trust.

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

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

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

24 (3) "enabling Act" means the Alaska Mental Health Enabling Act of 1956, P.L.
25 84-830, 70 Stat. 709;

26 (4) "land granted under the enabling Act" means

27 (A) that land identified by the Department of Natural Resources to be
28 valued by the commissioner of natural resources under procedures approved by the
29 Interim Mental Health Trust Commission more specifically described in documents
30 labeled "Exhibit A" and attached to each of the re-notices of lis pendens that were
31 recorded in September 1990 at

- 1 (i) book 2073, pages 388 - 416, Anchorage Recording Office;
- 2 (ii) book 62, pages 394 - 399, Cordova Recording Office;
- 3 (iii) book 677, pages 62 - 100, Fairbanks Recording Office;
- 4 (iv) book 19, pages 926 - 954, Haines Recording Office
- 5 (v) book 201, pages 488 - 491, Homer Recording Office;
- 6 (vi) book 335, pages 748 - 765, Juneau Recording Office;
- 7 (vii) book 371, pages 117 - 158, Kenai Recording Office;
- 8 (viii) book 181, pages 728 - 757, Ketchikan Recording Office;
- 9 (ix) book 102, pages 869 - 872, Kodiak Recording Office;
- 10 (x) book 25, pages 195 - 198, McKinley Recording Office;
- 11 (xi) book 46, pages 001 - 023, Nenana Recording Office;
- 12 (xii) book 16, pages 393 - 397, Nulato Recording Office;
- 13 (xiii) book 629, pages 869 - 916, Palmer Recording Office;
- 14 (xiv) book 35, pages 518 - 534, Petersburg Recording Office;
- 15 (xv) book 31, pages 621 - 626, Seldovia Recording Office;
- 16 (xvi) book 90, pages 524 - 538, Sitka Recording Office;
- 17 (xvii) book 6, pages 286 - 294, Skagway Recording Office;
- 18 (xviii) book 131, pages 585 - 590, Talkeetna Recording Office;
- 19 (xix) book 18, pages 643 - 650, Wrangell Recording Office; and

20 (B) all land approved for conveyance and patented under sec. 202 of the
 21 enabling Act after September 7, 1987;

22 (5) "legislatively-designated land" means land granted under the enabling Act and
 23 subsequently designated by law as a state park, state forest, state game refuge, state wildlife
 24 refuge, state game sanctuary, state recreational area, state recreational river, state wilderness park,
 25 state marine park, state special management area, state public use area, critical habitat area, bald
 26 eagle preserve, bison range, or moose range.

27 * Sec. 12. AS 38.05.290(b) is amended to read:

(b) Consistent with the best interests of the state,

(1) in the selection of land under the Alaska Statehood Act after the effective
 date of this section and until January 3, 1994, it is the policy of the state to make available
 the maximum land area for the corpus of the trust established under the Alaska Mental

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Health Enabling Act of 1956, P.L. 84-830, 70 Stat. 709, and reconstituted by AS 37.14.001;
and

(2) subject to the prior right of the Alaska Mental Health Trust Authority to nominate land for conveyance or exchange, in the selection of general grant land it is the policy of the state to make available the maximum land area from which municipalities may fulfill land entitlements under AS 29.65 or former AS 29.18.201 - 29.18.213.

* Sec. 13. AS 38.05.800 is repealed and reenacted to read:

Sec. 38.05.800. ADMINISTRATION OF CERTAIN LAND WITHIN THE MENTAL HEALTH TRUST. The department shall manage land identified in AS 37.14.031(a)(3) on behalf of the Alaska Mental Health Trust Authority for the land's legislatively-designated purpose. The state shall continue to manage the land and its resources in accordance with state law and policy. The management authority of the state includes

- (1) the right to issue permits, rights-of-ways, mining leases, oil and gas leases, coal leases, and timber contracts;
- (2) the right to take other actions that do not constitute a conveyance in fee simple; and
- (3) the right to receive the income from the land managed.

* Sec. 14. AS 39.25.120(c)(9) is amended to read:

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

- (A) Alaska Public Broadcasting Commission;
- (B) Professional Teaching Practices Commission;
- (C) Parole Board;
- (D) Board of Nursing;
- (E) Real Estate Commission;
- (F) Alaska Royalty Oil and Gas Development Advisory Board;
- (G) Alaska Historical Commission;
- (H) Alaska State Council on the Arts;
- (I) Alaska Police Standards Council;
- (J) Older Alaskans Commission;
- (K) Alaska Mental Health Board;

1 (L) State Medical Board;

2 (M) Governor's Council for the Handicapped and Gifted;

3 (N) Advisory Board on Alcoholism and Drug Abuse;

4 * Sec. 15. AS 41.15 is amended by adding a new section to read:

5 Sec. 41.15.025. FIRE PROTECTION ON MENTAL HEALTH TRUST LAND. Land
6 that is included in the corpus of the trust established by the Alaska Mental Health Enabling Act
7 of 1956 is, for the purpose of wild fire suppression, land owned by the state, and the state
8 remains responsible for providing and paying for suppression of wild fires on that land.

9 * Sec. 16. AS 44.21.230(a) is amended to read:

10 (a) The commission shall

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

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

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

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

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

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

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

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

27 (9) give assistance, on request, to the senior housing office in the Department of
28 Community and Regional Affairs in administration of the senior housing loan program under
29 AS 44.47.587 - 44.47.609 and in the performance of the office's other duties under
30 AS 44.47.585; and

31 (10) provide recommendations to the Alaska Mental Health Trust Authority

1 concerning the necessary expenses of the comprehensive service program for the
 2 beneficiaries of the trust who are described in AS 47.30.061(c)(4) and the use of the money
 3 in the mental health trust income account in a manner consistent with AS 47.30.061; in
 4 making recommendations affecting the trust, members of the commission assume a duty of
 5 loyalty to the trust equivalent to the responsibilities of a private trustee.

6 * Sec. 17. AS 44.29.020 is amended to read:

7 Sec. 44.29.020. DUTIES OF DEPARTMENT. The Department of Health and Social
 8 Services shall administer the state programs of public health and social services, including:

- 9 (1) maternal and child health services;
- 10 (2) preventive medical services;
- 11 (3) public health nursing services;
- 12 (4) nutrition services;
- 13 (5) health education;
- 14 (6) laboratories;
- 15 (7) mental health in a manner consistent with the comprehensive service
 16 program plan adopted by the Alaska Mental Health Trust Authority [TREATMENT AND
 17 DIAGNOSIS];
- 18 (8) management of state institutions, except for adult penal institutions;
- 19 (9) medical facilities;
- 20 (10) adult public assistance;
- 21 (11) aid to families with dependent children;
- 22 (12) child welfare services;
- 23 (13) general relief; and
- 24 (14) licensing and supervision of child care facilities.

25 * Sec. 18. AS 44.29.022 is amended by adding a new subsection to read:

26 (d) A regulation that establishes a fee for services under AS 44.29.020(a)(7) that affect
 27 the comprehensive service program for beneficiaries of the trust established under the Alaska
 28 Mental Health Enabling Act of 1956 may not be adopted under this section unless it has been
 29 approved by the Alaska Mental Health Trust Authority.

30 * Sec. 19. AS 44.29.024 is amended by adding a new subsection to read:

31 (c) A regulation that establishes a schedule of reasonable fees for services provided by

1 a contractor or grantee that affect the comprehensive service program for beneficiaries of the trust
2 established under the Alaska Mental Health Enabling Act of 1956 may not be adopted under this
3 section unless it has been approved by the Alaska Mental Health Trust Authority.

4 * Sec. 20. AS 44.29.100 is amended to read:

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

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

10 Sec. 44.29.110. COMPOSITION. The board consists of 10 [12] members appointed by
11 the governor.

12 * Sec. 22. AS 44.29.115 is amended to read:

13 Sec. 44.29.115. QUALIFICATIONS OF BOARD MEMBERS. The governor shall
14 appoint the 10 [12] members so that the board consists of:

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

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

19 (3) four members who are chronic alcoholics with psychoses who are
20 recovering; and

21 (4) four [EIGHT] members who have shown an interest in the problems of
22 alcoholism or drug abuse and who have knowledge of the social problems associated with
23 alcoholism or drug abuse [; AND

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

25 * Sec. 23. AS 44.29 is amended by adding a new section to read:

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

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

1 under AS 39.27.011(a). The executive director may hire additional employees in the classified
2 service of the state. The department shall provide for the assignment of personnel to the board
3 to ensure the board has the capacity to fulfill its responsibilities. The executive director of the
4 board shall be directly responsible to the board in the performance of the director's duty.

5 * Sec. 24. AS 44.29.140 is amended to read:

6 Sec. 44.29.140. DUTIES. The board shall

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

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

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

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

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

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

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

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

26 (2) make recommendations to the Alaska Mental Health Trust Authority
27 concerning the use of money in the mental health trust income account for the benefit of
28 chronic alcoholics suffering from psychosis; in making recommendations affecting the
29 mental health trust, the members of the board assume a duty of loyalty to the mental health
30 trust equivalent to the responsibilities of a private trustee.

31 * Sec. 25. AS 44.29.140 is amended by adding new subsections to read:

1 (b) The board is the state planning and coordinating body for purposes of federal and
2 state laws relating to alcohol and drug abuse prevention and treatment services.

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

5 * Sec. 26. AS 47.30 is amended by adding new sections to read:

6 Sec. 47.30.011. ALASKA MENTAL HEALTH TRUST AUTHORITY. (a) The Alaska
7 Mental Health Trust Authority is established as a public corporation of the state that has a legal
8 existence independent of and separate from the state.

9 (b) The purpose of the authority is to ensure an integrated comprehensive mental health
10 program for the people of the state.

11 (c) The authority

12 (1) serves under AS 37.14.001 - 37.14.099 as the trustee of the trust established
13 under the Alaska Mental Health Enabling Act of 1956, and of the mental health trust income
14 account established under AS 37.14.021;

15 (2) may sue and be sued;

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

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

25 (5) is exempt from AS 36.30 (State Procurement Code).

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

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

30 (b) The board consists of nine members appointed by the governor. The members shall
31 be appointed

1 (1) based upon their recognized expertise or experience in financial management
2 and investment, in land management, or in services for the beneficiaries of the trust;

3 (2) from a list of persons prepared by a panel of five persons who are
4 beneficiaries, or who are the guardians, family members, or representatives of beneficiaries; the
5 panel consists of

6 (A) one person selected by the Alaska Mental Health Board
7 (AS 47.30.661);

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

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

12 (D) one person selected by the Older Alaskans Commission
13 (AS 44.21.200); and

14 (E) one person selected by the authority.

15 (c) A member of the board may not

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

17 (2) within the preceding year or during the member's term of office have had an
18 interest in, served on the governing board of, or been employed by an organization that has an
19 interest in, a contract entered into by the authority.

20 (d) A quorum of the board is five members.

21 (e) Members of the board

22 (1) receive an honorarium of \$400 for each day or any part of a day spent at a
23 meeting of the board, at a meeting of a subcommittee of the board, or as a representative of the
24 board; the honorarium under this paragraph shall be adjusted annually for the effect of inflation
25 as measured by the change in the calendar year average United States Consumer Price Index for
26 all urban consumers or, if that index no longer exists, an equivalent index; and

27 (2) are entitled to per diem and travel expenses authorized for boards and
28 commissions under AS 39.20.180.

29 Sec. 47.30.021. TERM OF OFFICE, VACANCIES, AND REMOVAL. (a) Members
30 of the board serve staggered five-year terms. A member shall continue to serve until the
31 member's successor is appointed and confirmed.

1 (b) A vacancy occurring in the membership of the board of trustees of the authority shall
2 be filled within 60 days by appointment of the governor for the unexpired portion of the vacated
3 term.

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

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

17 Sec. 47.30.026. OFFICERS AND STAFF. (a) The board shall annually elect a chair
18 and other officers it considers necessary from among its membership.

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

22 (1) hire additional employees;

23 (2) appoint hearing officers to perform the responsibilities set out in
24 AS 47.30.031(b)(7); and

25 (3) contract for the services of consultants and others.

26 (c) The chief executive officer is directly responsible to the board for the performance
27 of the director's duties.

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

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

(1) the requirements of AS 47.30.061(i) and (k);

(2) provisions governing the administration and management of the mental health trust corpus and mental health trust income account under AS 37.14.001 - 37.14.099;

(3) provisions concerning the equitable distribution of the earnings of the trust;

(4) procedures by which an aggrieved person or group who believe they have not received services that should be provided from the trust may apply to the authority for the provision of the service from trust funds;

(5) procedures by which income earned through the provision of trust funded services by any entity can be used to augment or enhance the entity's services;

(6) provisions that allow and encourage entities providing trust funded services to integrate those services with other community human services funded by other sources;

(7) administrative adjudication procedures, including but not limited to

(A) the acceptance of applications under (4) of this subsection;

(B) investigations;

(C) hearings; and

(D) the issuance of administrative orders, as necessary; and

(8) procurement procedures.

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

(1) preserve and protect the trust corpus in perpetuity;

(2) use the trust income to

(A) defray the necessary operating and capital expenses of the trust program under AS 47.30.061(a)(1); and

(B) meet the annual administrative expenses of the authority;

(3) determine and budget for the necessary expenses of the comprehensive service program for the beneficiaries of the trust by producing and annually updating a long range comprehensive trust program plan including

(A) forecasts of the number of persons needing services;

(B) projections of the resources required to provide the necessary services and facilities;

(C) reviews of the status of the comprehensive service program for the

1 beneficiaries of the trust and evaluations of its effectiveness; and

2 (D) program goals, objectives, targets, and time lines;

3 (4) coordinate with other state agencies involved with programs affecting persons
4 in need of mental health services;

5 (5) adopt bylaws governing its meetings, selection of officers, proceedings, and
6 other aspects of board procedure; and

7 (6) make an annual written report of its activities to the legislature, governor, and
8 the public.

9 Sec. 47.30.041. INDIVIDUAL RESPONSIBILITIES OF TRUSTEES. (a) By accepting
10 appointment to the board a person accepts the position as co-trustee of the trust and recognizes
11 that, in exercising its powers, duties, and responsibilities, the board is under a duty to the public
12 and the trust beneficiaries to

13 (1) administer the trust solely in the interests of the beneficiaries;

14 (2) keep and render clear and accurate accounts with respect to the administration
15 of the trust;

16 (3) make public and available complete and accurate information as to the nature
17 and amount of the trust property;

18 (4) exercise an equal or higher degree of care in administering the trust than in
19 the management of the person's own personal business;

20 (5) take reasonable steps to take and keep control of the trust property;

21 (6) use care and skill to preserve the trust property;

22 (7) take reasonable steps to realize on claims that are held in the trust;

23 (8) defend against actions that may result in a loss to the trust estate, unless under
24 all the circumstances, considering the other duties owed to the trust, it is reasonable not to make
25 that defense;

26 (9) keep trust property separate from the person's own property;

27 (10) keep trust property separate from other property not subject to the trust so
28 far as it is reasonable to do so;

29 (11) see that trust property is designated as property of the trust;

30 (12) use care in selecting the bank when making general deposits of trust money
31 in a bank, and properly identify the deposit as a deposit by the authority as trustee;

1 (13) use care and skill to make the trust property productive; however, nothing
2 in this paragraph shall prevent the authority from using trust property directly or indirectly, by
3 contractual stipulation or otherwise as a component of the state's mental health program;

4 (14) use the income of the trust to pay for the necessary expenses of the
5 comprehensive service program for the beneficiaries of the trust;

6 (15) deal impartially with the different trust beneficiaries under the priorities set
7 out in AS 47.30.061; and

8 (16) participate in the administration of the trust with the other members of the
9 board, and use care to prevent a co-trustee from committing a breach of trust or to compel a co-
10 trustee to redress a breach of trust.

11 (b) By accepting appointment to the board, a person accepts the position as co-trustee
12 of the trust and recognizes that, in exercising its powers, duties, and responsibilities, the board
13 is otherwise subject to the same fiduciary duties as a private trustee under private trust law
14 principles.

15 Sec. 47.30.046. AUTHORITY BUDGET SUBJECT TO EXECUTIVE BUDGET ACT.
16 Except as provided in AS 47.30.051, management of the mental health trust income account is
17 subject to AS 37.07 (Executive Budget Act).

18 Sec. 47.30.051. MANAGEMENT OF MENTAL HEALTH TRUST INCOME
19 ACCOUNT. The board shall

20 (1) report to the governor and the legislature a determination of the amount

21 (A) to be expended from the mental health trust income account to

22 (i) meet the administrative expenses of the authority;

23 (ii) offset the effect of inflation on the value of the trust corpus as
24 required under AS 37.14.006(b); and

25 (iii) meet the necessary operating and capital expenses of the
26 comprehensive service program for the beneficiaries of the trust;

27 (B) needed from the general fund, if any, that is required during the next
28 fiscal year to meet the necessary operating and capital expenses of the comprehensive
29 service program for the beneficiaries of the trust; and

30 (C) estimated to be surplus, if any, in the mental health trust income
31 account for transfer into the general fund on September 15; and

1 (2) annually, not later than September 15, transfer the surplus, if any, in the
 2 mental health trust income account that is not reasonably or foreseeably needed to meet the
 3 necessary operating and capital expenses of the comprehensive service program for the
 4 beneficiaries of the trust into the general fund to be used for other public purposes.

5 Sec. 47.30.056. SUBMISSIONS REQUIRING USE OF TRUST MONEY. An agency
 6 or entity proposing an expenditure of money by the trust must present its proposal to the
 7 authority under regulations adopted under AS 47.30.031.

8 Sec. 47.30.061. USE OF MONEY IN THE MENTAL HEALTH TRUST INCOME
 9 ACCOUNT. (a) The authority shall use money in the mental health trust income account
 10 established in AS 37.14.021 to

- 11 (1) provide a comprehensive program of services as required by this section; and
- 12 (2) meet the authority's annual administrative expenses.

13 (b) In making expenditures under (a)(1) of this section, the authority shall guarantee a
 14 priority in service delivery to persons identified in this section who, as a result of a disorder
 15 identified in this section,

- 16 (1) may require or are at risk of hospitalization; or
- 17 (2) experience such major impairment of self-care, self-direction, or social and
 18 economic functioning that they require continuing or intensive services.

19 (c) The comprehensive program of services funded by the trust shall provide services
 20 needed by

- 21 (1) the mentally ill;
- 22 (2) the mentally defective and retarded;
- 23 (3) chronic alcoholics suffering from psychoses; and
- 24 (4) senile people who as a result of their senility suffer major mental illness.

25 (d) In (c) of this section, "the mentally ill" includes persons with the following mental
 26 disorders:

- 27 (1) schizophrenia;
- 28 (2) delusional (paranoid) disorder;
- 29 (3) mood disorders;
- 30 (4) anxiety disorders;
- 31 (5) somatoform disorders;

1 (6) organic mental disorders;
2 (7) personality disorders;
3 (8) dissociative disorders;
4 (9) other psychotic or severe and persistent mental disorders manifested by
5 behavioral changes and symptoms of comparable severity to those manifested by persons with
6 mental disorders listed in this subsection; and

7 (10) persons who have been diagnosed by a licensed psychologist, psychiatrist,
8 or physician licensed to practice medicine in the state and, as a result of the diagnosis, have been
9 determined to have a childhood disorder manifested by behaviors or symptoms suggesting risk
10 of developing a mental disorder listed in this subsection.

11 (e) In (c) of this section, "the mentally defective and retarded" includes persons with the
12 following neurologic or mental disorders:

13 (1) cerebral palsy;
14 (2) epilepsy;
15 (3) mental retardation;
16 (4) autistic disorder;
17 (5) severe organic brain impairment;
18 (6) significant developmental delay during early childhood indicating risk of
19 developing a disorder listed in this subsection;
20 (7) other severe and persistent mental disorders manifested by behaviors and
21 symptoms similar to those manifested by persons with disorders listed in this subsection.

22 (f) In (c) of this section, "chronic alcoholics suffering from psychoses" includes persons
23 with the following disorders:

24 (1) alcohol withdrawal delirium (delirium tremens);
25 (2) alcohol hallucinosis;
26 (3) alcohol amnestic disorder;
27 (4) dementia associated with alcoholism;
28 (5) alcohol-induced organic mental disorder;
29 (6) alcoholic depressive disorder;
30 (7) other severe and persistent disorders associated with a history of prolonged
31 or excessive drinking or episodes of drinking out of control and manifested by behavioral

1 changes and symptoms similar to those manifested by persons with disorders listed in this
2 subsection.

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

5 (1) primary degenerative dementia of the Alzheimer type;

6 (2) multi-infarct dementia;

7 (3) senile dementia;

8 (4) presenile dementia;

9 (5) other severe and persistent mental disorders manifested by behaviors and
10 symptoms similar to those manifested by persons with disorders listed in this subsection.

11 (h) Persons not included in (b) and (c) of this section may be provided services under
12 the comprehensive service program to be paid for from the trust provided the authority
13 determines that the provision of services is consistent with its obligation as trustee under (b) and
14 (c) of this section.

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

20 (j) In this section, "a comprehensive service program" includes, at a minimum, each of
21 the following services for the beneficiaries of the trust as appropriate:

22 (1) emergency services on a 24-hour basis;

23 (2) screening examination and evaluation services required to complete the
24 involuntary commitment process under AS 47.30.700 - 47.30.815;

25 (3) inpatient care;

26 (4) crisis stabilization services, which may include:

27 (A) active community outreach;

28 (B) in-hospital contact;

29 (C) mobile crisis teams of mental health professionals;

30 (D) crisis beds to provide a short term residential program for persons
31 experiencing an acute episode of mental illness that requires temporary removal from a

- 1 home environment;
- 2 (5) treatment services, which may include
- 3 (A) diagnosis, testing, and evaluation of medical needs;
- 4 (B) medication monitoring;
- 5 (C) physical examinations;
- 6 (D) dispensing psychotropic and other medication;
- 7 (E) detoxification;
- 8 (F) individual or group therapy;
- 9 (G) aftercare;
- 10 (6) case management, which may include
- 11 (A) evaluation of needs;
- 12 (B) development of individualized treatment plans;
- 13 (C) enhancement of access to available resources and programs;
- 14 (D) development of interagency contacts and family involvement;
- 15 (E) advocacy;
- 16 (7) daily structure and support, which may include
- 17 (A) daily living skills training;
- 18 (B) socialization activities;
- 19 (C) recreation;
- 20 (D) transportation;
- 21 (E) day care services;
- 22 (F) client and care provider education and support services;
- 23 (8) residential services, which may include
- 24 (A) crisis or respite care;
- 25 (B) board and care;
- 26 (C) foster care, group homes, halfway houses, or supervised apartments;
- 27 (D) intermediate care facilities;
- 28 (E) long term care facilities;
- 29 (F) in-home care;
- 30 (9) vocational services, which may include
- 31 (A) prevocational services;

- 1 (B) work adjustment;
2 (C) supported work;
3 (D) sheltered work;
4 (E) training in which participants achieve useful work experience;
5 (10) outpatient screening, diagnosis, and treatment services, including individual,
6 family, and group psychotherapy, counseling, and referral; and
7 (11) administrative services, including appropriate operating expenses of state
8 agencies and other service providers.

9 (k) The authority shall adopt regulations regarding the services described in (j) of this
10 section to reflect advances in the appropriate professions serving the beneficiaries of the trust.
11 The authority shall review and revise the regulations as necessary. Regulations adopted under
12 this subsection must be in the long term best interest of the mental health trust.

13 Sec. 47.30.066. DEFINITIONS. In AS 47.30.011 - 47.30.066,

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

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

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

19 * Sec. 27. AS 47.30 is amended by adding a new section to read:

20 Sec. 47.30.472. POWERS AND DUTIES OF ALASKA MENTAL HEALTH TRUST
21 AUTHORITY. The Alaska Mental Health Trust Authority established by AS 47.30.011

22 (1) shall include within the plan for the comprehensive service program for the
23 beneficiaries of the mental health trust the services and facilities that are necessary for the care
24 and treatment of persons identified as chronic alcoholics suffering from psychoses, as defined in
25 AS 47.30.061(f); in preparing the plan of services for persons identified in this paragraph, the
26 authority shall coordinate with the Advisory Board on Alcoholism and Drug Abuse;

27 (2) shall use money in the mental health trust income account established under
28 AS 37.14.021 to provide the necessary services identified in (1) of this section and in accordance
29 with AS 47.30.061;

30 (3) may accept and deposit in accounts established for that purpose, grants from
31 the federal government or gifts or contributions from other sources to assist in implementing this

1 section.

2 * Sec. 28. AS 47.30.520 is amended to read:

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

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

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

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

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

16 (5) [(2)] improve the effectiveness of existing mental health services;

17 (6) [(3)] integrate state-operated and community mental health programs into a
18 unified mental health system;

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

23 (8) [(5) ESTABLISH A UNIFORM RATIO OF LOCAL AND STATE
24 GOVERNMENT RESPONSIBILITY FOR FINANCING MENTAL HEALTH SERVICES;

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

27 (9) [(7)] encourage the full use of all existing public or private agencies, facilities,
28 personnel, and funds to accomplish these objectives; and

29 (10) [(8)] prevent unnecessary duplication and fragmentation of services and
30 expenditures.

31 * Sec. 29. AS 47.30 is amended by adding new sections to read:

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

3 (1) the community mental health program provide a comprehensive and integrated
4 system of community based facilities, supports, and mental health services including child and
5 adolescent screening and diagnosis, inpatient, outpatient, prevention, consultation, and education
6 services;

7 (2) persons most in need of community mental health services be afforded an
8 enforceable priority for receiving appropriate services;

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

12 (b) Community mental health program service delivery principles include the principles
13 that persons

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

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

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

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

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

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

27 (7) be provided necessary treatment as close to the person's home as possible;

28 (8) be informed of and allowed to participate in planning their own treatment as
29 much as possible.

30 Sec. 47.30.525. DUTIES OF DIVISION OF MENTAL HEALTH AND
31 DEVELOPMENTAL DISABILITIES. The division of mental health and developmental

1 disabilities shall

2 (1) assist the authority in planning, coordinating, and implementing the mental
3 health program;

4 (2) advise and support the advisory bodies established in AS 47.30.661 and
5 AS 47.80.030 in fulfilling their planning responsibilities related to the mental health program;

6 (3) give technical assistance to entities that provide or propose to provide services
7 funded by the trust;

8 (4) develop and recommend to the authority regulations and standards for mental
9 health services, facilities, and providers;

10 (5) assist the authority by administering grant programs for the delivery of
11 services funded by the trust;

12 (6) at least biennially, obtain for the authority financial and performance audits
13 of each entity providing services funded by the mental health trust income account;

14 (7) operate mental health programs and facilities under guidelines established by
15 the Alaska Mental Health Trust Authority.

16 * Sec. 30. AS 47.30.540 is amended to read:

17 Sec. 47.30.540. ELIGIBLE LOCAL COMMUNITY ENTITIES. (a) A city or borough
18 government or other political subdivision of the state, a nonprofit corporation, or a combination
19 of these, is eligible to receive funds and administer local programs under AS 47.30.520 -
20 47.30.620. In order to ensure equitable access to funds and programs through the state, the
21 authority, in consultation with the department, shall determine appropriate geographical areas
22 to be served by local programs in consultation with representatives of the geographical areas in
23 question.

24 (b) An [THE] entity designated by the authority [DEPARTMENT IN THE LOCAL
25 AREA AS THE ORGANIZATIONAL UNIT] to receive money [FUNDS] under AS 47.30.520 -
26 47.30.620 [AND TO ADMINISTER THE PROGRAM] shall ensure a broad base of community
27 support as evidenced by a governing board reasonably representative of the professional, civic,
28 and citizen groups in the community and including persons with mental disorders or family
29 members of persons with mental disorders. No more than two members, or 40 percent of the
30 membership, whichever is greater, may be providers of services under the program. In order to
31 receive funds under AS 47.30.520 - 47.30.620, a local community entity shall agree to

1 (1) give priority to mental health programs and services consistent with the
2 priorities set out in AS 47.30.061 and that provide the [HAVE A] maximum services for the
3 least expenditure of money from the mental health trust income account and from other
4 state funds, including consideration of money from other sources [EFFECT ON OTHER TAX
5 FUNDED PROGRAMS];

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

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

12 (4) maintain adequate clinical and administrative records and furnish periodic
13 reports to the division [DEPARTMENT];

14 (5) furnish the authority and the division [DEPARTMENT] an annual report of
15 the preceding fiscal year, including an evaluation of the effectiveness of the previous year's
16 programs and their costs; and

17 (6) furnish the authority and the division, in accordance with the regulations
18 of the authority, [DEPARTMENT EACH YEAR A] satisfactory needs assessments for the
19 population and area it serves and an annual update of a long-range planning and budget
20 statement that describes program goals for the coming year, the steps and resources necessary
21 to implement the goals, the projected means by which these resources will be secured, and the
22 procedures necessary to evaluate the program; and

23 (7) cooperate with the division to obtain audits required under
24 AS 47.30.525(6).

25 (c) Members of local governing boards may be reimbursed for necessary travel expenses
26 incurred in the organization and operation of local programs as may be determined by the
27 authority [DEPARTMENT].

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

29 Sec. 47.30.545. POPULATIONS TO BE SERVED. The entities designated by the
30 authority to receive money under AS 47.30.540(b) shall provide one or more of the services that
31 are set out in AS 47.30.061(j) to persons identified in AS 47.30.061.

1 * Sec. 32. AS 47.30.547 is amended to read:

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

3 An entity that provides community mental health services shall

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

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

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

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

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

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

17 * Sec. 33. AS 47.30.550 is amended to read:

18 Sec. 47.30.550. COST SHARING FORMULA; LIMITATIONS. (a) In a district
19 designated by the department as a poverty area, the authority [DEPARTMENT] may pay
20 [FUND] not more than 90 percent of the eligible costs of the [COMMUNITY] mental health
21 services to be furnished by the entity designated to provide the services [UNDER AN
22 ENTITY'S APPROVED PLAN].

23 (b) In a district that has not been designated by the department as a poverty area, the
24 authority [DEPARTMENT] may pay [FUND] not more than 75 percent of the eligible costs of
25 the community mental health services to be furnished by the entity designated to provide the
26 services [UNDER AN ENTITY'S APPROVED PLAN].

27 (c) Notwithstanding (a) and (b) of this section, if the authority [DEPARTMENT]
28 determines that sufficient money [FUNDS] from other sources is [ARE] unavailable, then the
29 authority [DEPARTMENT] shall pay [FUND] the percent of the eligible costs that is necessary
30 in order to ensure that services for persons eligible for services under AS 47.30.520 - 47.30.620
31 [CHRONICALLY MENTALLY ILL ADULTS AND SEVERELY MENTALLY ILL

1 CHILDREN, AND OTHER COMMUNITY MENTAL HEALTH SERVICES] to be furnished
2 by the entity designated to provide the services [UNDER AN ENTITY'S APPROVED PLAN]
3 are made available [BY THE ENTITY. FUNDING UNDER THIS SUBSECTION IS SUBJECT
4 TO THE AVAILABILITY OF LEGISLATIVE APPROPRIATIONS FOR THE PURPOSE].

5 (d) Income earned by an entity for services provided [THROUGH A COMMUNITY
6 MENTAL HEALTH PROJECT FUNDED] under AS 47.30.520 - 47.30.620 must [SHALL] be
7 used, as approved by the authority [DEPARTMENT], to augment or enhance the [ENTITY'S
8 MENTAL HEALTH] services provided by the entity.

9 * Sec. 34. AS 47.30.570 is amended to read:

10 Sec. 47.30.570. ELIGIBLE COSTS; MAINTENANCE OF LOCAL EFFORT. The
11 authority [DEPARTMENT] shall adopt regulations specifying the types of services and program
12 costs eligible for financial support payable by the authority [STATE PARTICIPATION].
13 These regulations must include

14 [(1) A PROVISION EXCLUDING CAPITAL EXPENDITURES AS ELIGIBLE
15 COSTS; AND

16 (2)] a requirement that the [COMMUNITY ENTITY] contractor or applicant
17 agrees as a condition of contract approval that it will not supplant existing local financial
18 [FUND] support [OF COMMUNITY MENTAL HEALTH SERVICES] with money [FUNDS]
19 received under AS 47.30.520 - 47.30.620 and that it will continue local financial [FUNDING]
20 support of the [COMMUNITY MENTAL HEALTH] services, in any year in which it contracts
21 with the authority [DEPARTMENT], at a level that is at least equal to the local financial
22 [FUNDING] support in the previous year.

23 * Sec. 35. AS 47.30.590 is amended to read:

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

1 services to a recipient, and to other appropriate service agencies when it is in the defined best
2 interests of the patient.

3 * Sec. 36. AS 47.30.610 is repealed and reenacted to read:

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

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

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

8 (3) "division" means the division of mental health and developmental disabilities
9 in the Department of Health and Social Services;

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

12 (5) "poverty area" means an election district in which 15 percent or more of the
13 population, based upon the most recent census data, falls under 125 percent of the Office of
14 Economic Opportunity poverty guidelines;

15 (6) "trust" has the meaning given in AS 47.30.066.

16 * Sec. 37. AS 47.30.660 is amended to read:

17 Sec. 47.30.660. POWERS AND DUTIES OF DEPARTMENT. (a) The department
18 shall assist the Alaska Mental Health Trust Authority in the fulfillment of its duties. The
19 department shall coordinate with federal, state, regional, local, and private entities involved
20 in delivery of mental health services. The department shall implement a comprehensive and
21 integrated system of care that meets the service needs of the beneficiaries of the trust
22 established under the Alaska Mental Health Enabling Act of 1956, as determined by the
23 Alaska Mental Health Trust Authority and the goals and objectives of the plan approved
24 by the authority.

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

28 (1) administer a comprehensive program of services for persons with mental
29 disorders [FOR THE PREVENTION OF MENTAL ILLNESS AND THE CARE AND
30 TREATMENT OF THE MENTALLY ILL, INCLUDING INPATIENT AND OUTPATIENT
31 CARE AND TREATMENT AND THE PROCUREMENT OF SERVICES OF SPECIALISTS

1 OR OTHER PERSONS ON A CONTRACTUAL OR OTHER BASIS];

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

6 (3) administer AS 47.30.660 - 47.30.915;

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

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

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

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

18 (8) enter into contracts, which incorporate safeguards consistent with
19 AS 47.30.660 - 47.30.915 and the preservation of the civil rights of the patients [,] with another
20 state for the custody and care or treatment of patients previously committed from this state under
21 48 U.S.C. 46 et seq., and P.L. 84-830 [P.L. 830, 84TH CONGRESS, 2ND SESSION], 70 Stat.
22 709;

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

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

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

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

31 (13) delegate upon mutual agreement to another officer or agency of it, or a

1 political subdivision of the state, or a treatment facility designated, any of the duties and powers
2 imposed upon it by AS 47.30.660 - 47.30.915; [AND]

3 (14) propose to the Alaska Mental Health Trust Authority [ADOPT]
4 regulations to implement the provisions of AS 47.30.660 - 47.30.915; and

5 (15) provide technical assistance and training to providers of mental health
6 services.

7 * Sec. 38. AS 47.30.662 is repealed and reenacted to read:

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

12 (b) Not less than one-half of the members shall be persons with a mental disorder
13 identified in AS 47.30.061(c)(1) or members of their families.

14 (c) The board members

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

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

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

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

26 * Sec. 39. AS 47.30.664(b) is amended to read:

27 (b) The board shall have a paid staff provided by the department, including, but not
28 limited to, an executive director who shall be selected by the board [FROM CANDIDATES
29 PROVIDED BY THE DEPARTMENT]. The executive director is in the partially exempt service
30 and shall be compensated at no less than range 21 of the pay plan for state employees under
31 AS 39.27.011(a). The executive director may hire additional employees in the classified service

1 of the state. The department shall provide for the assignment of personnel to the board to
2 ensure the board has the capacity to fulfill its responsibilities. The executive director (AND
3 THE STAFF) of the board shall be directly responsible to the board in the performance of the
4 director's [THEIR] duties.

5 * Sec. 40. AS 47.30.666 is repealed and reenacted to read:

6 Sec. 47.30.666. DUTIES OF THE BOARD. The board is the state planning and
7 coordinating body for the purpose of federal and state laws relating to mental health services for
8 persons with mental disorders identified in AS 47.30.061(b), (d), (g), and (h). On behalf of those
9 persons, the board shall

10 (1) prepare and maintain a comprehensive plan of treatment and rehabilitation
11 services;

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

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

16 (4) advocate the needs of persons with mental disorders before executive agencies
17 and the legislature and the public;

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

21 (A) development of necessary services for diagnosis, treatment, and
22 rehabilitation;

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

25 (C) legal processes that affect screening, diagnosis, treatment, and
26 rehabilitation;

27 (6) make recommendations to the Alaska Mental Health Trust Authority
28 concerning the mental health program of the state and the use of money in the mental health trust
29 income account in a manner consistent with AS 47.30.061; in making recommendations affecting
30 the mental health trust, the members of the board assume a duty of loyalty to the mental health
31 trust equivalent to that of a private trustee; and

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

3 * Sec. 41. AS 47.30 is amended by adding a new section to read:

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

8 * Sec. 42. AS 47.30.910(d) is amended to read:

9 (d) All money paid by the patient or on the patient's behalf to the department under this
10 section shall be deposited in the mental health trust income account established in
11 AS 37.14.021 [GENERAL FUND].

12 * Sec. 43. AS 47.30.910(g) is amended to read:

13 (g) The Alaska Mental Health Trust Authority [COMMISSIONER OF
14 ADMINISTRATION] shall separately account for medical care and treatment fees collected under
15 this section. Notwithstanding AS 37.10.050, the authority shall deposit the fees collected in
16 the mental health trust income account [THAT THE DEPARTMENT DEPOSITS IN THE
17 GENERAL FUND. THE ANNUAL ESTIMATED BALANCE IN THE ACCOUNT MAY BE
18 USED BY THE LEGISLATURE TO MAKE APPROPRIATIONS TO THE DEPARTMENT
19 TO CARRY OUT THE PURPOSES OF THIS SECTION].

20 * Sec. 44. AS 47.30.910 is amended by adding a new subsection to read:

21 (h) The Alaska Mental Health Trust Authority shall adopt regulations establishing
22 procedures to be used under this section.

23 * Sec. 45. AS 47.30.915(12) is amended to read:

24 (12) "mental illness" means a disorder identified in AS 47.30.061(c)(1), (3), and
25 (4) and includes an organic, mental, or emotional impairment that has substantial adverse effects
26 on an individual's ability to exercise conscious control of the individual's actions or ability to
27 perceive reality or to reason or understand; [MENTAL RETARDATION, EPILEPSY, DRUG
28 ADDICTION, AND ALCOHOLISM DO NOT PER SE CONSTITUTE MENTAL ILLNESS,
29 ALTHOUGH PERSONS SUFFERING FROM THESE CONDITIONS MAY ALSO BE
30 SUFFERING FROM MENTAL ILLNESS;]

31 * Sec. 46. AS 47.37.040 is amended by adding a new paragraph to read:

1 (20) conduct program planning activities approved by the Advisory Board on
2 Alcoholism and Drug Abuse.

3 * Sec. 47. AS 47.80.070(b) is amended to read:

4 (b) The council shall have a paid staff provided by the department, including an
5 executive director selected by the council. The executive director is in the partially exempt
6 service and shall be compensated at no less than range 21 of the pay plan for state
7 employees under AS 39.27.011(a). The executive director may hire additional employees
8 in the classified service of the state. The department shall provide for the assignment of
9 personnel to the council to ensure that the council has the capacity to fulfill its responsibilities.
10 The personnel shall be directly responsible to the council for performance of their duties.

11 * Sec. 48. AS 47.80.090 is amended to read:

12 Sec. 47.80.090. RESPONSIBILITIES. The council shall

13 (1) serve as a forum by which issues and benefits regarding current and potential
14 services to handicapped and gifted persons may be discussed by consumer, public, private,
15 professional, and lay interests;

16 (2) advocate the needs of handicapped and gifted persons before the executive and
17 legislative branches of the state government and before the public;

18 (3) advise the executive and legislative branches of the state government and the
19 private sector on programs and policies pertaining to current and potential services to
20 handicapped or gifted persons and their families;

21 (4) submit periodic reports to the commissioner of health and social services, the
22 commissioner of education, and to other appropriate departments, on the effects of current federal
23 and state programs regarding services to handicapped or gifted persons; these reports shall
24 include program performance reports to the governor, the federal government, and to state
25 agencies as required by P.L. 91-517, P.L. 94-103, or P.L. 94-142, as amended;

26 (5) in conjunction with the Departments of Health and Social Services and
27 Education, develop, prepare, adopt, periodically review, and revise as necessary an annual state
28 plan prescribing programs which meet the needs of persons with developmental disabilities as
29 required under P.L. 91-517 or P.L. 94-103, as amended;

30 (6) review and comment to commissioners of state departments on all state plans
31 and proposed regulations relating to programs for persons with handicaps before the adoption of

1 a plan of regulation; for this purpose, the appropriate departments shall submit the plans and
2 proposed regulations to the council;

3 (7) recommend the priorities and specifications for the use of funds received by
4 the state under P.L. 91-517, P.L. 94-103, and P.L. 94-142, as amended;

5 (8) [SUBMIT] annually submit

6 (A) to the commissioner of health and social services, the commissioner
7 of education, and the commissioner of community and regional affairs a proposed
8 interdepartmental program budget for services to handicapped or gifted persons which
9 includes, insofar as possible, projected revenues and expenditures for programs
10 implemented by state agencies, local governmental agencies, and private organizations;
11 the interdepartmental program budget is an informational supplement to the regular annual
12 budgetary submissions of the departments to the Office of the Governor;

13 (B) recommendations to the Alaska Mental Health Trust Authority
14 concerning the program of services for the beneficiaries identified in
15 AS 47.30.061(c)(2) of the trust established by the Alaska Mental Health Enabling Act
16 of 1956 and use of the money in the mental health trust income account in a manner
17 consistent with AS 47.30.061; in making recommendations affecting the trust,
18 members of the council assume a duty of loyalty to the trust equivalent to that of a
19 private trustee;

20 (9) provide information and guidance for the development of appropriate special
21 educational programs and services for exceptional children as defined in AS 14.30.350;

22 (10) monitor and evaluate budgets or other implementation plans and programs
23 for handicapped and gifted persons to assure nonduplication of services and encourage efficient
24 and coordinated use of federal, state, and private resources in the provision of services; members
25 of the council, with the approval of the council, have access to information in the possession of
26 state agencies subject to disclosure restrictions imposed by state or federal confidentiality or
27 privacy laws;

28 (11) perform other duties required under P.L. 91-517, P.L. 94-103, P.L. 94-142,
29 as amended, or AS 14.30.231, and as the governor may assign; and

30 (12) govern the special education service agency, and may hire personnel
31 necessary to operate the agency.

1 * Sec. 49. AS 47.80.110 is amended to read:

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

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

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

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

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

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

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

16 * Sec. 50. AS 47.30.530, 47.30.546, and 47.30.560; secs. 1, 2, 4, and 5, ch. 132, SLA 1986; and
17 secs. 7 - 10, ch. 48, SLA 1987 are repealed.

18 * Sec. 51. AS 37.14.011(b) and (c) are repealed.

19 * Sec. 52. ROYALTY FROM KUPARUK OIL FIELD. (a) In addition to amounts to be deposited
20 into the mental health trust income account under AS 37.14.021(a), as amended by sec. 10 of this Act,
21 except as provided in (b) of this section, the state may annually appropriate from the general fund the
22 amount received by the state under AS 38.05 as royalty from oil leases within the following parcels:

23 (1) Township 14 North, Range 8 East, Umiat Meridian

24 Section 19

25 Sections 30 - 31

26 (2) Township 14 North, Range 9 East, Umiat Meridian

27 Sections 24 - 25

28 Section 36

29 (3) Township 13 North, Range 8 East, Umiat Meridian

30 Sections 1 - 3

31 Sections 10 - 15

- 1 Sections 19 - 36
- 2 (4) Township 13 North, Range 9 East, Umiat Meridian
- 3 Sections 1 - 12
- 4 Sections 15 - 22
- 5 Sections 25 - 36
- 6 (5) Township 12 North, Range 8 East, Umiat Meridian
- 7 (6) Township 12 North, Range 9 East, Umiat Meridian
- 8 (7) Township 12 North, Range 10 East, Umiat Meridian
- 9 Sections 1 - 12
- 10 Sections 14 - 23
- 11 Sections 25 - 36
- 12 (8) Township 12 North, Range 11 East, Umiat Meridian
- 13 Sections 5 - 8
- 14 Section 31
- 15 (9) Township 11 North, Range 7 East, Umiat Meridian
- 16 Sections 24 - 26
- 17 Sections 34 - 36
- 18 (10) Township 11 North, Range 8 East, Umiat Meridian
- 19 (11) Township 11 North, Range 9 East, Umiat Meridian
- 20 (12) Township 11 North, Range 10 East, Umiat Meridian
- 21 (13) Township 11 North, Range 11 East, Umiat Meridian
- 22 Sections 5 - 8
- 23 Sections 16 - 22
- 24 Sections 27 - 33
- 25 (14) Township 10 North, Range 7 East, Umiat Meridian
- 26 Sections 1 - 4
- 27 Sections 9 - 16
- 28 Sections 21 - 28
- 29 Sections 33 - 36
- 30 (15) Township 10 North, Range 8 East, Umiat Meridian
- 31 (16) Township 10 North, Range 9 East, Umiat Meridian

- 1 (17) Township 10 North, Range 10 East, Umiat Meridian
- 2 (18) Township 10 North, Range 11 East, Umiat Meridian
- 3 Sections 5- 8
- 4 Sections 17 - 20
- 5 Sections 29 - 32
- 6 (19) Township 9 North, Range 9 East
- 7 Sections 1 - 24
- 8 (20) Township 9 North, Range 10 East
- 9 Sections 1 - 24
- 10 Sections 27 - 34
- 11 (21) Township 9 North, Range 11 East
- 12 Sections 5 - 8
- 13 Sections 17 - 20.

14 (b) The authorization to appropriate made by (a) of this section does not include the
 15 authorization to appropriate to the mental health trust income account the money from mineral lease
 16 rentals, royalties, royalty sale proceeds, federal mineral revenue sharing payments, and bonuses received
 17 by the state that is subject to placement in the Alaska permanent fund under art. IX, sec. 15, Constitution
 18 of the State of Alaska, and under AS 37.13.010.

19 (c) The authorization made by this section is partial compensation to the trust for land granted
 20 to the trust under the Alaska Mental Health Enabling Act of 1956 and not thereafter retained in trust
 21 status.

22 * Sec. 53. PROCEEDS OF RENTAL VALUE OF LAND DURING FISCAL YEAR 1992
 23 AUTHORIZED FOR ALLOCATION TO THE MENTAL HEALTH TRUST INCOME ACCOUNT.
 24 After June 30, 1991, and until June 30, 1992, the rental value of land constituting the mental health trust
 25 corpus is equal to six percent of the unrestricted general fund revenue of the state for the fiscal year.
 26 The commissioner of revenue shall allocate that amount from the general fund to the mental health trust
 27 income account established by AS 37.14.021(a), as amended by sec. 10 of this Act.

28 * Sec. 54. REDEMPTION OF LEGISLATIVELY-DESIGNATED LAND. (a) The state shall
 29 redeem trust land identified in AS 37.14.031(a)(3) by exchanging land under AS 37.14.061 or,
 30 notwithstanding the requirement of an agreement under AS 37.14.061, by paying to the authority the
 31 value of the land at the time of the land's redemption. Unless there is a dispute as to the value of the

In this provision

exchanged

1 land proposed for redemption, the authority is required to accept the state payment tendered for the land
2 and release claims the trust may have on the land.

3 (b) Land that is redeemed by the state under this subsection may not thereafter be treated as trust
4 land identified in AS 37.14.031(a)(3). When the state pays for redemption of legislatively-designated
5 land under this section, the amount due the state under AS 37.14.041 shall be reduced by the amount
6 of the payment for the land conveyed, the adjustment to be effective as of the date of the next rent
7 payment to the trust due under AS 37.14.041.

8 (c) Notwithstanding any other provision of law, unless the authority and the commissioner of
9 natural resources agree on the land's value, the Alaska Supreme Court has original jurisdiction to hear
10 and establish the value of land redeemed under (a) of this section. The court

11 (1) shall determine the value of the land;

12 (2) may refer the proceedings for the valuation of the land to a special master; if
13 appointed, the special master

14 (A) may exercise the powers authorized by Rule 53(b) of the Alaska Rules of
15 Civil Procedure;

16 (B) shall proceed substantially in the manner required by Rule 53(c) and 53(d)
17 of the Alaska Rules of Civil Procedure;

18 (C) is entitled to the compensation payable to a special master under Rule 53(a)
19 of the Alaska Rules of Civil Procedure; and

20 (D) shall make a recommended decision to the court.

21 * Sec. 55. LAND SELECTION. After the effective date of this section and until January 3, 1994,
22 the board of trustees of the Alaska Mental Health Trust Authority may nominate federal land it
23 determines may be valuable to the trust for selection under the Alaska Statehood Act (P.L. 85-508, 72
24 Stat. 339), as amended, and request the commissioner of natural resources to select the land for the state
25 through the federal land selection process.

26 * Sec. 56. TRANSITIONAL PROVISIONS: DEVELOPMENT OF TRUST INCOME ACCOUNT
27 DISTRIBUTION MECHANISM. Not later than January 1, 1993, the Board of Trustees of the Alaska
28 Mental Health Trust Authority, after consulting with organizations and persons affected by this section,
29 shall

30 (1) consistent with AS 47.30.061(i), added by sec. 26 of this Act, adopt regulations
31 regarding persons who are to receive services funded by money in the mental health trust income

1 account under AS 37.14.021, as amended by sec. 10 of this Act:

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

4 (3) consistent with AS 47.30.061(k), added by sec. 26 of this Act, adopt regulations
5 regarding the services and facilities upon which expenditures are to be made from money in the mental
6 health trust income account under AS 37.14.021, as amended by sec. 10 of this Act; the regulations may
7 permit the use of the mental health trust income account money for programs or services to which
8 beneficiaries of the trust established by the Alaska Mental Health Enabling Act of 1956 are otherwise
9 entitled without spending trust assets, but the use of the money is limited to the additional costs of
10 providing specific mental health services for beneficiaries of the trust; the money may be expended for
11 services that are provided to the public generally by the state, but the expenditure of the earnings is
12 limited to the additional costs of providing specific mental health services for beneficiaries of the trust;
13 and

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

18 * Sec. 57. TRANSITIONAL PROVISIONS: BUDGET DEVELOPMENT. Notwithstanding the
19 repeal of AS 47.30.530 by sec. 50 of this Act, until the Board of Trustees of the Alaska Mental Health
20 Trust Authority adopts regulations under sec. 56 of this Act, or until January 1, 1993, whichever is
21 earlier, the Department of Health and Social Services shall prepare and submit budgets and receive and
22 distribute state appropriations in accordance with AS 47.30.520 - 47.30.620.

23 * Sec. 58. INITIAL APPOINTMENT OF MEMBERS TO THE BOARD OF TRUSTEES.
24 Notwithstanding AS 47.30.016, added by sec. 26 of this Act,

25 (1) the initial appointments to the Board of Trustees of the Alaska Mental Health Trust
26 Authority shall be made by the governor from a list of candidates submitted to the governor by the
27 Alaska Mental Health Board;

28 (2) the initial appointees shall be appointed to initial terms as follows: two shall be
29 appointed for terms of one year, two shall be appointed for terms of two years, two shall be appointed
30 for terms of three years, two shall be appointed for terms of four years, and one shall be appointed for
31 a term of five years.

1 * Sec. 59. TRANSITIONAL PROVISIONS: MEMBERS OF ADVISORY BOARD ON
2 ALCOHOLISM AND DRUG ABUSE. Notwithstanding AS 44.29.110 and 44.29.115, as amended by
3 secs. 21 and 22 of this Act, the members of the Advisory Board on Alcoholism and Drug Abuse who
4 are serving on the effective date of this section continue to serve their unexpired terms. Vacancies on
5 the advisory board occurring after the effective date of this section shall be filled by the governor under
6 the provisions of AS 44.29.115, as amended by sec. 22 of this Act.

7 * Sec. 60. TRANSITIONAL PROVISIONS: MEMBERS OF THE ALASKA MENTAL HEALTH
8 BOARD. Notwithstanding AS 47.30.662, as amended by sec. 38 of this Act, the members of the Alaska
9 Mental Health Board who are serving on the effective date of this section continue to serve their
10 unexpired terms. Vacancies on the board occurring after the effective date of this section, and new
11 positions created by this Act, shall be filled by the governor under the provisions of AS 47.30.662, as
12 amended by sec. 38 of this Act. When making appointments to new positions on the board, the governor
13 shall ensure that the initial terms of new members maintain the staggered term requirement of
14 AS 47.30.663.

15 * Sec. 61. TRANSITIONAL PROVISIONS: ENCUMBERED LAND. The commissioner of natural
16 resources shall, not later than six months after the effective date of this section or not later than March 1,
17 1992, whichever is earlier, prepare and transmit to the legislature a report providing a description of
18 former mental health trust land encumbered by the state on the effective date of this section under
19 AS 37.14.031(a)(1), added by sec. 10 of this Act.

20 * Sec. 62. The provisions of AS 37.14.051(d), as added by sec. 11 of this Act, have the effect of
21 amending Alaska Rule of Civil Procedure 82 by requiring the court to award full attorney fees in certain
22 actions.

23 * Sec. 63. Section 61 of this Act takes effect immediately under AS 01.10.070(c).

24 * Sec. 64. Section 51 of this Act takes effect July 1, 1991.

25 * Sec. 65. Section 54 of this Act is repealed June 30, 2006.

26 * Sec. 66. Except for secs. 51 and 61, this Act takes effect upon incorporation into a final settlement
27 and order approved by the superior court in Weiss v. State of Alaska, 4FA-82-2208 Civil. The superior
28 court shall advise the lieutenant governor and the revisor of statutes when the final settlement and order
29 of Weiss v. State of Alaska has been approved.

DIVISION OF LEGAL SERVICES

**LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA**

COPY

*P.O. Box Y, Juneau, Alaska 99811
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MEMORANDUM

April 15, 1991

SUBJECT: Amendment G.1 to SSHB 79
TO: Representative Mark Boyer
FROM: Jack Chenoweth
Legislative Counsel

All the changes you requested at Saturday's afternoon meeting are combined and set out in this one amendment. The headnotes within the amendment designated "I" to "VIII" are intended to set off the several specific drafting requests.

Item "I" moves material within bill section 4 so that trust corpus land becomes taxable to the extent of private leasehold, contract, or other taxable interests on the same basis as other state land.

Per your instruction, the material in item "II" recasts the provision to follow AS 14.40.250, relating to management of the University trust.

The material in part III recasts the inflation-proofing requirement along the lines set by the permanent fund provision (AS 37.13.145) and directs monthly transfer payments to achieve the inflation-proofing objective.

Item "IV" serves only to flag the matter of the statement of value. (You do need to insert a value. If you choose to make no statement of value by deleting this provision altogether, then some other sections of this bill that are drafted with reference to an expressed value will need to be altered.)

The material in item "V" recasts the municipal land/encumbered land selection amendment offered by the Municipal League and others in line with the committee's instructions and inserts the commissioner-shall-prepare-a list-of-encumbered-lands requirement. I understand this to be a "stand-alone" section: it is to take effect irrespective of the rest of the bill and is not therefore dependent on the general effective date provision of the last bill section. Consequently, if you agree that this

Representative Mark Boyer

April 15, 1991

Page 2

amendment should be part of the bill, the provision would have to be given an immediate effective date and, more importantly, there are a number of references to "effective date of this Act" that would have to be revised as well. These are drafting concerns that probably need not trouble the committee.

Part VI materials are intended to respond to Jay Hogan's concerns about the current single annual payment requirement. The language is recast in terms of equal annual installments, with monthly installment payments contemplated.

The material in part VII is intended to clarify that the provisions of the Executive Budget Act apply to expenditures from the trust income account. It is crafted in partial recognition of the similar attempt made in ch. 48, SLA 1987, that was cited as a possible model.

The material in item "VIII" removes the legislative confirmation requirement.

JC:pl

91-256.plm

A M E N D M E N T

OFFERED IN THE HOUSE
TO: SSHB 79

BY REPRESENTATIVE BOYER

I

Page 3, line 5, after "state,":

Delete "or"

Page 3, line 5, after "property,"

Insert "or land that is incorporated in the corpus of the trust established by the Alaska Mental Health Enabling Act of 1956. P.L. 84-830. 70 Stat. 709"

Page 3, lines 18 - 20:

Delete ";

(8) or land that is incorporated in the corpus of the trust established by the Alaska Mental Health Enabling Act of 1956. P.L. 84-830. 70 Stat. 709"

II

Page 7, line 12:

Delete "has full powers over the corpus and income of the trust"

Insert "may

(1) receive, manage, and invest money or other real, personal, or mixed property for the purpose of the trust, its improvement, or the aid or advantage of its beneficiaries; and

(2) act as trustee on behalf of the trust for any of these purposes."

III

Page 8, lines 4 - 8:

Delete all material and insert:

"(b) The authority shall

resources shall, not later than six months after the effective date of this Act or not later than March 1, 1992, whichever is earlier, prepare and transmit to the legislature a report providing a description of former mental health trust land encumbered by the state on the effective date of this Act under AS 37.14.013(a)(1) and (c), added by sec. 10 of this Act."

Renumber the following bill sections accordingly.

VI

Page 9, line 6:

Delete "On July 1 of each year, for"

Insert "For"

Page 9, line 9, after "per annum.":

Insert "The state shall make the payments due under this subsection on a monthly installment payment schedule."

Page 9, line 13:

Delete "the required annual payment"

Insert "a payment required"

Page 9, line 18:

Delete "annual payment"

Insert "amounts due as equal annual installments under (a) of this section"

Page 9, line 19:

Delete "next annual payment date"

Insert "date of the first installment payable to the trust"

Page 9, line 19, after "section":

Insert "during the next following fiscal year"

VII

Page 12, lines 2 - 5, after (c)":

CORRECTION

**THIS DOCUMENT
HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY**

A M E N D M E N T

OFFERED IN THE HOUSE
TO: SSHB 79

BY REPRESENTATIVE BOYER

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Delete "has full powers over the corpus and income of the trust"

Insert "may

(1) receive, manage, and invest money or other real, personal, or mixed property for the purpose of the trust, its improvement, or the aid or advantage of its beneficiaries; and

(2) act as trustee on behalf of the trust for any of these purposes."

III

Page 8, lines 4 - 8:

Delete all material and insert:

"(b) The authority shall

(1) at the end of each fiscal year, calculate and report the amount that must be transferred from the trust income account established in AS 37.14.021 to the mental health trust corpus in order to offset the effect of inflation on the money in the trust corpus during that year, as measured by the change in the calendar year average United States Consumer Price Index for all urban consumers or, if that index does not exist, an equivalent index; and

(2) transfer from the trust income account to the mental health trust corpus 1/12th of the amount determined under (1) of this subsection each month."

IV

Page 8, line 16:

Delete "\$2,243,000,000"

Insert "\$_____"

V

Page 9, following line 4:

Insert a new subsection to read:

"(c) For purposes of (a)(1) of this section, land granted under the enabling Act is encumbered land not to be included in the trust if the land

(1) is a municipal land selection made under AS 29.65 or under former AS 29.18.190 - 29.18.200 and on the effective date of this Act, the land

(A) has been conveyed by patent to the selecting municipality;

(B) is an approved selection, as that term is defined by AS 29.65.130, approved in writing by the director of lands, Department of Natural Resources; or

(C) has been selected by a municipality and the municipal selection has been neither approved nor disapproved by the director of lands, Department of Natural Resources; or

(2) has been encumbered before the effective date of this Act when specifically authorized by law or under terms and conditions established by law."

Page 45, following line 5:

Insert a new bill section to read:

"* Sec. 57. TRANSITIONAL PROVISIONS: ENCUMBERED LAND. The commissioner of natural

resources shall, not later than six months after the effective date of this Act or not later than March 1, 1992, whichever is earlier, prepare and transmit to the legislature a report providing a description of former mental health trust land encumbered by the state on the effective date of this Act under AS 37.14.013(a)(1) and (c), added by sec. 10 of this Act."

Renumber the following bill sections accordingly.

VI

Page 9, line 6:

Delete "On July 1 of each year, for"

Insert "For"

Page 9, line 9, after "per annum.":

Insert "The state shall make the payments due under this subsection on a monthly installment payment schedule."

Page 9, line 13:

Delete "the required annual payment"

Insert "a payment required"

Page 9, line 18:

Delete "annual payment"

Insert "amounts due as equal annual installments under (a) of this section"

Page 9, line 19:

Delete "next annual payment date"

Insert "date of the first installment payable to the trust"

Page 9, line 19, after "section":

Insert "during the next following fiscal year"

VII

Page 12, lines 2 - 5, after (c)":

Delete "Money in the mental health trust income account established in (a) of this section shall first be expended by the authority to meet the necessary expenses of the comprehensive service program under AS 47.30.061.

(d)"

Page 12, line 6, after "account.":

Insert a new subsection to read:

"(d) Expenditure of money from the mental health trust income account is subject to AS 37.07 (Executive Budget Act). The legislature shall appropriate money in the account first to meet the necessary expenses of the comprehensive program of services required by AS 47.30.061. In making annual appropriations, the legislature shall consider the budget prepared and submitted by the authority. If the legislature does not appropriate from the account in the manner submitted by the authority, the legislature shall prepare a report showing how, in the judgment of the legislature, the necessary expenses of the comprehensive program of services required by AS 47.30.061 will be met."

Page 24, lines 24 - 29:

Delete all material.

VIII

Page 19, lines 20 - 21:

Delete "and subject to legislative confirmation"

House Resources Subcommittee
Additional amendments to SS HB 79
April 15, 1991

Page 2, beginning on line 26:

Delete Section 3

Page 11, lines 8-22:

Delete portion allowing Authority to execute against state assets for failure to satisfy a judgement and order.

Page 24, lines 5-7:

Delete: "annually, not later than August 1,"
Insert reference to the Authority's budget being subject to the Executive Budget Act

Page 32, line 8:

Delete "as directed by"
Insert "under the guidelines established by"

* Marked up copy

7-LS0502\G

~~SSHB~~ Reflects proposed
changes in CSSS HB 79 (Res)

SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 79

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTEENTH LEGISLATURE - FIRST SESSION

BY REPRESENTATIVES BOYER, Gonzales, Moyer

Introduced: 4/8/91

Referred: Resources, Health, Education & Social Services, Judiciary, Finance

A BILL

FOR AN ACT ENTITLED

1 "An Act establishing the Alaska Mental Health Trust Authority and defining its powers
2 and duties; relating to the administration of the trust established by the Alaska Mental
3 Health Enabling Act of 1956 and to appropriations made to it, and to a comprehensive
4 service program for the beneficiaries of the trust; abolishing the Interim Mental Health
5 Trust Commission; relating to the Older Alaskans Commission and the Governor's Council
6 for the Handicapped and Gifted; amending the membership and duties of the Advisory
7 Board on Alcoholism and Drug Abuse and the Alaska Mental Health Board; exempting
8 trust property from municipal taxation; amending Alaska Rule of Civil Procedure 82; and
9 providing for an effective date."

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

11 * Section 1. PURPOSE. (a) It is the purpose of this Act to implement the state's obligation as the
12 trustee of the trust established by the Alaska Mental Health Enabling Act of 1956, P.L. 84-830, 70 Stat.

1 709, by providing a comprehensive service program for the beneficiaries of the trust and by resolving
2 the serious and significant legal questions attending the status of that trust

3 (1) in accordance with the holding in the decision *State v. Weiss*, 706 P.2d 681 (Alaska
4 1985), and the principles that guided the development and enactment of ch. 48, SLA 1987;

5 (2) in a manner that

6 (A) provides fair compensation to the trust as agreed upon by the parties to the
7 litigation, subject to approval by the court as fair and equitable to the beneficiaries of the trust;

8 (B) provides adequate assurances that the trust will be administered properly and
9 in a way that determines and meets the necessary expenses of a comprehensive service program
10 for the beneficiaries of the trust;

11 (C) assures appropriate expenditures from the trust;

12 (D) establishes an independent trust authority; and

13 (E) is enforceable.

14 (b) It is the further purpose of this Act that the trust serve, at a minimum, the mentally ill, the
15 mentally defective and retarded, chronic alcoholics suffering from psychoses, and senile people who as
16 a result of their senility suffer major mental illness. In using money from the trust, the needs of persons
17 most impaired cannot be sacrificed to provide services to the less impaired. The trust must provide
18 necessary services to persons most impaired as a first priority and to persons less impaired as a second
19 priority.

20 * Sec. 2. AS 09.25.050(a) is amended to read:

21 (a) The uninterrupted adverse notorious possession of real property under color and claim
22 of title for seven years or more is conclusively presumed to give title to the property except as
23 against the state or the United States. For the purpose of this section, land that is included
24 in the corpus of the trust established by the Alaska Mental Health Enabling Act of 1956,
25 P.L. 84-830, 70 Stat. 709, is land owned by the state.

26 * Sec. 3. AS 09.50.270 is amended to read:

27 Sec. 09.50.270. PAYMENT OF JUDGMENT AGAINST THE STATE. Except as
28 provided in AS 37.14.019, [NO] attachment or execution may not [SHALL] issue against the
29 state. When a final judgment is rendered against the state in an action, the clerk of the court
30 shall immediately transmit a certified copy of the judgment to the Department of Administration
31 which shall either approve payment of the judgment against the state if a sufficient appropriation

1 exists for payment, or audit the amount and transmit a copy to the legislature with the
2 recommendation that an appropriation be made for its payment.]

3 * Sec. 4. AS 29.45.030(a) is amended to read:

4 (a) The following property is exempt from general taxation:

5 (1) municipal, state, [or] federally owned property, ^{ⓐ Insert Amendment I} except that a private leasehold,
6 contract, or other interest in the property is taxable to the extent of the interest;

7 (2) household furniture and personal effects of members of a household;

8 (3) property used exclusively for nonprofit religious, charitable, cemetery,
9 hospital, or educational purposes;

10 (4) property of a nonbusiness organization composed entirely of persons with 90
11 days or more of active service in the armed forces of the United States whose conditions of
12 service and separation were other than dishonorable, or the property of an auxiliary of that
13 organization;

14 (5) money on deposit;

15 (6) the real property of certain residents of the state to the extent and subject to
16 the conditions provided in (e) of this section;

17 (7) real property or an interest in real property that is exempt from taxation under
18 43 U.S.C. 1620(d), as amended;]

19 (8) land that is incorporated in the corpus of the trust established by the
20 Alaska Mental Health Enabling Act of 1956, P.L. 84-830, 70 Stat. 709.]

21 * Sec. 5. AS 36.30.850(b) is amended to read:

22 (b) This chapter applies to every expenditure of state money by the state, acting through
23 an agency, under a contract, except that this chapter does not apply to

24 (1) grants;

25 (2) contracts for professional witnesses to provide for professional services or
26 testimony relating to existing or probable lawsuits in which the state is or may become a party;

27 (3) contracts of the University of Alaska where the work is to be performed
28 substantially by students enrolled in the university;

29 (4) contracts for medical doctors and dentists;

30 (5) acquisitions or disposals of real property or interest in real property, except
31 as provided in AS 36.30.080;

- 1 (6) disposals under AS 38.05;
- 2 (7) contracts for the preparation of ballots under AS 15.15.030;
- 3 (8) acquisitions or disposals of property and other contracts relating to airports
4 under AS 02.15.070, 02.15.090, and 02.15.091;
- 5 (9) disposals of obsolete property under AS 19.05.060;
- 6 (10) disposals of obsolete material or equipment under AS 35.20.060;
- 7 (11) agreements with providers of services under AS 44.47.250; AS 47.07;
8 AS 47.08; AS 47.10; AS 47.17; AS 47.24; AS 47.25.195, and 47.25.310;
- 9 (12) contracts of the Department of Fish and Game for flights that involve
10 specialized flying and piloting skills and are not point-to-point;
- 11 (13) purchases of income-producing assets for the state treasury or a public
12 corporation of the state;
- 13 (14) operation of the state boarding school established under AS 14.16, if the
14 State Board of Education or the commissioner of education adopts regulations for use by the state
15 boarding school in procurement and contracting;
- 16 (15) a contract that is a delegation, in whole or in part, of investment powers held
17 by the commissioner of revenue under AS 14.25.180, AS 14.40.400, AS 14.42.200, 14.42.210,
18 AS 18.56.095, AS 22.25.048, AS 26.05.228, AS 37.10.070, 37.10.071, AS 37.14, or
19 AS 39.35.080;
- 20 (16) a contract that is a delegation, in whole or in part, of investment powers of
21 (A) the Board of Trustees of the Alaska Permanent Fund Corporation
22 under AS 37.13;
- 23 (B) the Alaska Mental Health Trust Authority under AS 37.14.001 -
24 37.14.099;
- 25 (17) the purchase of books, book binding services, newspapers, periodicals,
26 audio-visual materials, network information services access, approval plans, professional
27 memberships, archival materials, objects of art, and items for museum or archival acquisition
28 having cultural, historical, or archaeological significance; in this paragraph
- 29 (A) "approval plans" means book selection services in which current book
30 titles meeting an agency's customized specifications are provided to the agency subject
31 to the right of the agency to return those books that do not meet with the agency's

1 approval;

2 (B) "archival materials" means the noncurrent records of an agency that are
3 preserved after appraisal because of their value;

4 (C) "audio-visual materials" means nonbook prerecorded materials,
5 including records, tapes, slides, transparencies, films, filmstrips, cassettes, videos, compact
6 discs, laser discs, and items that require the use of equipment to render them usable;

7 (D) "network information services" means a group of resources from which
8 cataloging information, holdings records, inter-library loans, acquisitions information, and
9 other reference resources can be obtained;

10 (18) contracts for the purchase of standardized examinations for licensure under
11 AS 08;

12 (19) contracts for home health care and adult residential and foster care services
13 provided under regulations adopted by the Department of Health and Social Services;

14 (20) contracts for supplies or services for research projects funded by money
15 received from the federal government or private grants; [OR]

16 (21) guest speakers or performers for an educational or cultural activity; or

17 (22) contracts for services that are entered into by the Alaska Mental Health
18 Trust Authority under AS 47.30.061.

19 * Sec. 6. AS 37.05.146 is amended to read:

20 Sec. 37.05.146. DEFINITION OF PROGRAM RECEIPTS. In AS 37.05.142 - 37.05.146
21 and AS 37.07.080, "program receipts" means fees, charges, income earned on assets, and other
22 state money received by a state agency in connection with the performance of its functions; all
23 program receipts except the following are general fund program receipts:

24 (1) federal receipts;

25 (2) University of Alaska receipts (AS 14.40.491);

26 (3) individual, foundation, or corporation gifts, grants, or bequests that by their
27 terms are restricted to a specific purpose;

28 (4) receipts of the following funds:

29 (A) highway working capital fund (AS 44.68.210);

30 (B) correctional industries fund (AS 33.32.020);

31 (C) loan funds;

- 1 (D) international airport revenue fund (AS 37.15.430);
2 (E) funds managed by the Alaska State Housing Authority (AS 18.55.020),
3 the Alaska Housing Finance Corporation (AS 18.56.020), the Medical Indemnity
4 Corporation of Alaska (AS 21.88.020), the Alaska Railroad Corporation (AS 42.40.010),
5 the Municipal Bond Bank Authority (AS 44.85.020), or the Alaska Industrial
6 Development and Export Authority (AS 44.88.020);
7 (F) fish and game fund (AS 16.05.100);
8 (G) school fund (AS 43.50.140);
9 (H) training and building fund (AS 23.20.130);
10 (I) retirement funds (AS 14.25, AS 22.25, AS 26.05.222, AS 39.35, and
11 former AS 39.37);
12 (J) permanent fund (art. IX, sec. 15, Alaska Constitution);
13 (K) public school trust fund (AS 37.14.110);
14 (L) second injury fund (AS 23.30.040);
15 (M) fishermen's fund (AS 23.35.060);
16 (N) FICA administration fund (AS 39.30.050);
17 (5) mental health trust receipts (AS 37.14.001).

18 * Sec. 7. AS 37.05.540(b) is amended to read:

19 (b) Except for appropriations to the permanent fund or for Alaska permanent fund
20 dividends, appropriations to the budget reserve fund, appropriations of revenue bond proceeds,
21 appropriations required to pay the principal and interest on general obligation bonds, [AND]
22 appropriations of money received from a nonstate source in trust for a specific purpose, including
23 revenue of a public enterprise or public corporation of the state that issues revenue bonds, and
24 appropriations made under AS 37.14.013(a)(5) and 37.14.017, appropriations from the treasury
25 made in a fiscal year may not exceed appropriations made in the preceding fiscal year by more
26 than five percent plus the change in population and inflation since the beginning of the preceding
27 fiscal year. For purposes of applying this limit an appropriation is considered to be made in the
28 fiscal year in which it is enacted and a reappropriation remains attributed to the fiscal year in
29 which the original appropriation is enacted. The determination of the change in population for
30 purposes of this subsection shall be based on an annual estimate of population by the Department
31 of Labor. The determination of the change in inflation for purposes of this subsection shall be

1 based on the Consumer Price Index for all urban consumers for Anchorage prepared by the
2 United States Bureau of Labor Statistics. The amount of money received by the state that is
3 subject to the appropriation limit includes the balance in the general fund carried forward from
4 the preceding fiscal year.

5 * Sec. 8. AS 37.14 is amended by adding new sections to read:

6 Sec. 37.14.001. TRUSTEE. (a) The Alaska Mental Health Trust Authority, established
7 by AS 47.30.011, is the trustee of

8 (1) the trust established under the Alaska Mental Health Enabling Act of 1956,
9 P.L. 84-830, 70 Stat. 709; and

10 (2) the mental health trust income account established under AS 37.14.021.

11 (b) In its capacity as the trustee of the trust established by the enabling Act, the authority

12 [has full powers over the corpus and income of the trust.] *Insert Amendment II*

13 Sec. 37.14.006. TRUST MANAGEMENT. (a) The Alaska Mental Health Trust
14 Authority

15 (1) shall manage the assets of the trust according to the prudent-person rule; the
16 prudent-person rule as applied to investments of the authority means that in making investments
17 the board shall exercise the judgment and care under the circumstances then prevailing that an
18 institutional investor of ordinary prudence, discretion, and intelligence exercises in the
19 management of large investments entrusted to it not for speculation but for the permanent
20 disposition of funds, considering probable safety of capital as well as probable income; an
21 evaluation to determine whether the board has exercised the requisite judgment and care in its
22 management of the investments of the trust must be

23 (A) based on the facts and circumstances prevailing at the time the asset
24 was incorporated into the trust; and

25 (B) made on an asset-by-asset basis taking into account the entire
26 investment portfolio of the trust;

27 (2) may, notwithstanding (1) of this subsection, retain assets of the trust that have
28 been incorporated into the trust with the trust's establishment until the board determines that it
29 is in the best interests of the trust to exchange or otherwise dispose of those assets;

30 (3) may, notwithstanding (1) of this subsection, use land that is an asset of the
31 trust directly for a comprehensive service program for the trust beneficiaries; and

1 (4) shall delegate management of trust land described in AS 37.14.013(a)(3) to
2 the Department of Natural Resources unless the enforcement provisions of AS 37.14.019 require
3 direct active management by the authority.

4 (b) At the end of each fiscal year, the authority shall transfer from the trust income
5 account established in AS 37.14.021 to the mental health trust corpus an amount sufficient to
6 offset the effect of inflation on the value of the money in the trust corpus during that year, as
7 measured by the change in the calendar year average United States Consumer Price Index for all
8 urban consumers or, if that index no longer exists, an equivalent index.] Insert Am. III

9 (c) At least annually, the authority shall prepare, publish, and distribute to the legislature
10 and make available to the public a financial report indicating trust revenue and expenditures, and
11 including a statement of its method of allocating the assets of the trust among appropriate
12 investment vehicles. The asset allocation policy shall be designed to provide for prudent
13 diversification and to meet the investment objectives and needs of the authority.

14 * Sec. 9. AS 37.14.011 is repealed and reenacted to read:

15 Sec. 37.14.011. MENTAL HEALTH TRUST CORPUS VALUE. The value as of
16 September 7, 1987, of all land granted under the enabling Act is \$2,243,000,000.] Insert Am IV

17 * Sec. 10. AS 37.14 is amended by adding new sections to read:

18 Sec. 37.14.013. TRUST CORPUS RECONSTITUTED. (a) On the effective date of this
19 Act, the mental health trust corpus is reconstituted to include

20 (1) land granted to the state under the enabling Act and not transferred or
21 encumbered by the state;

22 (2) land granted to the state under the enabling Act that, on the effective date of
23 this Act, is subject to a land use permit issued by the Department of Natural Resources under
24 AS 38.05;

25 (3) land granted to the state under the enabling Act and subsequently established
26 as legislatively-designated land;

27 (4) money appropriated by the legislature on or before the effective date of this
28 Act and paid by the state to the trust in partial satisfaction of the value of land granted under the
29 enabling Act and not retained by the trust; and

30 (5) money owed by the state to pay for the value of land granted under the
31 enabling Act and not retained by the trust.

1 (b) The value of land granted to the state under the enabling Act and reconstituted as part
2 of the mental health trust corpus by (a) of this section is the amount determined under the
3 procedures approved by the Interim Mental Health Trust Commission established by sec. 1, ch.
4 132, SLA 1986, as set out in the commission's November 7, 1989, resolution. Insert Amendment V

5 Sec. 37.14.015. PAYMENT BY STATE FOR LAND NOT RETAINED IN THE TRUST.

6 (a) ^{for} [On July 1 of each year.] for the land granted under the enabling Act that is not retained by
7 the trust, the state shall pay to the authority an amount calculated to fully pay, in equal annual
8 installments, by July 1, 2021, the principal amount together with interest on the unpaid balance
9 at 10.5 percent [per annum.] Insert Amendment VI

10 (b) The state and the authority may agree on land, and the value of it, that may be
11 conveyed by the state to the authority in partial satisfaction of the amount due the trust under
12 AS 37.14.013(a)(5). Insert: a payment required

13 (c) When a principal payment in addition to [the required annual payment] under (a) of
14 this section is made by the state or when land is conveyed by the state to the trust under (b) of
15 this section,

16 (1) the amount due the trust under AS 37.14.013(a)(5) shall be reduced by the
17 amount of the payment or the value of the land conveyed; and Insert Amendment VII

18 (2) the state and the authority shall recalculate the [annual payment,] the
19 recalculated payment to be effective as of the ^{Insert Am. VI} [next annual payment date] under (a) of this section ^{Insert Am. II}

20 (d) The value of land granted to the state under the enabling Act and not retained by the
21 trust for which payment is due the trust under AS 37.14.013(a)(5) is the amount determined
22 under the procedures approved by the Interim Mental Health Trust Commission established by
23 sec. 1, ch. 132, SLA 1986, as set out in the commission's November 7, 1989, resolution.

24 Sec. 37.14.017. RENT PAYABLE FOR LEGISLATIVELY-DESIGNATED LAND. (a)
25 On July 1 of each year, for trust land identified in AS 37.14.013(a)(3) the state shall pay rent for
26 that fiscal year to the authority.

27 (b) The annual rent payable for the land identified in (a) of this section is equal to eight
28 percent of the value of the land. At least every five years the value of the land shall be
29 redetermined as follows:

30 (1) the state assessor in the Department of Community and Regional Affairs shall
31 assign the land identified in (a) of this section to geographic areas; in making the assignment,

1 the assessor shall assign trust land outside a municipality to the nearest municipality;

2 (2) the number of acres of land identified in (a) of this section in each geographic
3 area to which the land is assigned by the state assessor shall be divided by the total number of
4 acres identified in AS 37.14.013(a)(3) to determine the weighting factor;

5 (3) the weighting factor for each area shall be multiplied by the average
6 percentage change in land values in the geographic area since the last valuation, as determined
7 by the Department of Community and Regional Affairs under the full value determination
8 procedure specified in AS 14.17.140, to determine the weighted value change for that area;

9 (4) all of the weighted value changes shall be added together to determine the
10 revaluation factor, expressed as a decimal; and

11 (5) one plus the revaluation factor shall be multiplied by the previous total value
12 of the land identified in AS 37.14.013(a)(3) to arrive at the redetermined value of the land
13 identified in AS 37.14.013(a)(3).

14 Sec. 37.14.019. ENFORCEMENT OF PAYMENTS DUE THE TRUST. (a) If the state
15 fails to make a payment required under AS 37.14.015 or 37.14.017, the chief executive officer
16 of the authority shall notify each of the following of the state's failure to make the payment:

17 (1) the governor;

18 (2) the commissioner of revenue;

19 (3) the president of the senate; and

20 (4) the speaker of the house of representatives.

21 (b) The notice shall be in writing and must include a statement of the remedies available
22 to the authority to secure enforcement of its claim for payment.

23 (c) If payment is not made within 15 days after giving notice under (a) of this section,
24 the chair of the board shall convene the board to determine whether the authority shall exercise
25 its rights under this section to collect the payment.

26 (d) If authorized by the board, the authority may apply to the superior court to require
27 payment. If the court determines that a payment due has not been made, the court shall issue
28 a judgment and order to the state, determining the amount of the payment that is due and
29 directing that payment be made. In a proceeding under this subsection, the court is limited to
30 a determination of whether a payment due the authority is due and unpaid and the amount that
31 is due and unpaid. The court shall include in the judgment the authority's full attorney fees. The

1 judgment bears interest at the rate of 10.5 percent per year. The clerk of the court shall provide
2 copies of a judgment and order entered under this subsection to the officials named in (a) of this
3 section.

4 (e) If a judgment and order is issued under (d) of this section while the legislature is in
5 session, the state shall make the payment required by the order within 30 days of the date of the
6 order. If the judgment and order is issued while the legislature is not in session, the state shall
7 make the payment required by the order within 60 days of the date of the order.

8 (f) If, at the end of the period allowed under (e) of this section, the state has failed to
9 satisfy a judgment and order issued under (d) of this section, and if the action is authorized by
10 the board, the authority may apply for and obtain from the court a writ of attachment or writ of
11 execution against the state in the amount due under the judgment and order. The authority

12 (1) shall first attempt to satisfy a writ of execution or attachment out of the bank
13 or other financial accounts of the state;

14 (2) shall, if the judgment and order is not fully satisfied on return of a writ under
15 (1) of this subsection, execute against unencumbered real property of the state;

16 (3) shall, if the judgment and order is not fully satisfied on return of writs under
17 (1) and (2) of this subsection, petition the court to issue an order providing that the authority
18 shall manage the land identified in AS 37.14.013(a)(3) to fulfill the purposes of the trust without
19 regard to its legislatively-designated purpose and receive the income from that land;

20 (4) may, if the judgment and order is not fully satisfied after exhausting the
21 remedies under (1) - (3) of this subsection, foreclose on any security that the authority may have
22 or use another remedy that may be available to the authority.

23 * Sec. 11. AS 37.14.021 is repealed and reenacted to read:

24 Sec. 37.14.021. TRUST INCOME ACCOUNT. (a) The mental health trust income
25 account is established as an account separate from the trust corpus.

26 (b) The mental health trust income account consists of money

27 (1) earned by the authority on its investment of the assets of the trust corpus
28 during the fiscal year;

29 (2) received from the state during the fiscal year as interest on the amount paid
30 by the state under AS 37.14.015;

31 (3) received from the state during the fiscal year under AS 37.14.017; and

1 (4) transferred to the account by the board from any source.

2 (c) ~~Money~~ in the mental health trust income account established in (a) of this section
3 shall first be expended by the authority to meet the necessary expenses of the comprehensive
4 service program under AS 47.30.061.

5 (d) The authority may establish subaccounts within the mental health trust income
6 account. *Insert Am VII*

7 * Sec. 12. AS 37.14 is amended by adding new sections to read:

8 Sec. 37.14.026. TRUST LAND CONVEYANCES. (a) The authority may convey trust
9 land to the state or to a person in exchange for land or money.

10 (b) Before the authority conveys land that is part of the trust, and in addition to any other
11 requirements of law, the authority shall negotiate with the conveyee to establish

12 (1) the value of the land to be conveyed and the value of replacement land, if any,
13 to be incorporated into the trust; if the conveyee proposes to exchange trust land for other land,
14 the conveyee shall make available to the trust replacement land that is of at least equal value and
15 with at least equal income production potential at the time of its transfer or conveyance to the
16 trust; or

17 (2) the amount of compensation due the trust for the land conveyed based on the
18 value of that land at the time of its transfer or conveyance from the trust.

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

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

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

23 (3) "enabling Act" means the Alaska Mental Health Enabling Act of 1956, P.L.
24 84-830, 70 Stat. 709;

25 (4) "land granted under the enabling Act" means

26 (A) that land identified by the Department of Natural Resources to be
27 valued by the commissioner of natural resources under procedures approved by the
28 Interim Mental Health Trust Commission more specifically described in documents
29 labeled "Exhibit A" and attached to each of the re-notices of lis pendens that were
30 recorded in September 1990 at

31 (i) book 2073, pages 388 - 416, Anchorage Recording Office;

- 1 (ii) book 62, pages 394 - 399, Cordova Recording Office;
2 (iii) book 677, pages 62 - 100, Fairbanks Recording Office;
3 (iv) book 19, pages 926 - 954, Haines Recording Office
4 (v) book 201, pages 488 - 491, Homer Recording Office;
5 (vi) book 335, pages 748 - 765, Juneau Recording Office;
6 (vii) book 371, pages 117 - 158, Kenai Recording Office;
7 (viii) book 181, pages 728 - 757, Ketchikan Recording Office;
8 (ix) book 102, pages 869 - 872, Kodiak Recording Office;
9 (x) book 25, pages 195 - 198, McKinley Recording Office;
10 (xi) book 46, pages 001 - 023, Nenana Recording Office;
11 (xii) book 16, pages 393 - 397, Nulato Recording Office;
12 (xiii) book 629, pages 869 - 916, Palmer Recording Office;
13 (xiv) book 35, pages 518 - 534, Petersburg Recording Office;
14 (xv) book 31, pages 621 - 626, Seldovia Recording Office;
15 (xvi) book 90, pages 524 - 538, Sitka Recording Office;
16 (xvii) book 6, pages 286 - 294, Skagway Recording Office;
17 (xviii) book 131, pages 585 - 590, Talkeetna Recording Office;
18 (xix) book 18, pages 643 - 650, Wrangell Recording Office; and

19 (B) all land approved for conveyance and patented under sec. 202 of the
20 enabling Act after September 7, 1987;

21 (5) "legislatively-designated land" means land granted under the enabling Act and
22 subsequently designated by law as a state park, state forest, state game refuge, state wildlife
23 refuge, state game sanctuary, state recreational area, state recreational river, state wilderness park,
24 state marine park, state special management area, state public use area, critical habitat area, bald
25 eagle preserve, bison range, or moose range.

26 * Sec. 13. AS 38.05.800 is repealed and reenacted to read:

27 Sec. 38.05.800. ADMINISTRATION OF CERTAIN LAND WITHIN THE MENTAL
28 HEALTH TRUST. Unless management is transferred to the Alaska Mental Health Trust
29 Authority under AS 37.14.019(f)(3), the department shall manage land identified in
30 AS 37.14.013(a)(3) on behalf of the Alaska Mental Health Trust Authority and under the
31 provisions of AS 37.14.017 for the land's legislatively-designated purpose. The state shall

1 continue to manage the land and its resources in accordance with state law and policy. The
2 management authority of the state includes

3 (1) the right to issue permits, rights-of-ways, mining leases, oil and gas leases,
4 coal leases, and timber contracts;

5 (2) the right to take other actions that do not constitute a conveyance in fee
6 simple; and

7 (3) the right to receive the income from the land managed.

8 * Sec. 14. AS 39.25.120(c)(9) is amended to read:

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

11 (A) Alaska Public Broadcasting Commission;

12 (B) Professional Teaching Practices Commission;

13 (C) Parole Board;

14 (D) Board of Nursing;

15 (E) Real Estate Commission;

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

17 (G) Alaska Historical Commission;

18 (H) Alaska State Council on the Arts;

19 (I) Alaska Police Standards Council;

20 (J) Older Alaskans Commission;

21 (K) Alaska Mental Health Board;

22 (L) State Medical Board;

23 (M) Governor's Council for the Handicapped and Gifted;

24 (N) Advisory Board on Alcoholism and Drug Abuse;

25 * Sec. 15. AS 41.15 is amended by adding a new section to read:

26 Sec. 41.15.025. FIRE PROTECTION ON MENTAL HEALTH TRUST LAND. Land
27 that is included in the corpus of the trust established by the Alaska Mental Health Enabling Act
28 of 1956 is, for the purpose of wild fire suppression, land owned by the state, and the state
29 remains responsible for providing and paying for suppression of wild fires on that land.

30 * Sec. 16. AS 44.21.230(a) is amended to read:

31 (a) The commission shall

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

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

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

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

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

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

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

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

17 (9) give assistance, on request, to the senior housing office in the Department of
18 Community and Regional Affairs in administration of the senior housing loan program under
19 AS 44.47.587 - 44.47.609 and in the performance of the office's other duties under
20 AS 44.47.585; and

21 (10) provide recommendations to the Alaska Mental Health Trust Authority
22 concerning the necessary expenses of the comprehensive service program for the
23 beneficiaries of the trust who are described in AS 47.30.061(c)(4) and the use of the money
24 in the mental health trust income account in a manner consistent with AS 47.30.061; in
25 making recommendations affecting the trust, members of the commission assume a duty of
26 loyalty to the trust equivalent to the responsibilities of a private trustee.

27 * Sec. 17. AS 44.29.020 is amended to read:

28 Sec. 44.29.020. DUTIES OF DEPARTMENT. The Department of Health and Social
29 Services shall administer the state programs of public health and social services, including:

30 (1) maternal and child health services;

31 (2) preventive medical services;

- 1 (3) public health nursing services;
- 2 (4) nutrition services;
- 3 (5) health education;
- 4 (6) laboratories;
- 5 (7) mental health in a manner consistent with the comprehensive service
- 6 program plan adopted by the Alaska Mental Health Trust Authority [TREATMENT AND
- 7 DIAGNOSIS];
- 8 (8) management of state institutions, except for adult penal institutions;
- 9 (9) medical facilities;
- 10 (10) adult public assistance;
- 11 (11) aid to families with dependent children;
- 12 (12) child welfare services;
- 13 (13) general relief; and
- 14 (14) licensing and supervision of child care facilities.

15 * Sec. 18. AS 44.29.022 is amended by adding a new subsection to read:

16 (d) A regulation that establishes a fee for services under AS 44.29.020(a)(7) that affect
17 the comprehensive service program for beneficiaries of the trust established under the Alaska
18 Mental Health Enabling Act of 1956 may not be adopted under this section unless it has been
19 approved by the Alaska Mental Health Trust Authority.

20 * Sec. 19. AS 44.29.024 is amended by adding a new subsection to read:

21 (c) A regulation that establishes a schedule of reasonable fees for services provided by
22 a contractor or grantee that affect the comprehensive service program for beneficiaries of the trust
23 established under the Alaska Mental Health Enabling Act of 1956 may not be adopted under this
24 section unless it has been approved by the Alaska Mental Health Trust Authority.

25 * Sec. 20. AS 44.29.100 is amended to read:

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

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

31 Sec. 44.29.110. COMPOSITION. The board consists of 10 [12] members appointed by

1 the governor.

2 * Sec. 22. AS 44.29.115 is amended to read:

3 Sec. 44.29.115. QUALIFICATIONS OF BOARD MEMBERS. The governor shall
4 appoint the 10 [12] members so that the board consists of:

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

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

9 (3) four members who are chronic alcoholics with psychoses who are
10 recovering; and

11 (4) four [EIGHT] members who have shown an interest in the problems of
12 alcoholism or drug abuse and who have knowledge of the social problems associated with
13 alcoholism or drug abuse [; AND

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

15 * Sec. 23. AS 44.29 is amended by adding a new section to read:

16 Sec. 44.29.135. OFFICERS AND STAFF. (a) The board, by a majority of its
17 membership, shall annually elect a chair and other officers it considers necessary from among
18 its membership.

19 (b) The board shall have a paid staff provided by the department, including an executive
20 director who shall be selected by the board. The executive director is in the partially exempt
21 service and shall be compensated at no less than range 21 of the pay plan for state employees
22 under AS 39.27.011(a). The executive director may hire additional employees in the classified
23 service of the state. The department shall provide for the assignment of personnel to the board
24 to ensure the board has the capacity to fulfill its responsibilities. The executive director of the
25 board shall be directly responsible to the board in the performance of the director's duty.

26 * Sec. 24. AS 44.29.140 is amended to read:

27 Sec. 44.29.140. DUTIES. The board shall

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

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

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

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

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

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

10 (F) [(6)] REVIEW OF APPLICATIONS AND SUBSEQUENT
11 RECOMMENDATIONS TO THE COMMISSIONER OF HEALTH AND SOCIAL
12 SERVICE; ON USE OF FUNDS FOR GRANTS FOR LOCAL ALCOHOLISM OR
13 DRUG ABUSE PROJECTS AND PROGRAMS;

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

16 (2) make recommendations to the Alaska Mental Health Trust Authority
17 concerning the use of money in the mental health trust income account for the benefit of
18 chronic alcoholics suffering from psychosis; in making recommendations affecting the
19 mental health trust, the members of the board assume a duty of loyalty to the mental health
20 trust equivalent to the responsibilities of a private trustee.

21 * Sec. 25. AS 44.29.140 is amended by adding new subsections to read:

22 (b) The board is the state planning and coordinating body for purposes of federal and
23 state laws relating to alcohol and drug abuse prevention and treatment services.

24 (c) The board shall prepare and maintain a comprehensive plan of services for the
25 prevention and treatment of alcohol and drug abuse.

26 * Sec. 26. AS 47.30 is amended by adding new sections to read:

27 Sec. 47.30.011. ALASKA MENTAL HEALTH TRUST AUTHORITY. (a) The Alaska
28 Mental Health Trust Authority is established as a public corporation of the state that has a legal
29 existence independent of and separate from the state.

30 (b) The purpose of the authority is to ensure an integrated comprehensive mental health
31 program for the people of the state.

1 (c) The authority

2 (1) serves under AS 37.14.001 - 37.14.099 as the trustee of the trust established
3 under the Alaska Mental Health Enabling Act of 1956, and of the mental health trust income
4 account established under AS 37.14.021;

5 (2) may sue and be sued;

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

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

15 (5) is exempt from AS 36.30 (State Procurement Code).

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

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

20 (b) The board consists of nine members appointed by the governor and subject to
21 legislative confirmation. The members shall be appointed

22 (1) based upon their recognized expertise or experience in financial management
23 and investment, in land management, or in services for the beneficiaries of the trust;

24 (2) from a list of persons prepared by a panel of five persons who are
25 beneficiaries, or who are the guardians, family members, or representatives of beneficiaries; the
26 panel consists of

27 (A) one person selected by the Alaska Mental Health Board
28 (AS 47.30.661);

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

31 (C) one person selected by the Advisory Board on Alcoholism and Drug

1 Abuse (AS 44.29.110);

2 (D) one person selected by the Older Alaskans Commission
3 (AS 44.21.200); and

4 (E) one person selected by the authority.

5 (c) A member of the board may not

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

7 (2) within the preceding year or during the member's term of office have had an
8 interest in, served on the governing board of, or been employed by an organization that has an
9 interest in, a contract entered into by the authority.

10 (d) A quorum of the board is five members.

11 (e) Members of the board

12 (1) receive an honorarium of \$400 for each day or any part of a day spent at a
13 meeting of the board, at a meeting of a subcommittee of the board, or as a representative of the
14 board; the honorarium under this paragraph shall be adjusted annually for the effect of inflation
15 as measured by the change in the calendar year average United States Consumer Price Index for
16 all urban consumers or, if that index no longer exists, an equivalent index; and

17 (2) are entitled to per diem and travel expenses authorized for boards and
18 commissions under AS 39.20.180.

19 Sec. 47.30.021. TERM OF OFFICE, VACANCIES, AND REMOVAL. (a) Members
20 of the board serve staggered five-year terms. A member shall continue to serve until the
21 member's successor is appointed and confirmed.

22 (b) A vacancy occurring in the membership of the board of trustees of the authority shall
23 be filled within 60 days by appointment of the governor for the unexpired portion of the vacated
24 term.

25 (c) The governor may remove a member of the board only for cause, including
26 incompetence, neglect of duty, misconduct in office, poor attendance, or lack of contribution to
27 the board's work. A member being removed for cause shall be given a copy of the charges and
28 afforded an opportunity to publicly present a defense in person or by counsel upon not less than
29 10 days' written notice. If a member is removed for cause, the governor shall file with the
30 lieutenant governor a complete statement of all charges made against the member and the
31 governor's findings based on the charges, together with a complete record of the proceedings.

1 The removal of a member for cause constitutes a final administrative order. A member seeking
2 to appeal the governor's removal of a member for cause under this subsection shall file a notice
3 of appeal with the superior court under AS 44.62.560.

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

7 Sec. 47.30.026. OFFICERS AND STAFF. (a) The board shall annually elect a chair
8 and other officers it considers necessary from among its membership.

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

12 (1) hire additional employees;

13 (2) appoint hearing officers to perform the responsibilities set out in
14 AS 47.30.031(b)(7); and

15 (3) contract for the services of consultants and others.

16 (c) The chief executive officer is directly responsible to the board for the performance
17 of the director's duties.

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

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

23 (1) the requirements of AS 47.30.061(i) and (k);

24 (2) provisions governing the administration and management of the mental health
25 trust corpus and mental health trust income account under AS 37.14.001 - 37.14.099;

26 (3) provisions concerning the equitable distribution of the earnings of the trust;

27 (4) procedures by which an aggrieved person or group who believe they have not
28 received services that should be provided from the trust may apply to the authority for the
29 provision of the service from trust funds;

30 (5) procedures by which income earned through the provision of trust funded
31 services by any entity can be used to augment or enhance the entity's services;

1 (6) provisions that allow and encourage entities providing trust funded services
2 to integrate those services with other community human services funded by other sources;

3 (7) administrative adjudication procedures, including but not limited to

4 (A) the acceptance of applications under (4) of this subsection;

5 (B) investigations;

6 (C) hearings; and

7 (D) the issuance of administrative orders, as necessary; and

8 (8) procurement procedures.

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

10 (1) preserve and protect the trust corpus in perpetuity;

11 (2) use the trust income to

12 (A) defray the necessary operating and capital expenses of the trust
13 program under AS 47.30.061(a)(1); and

14 (B) meet the annual administrative expenses of the authority;

15 (3) determine and budget for the necessary expenses of the comprehensive service
16 program for the beneficiaries of the trust by producing and annually updating a long range
17 comprehensive trust program plan including

18 (A) forecasts of the number of persons needing services;

19 (B) projections of the resources required to provide the necessary services
20 and facilities;

21 (C) reviews of the status of the comprehensive service program for the
22 beneficiaries of the trust and evaluations of its effectiveness; and

23 (D) program goals, objectives, targets, and time lines;

24 (4) coordinate with other state agencies involved with programs affecting persons
25 in need of mental health services;

26 (5) adopt bylaws governing its meetings, selection of officers, proceedings, and
27 other aspects of board procedure; and

28 (6) make an annual written report of its activities to the legislature, governor, and
29 the public.

30 Sec. 47.30.041. INDIVIDUAL RESPONSIBILITIES OF TRUSTEES. (a) By accepting
31 appointment to the board a person accepts the position as co-trustee of the trust and recognizes

1 that, in exercising its powers, duties, and responsibilities, the board is under a duty to the public
2 and the trust beneficiaries to

3 (1) administer the trust solely in the interests of the beneficiaries;

4 (2) keep and render clear and accurate accounts with respect to the administration
5 of the trust;

6 (3) make public and available complete and accurate information as to the nature
7 and amount of the trust property;

8 (4) exercise an equal or higher degree of care in administering the trust than in
9 the management of the person's own personal business;

10 (5) take reasonable steps to take and keep control of the trust property;

11 (6) use care and skill to preserve the trust property;

12 (7) take reasonable steps to realize on claims that are held in the trust;

13 (8) defend against actions that may result in a loss to the trust estate, unless under
14 all the circumstances, considering the other duties owed to the trust, it is reasonable not to make
15 that defense;

16 (9) keep trust property separate from the person's own property;

17 (10) keep trust property separate from other property not subject to the trust so
18 far as it is reasonable to do so;

19 (11) see that trust property is designated as property of the trust;

20 (12) use care in selecting the bank when making general deposits of trust money
21 in a bank, and properly identify the deposit as a deposit by the authority as trustee;

22 (13) use care and skill to make the trust property productive; however, nothing
23 in this paragraph shall prevent the authority from using trust property directly or indirectly, by
24 contractual stipulation or otherwise as a component of the state's mental health program;

25 (14) use the income of the trust to pay for the necessary expenses of the
26 comprehensive service program for the beneficiaries of the trust;

27 (15) deal impartially with the different trust beneficiaries under the priorities set
28 out in AS 47.30.061; and

29 (16) participate in the administration of the trust with the other members of the
30 board, and use care to prevent a co-trustee from committing a breach of trust or to compel a co-
31 trustee to redress a breach of trust.

1 (b) By accepting appointment to the board, a person accepts the position as co-trustee
2 of the trust and recognizes that, in exercising its powers, duties, and responsibilities, the board
3 is otherwise subject to the same fiduciary duties as a private trustee under private trust law
4 principles.

5 Sec. 47.30.046. MANAGEMENT OF MENTAL HEALTH TRUST INCOME
6 ACCOUNT. The board shall insert reference to Authority's budget
7 (1) being subject to Exec. Funded Act [annually, not later than August 1,] report to the governor and the legislature
8 a determination of the amount

9 (A) to be expended from the mental health trust income account to

10 (i) meet the administrative expenses of the authority;

11 (ii) offset the effect of inflation on the value of the trust corpus as
12 required under AS 37.14.006(b); and

13 (iii) meet the necessary operating and capital expenses of the
14 comprehensive service program for the beneficiaries of the trust;

15 (B) needed from the general fund, if any, that is required during the next
16 fiscal year to meet the necessary operating and capital expenses of the comprehensive
17 service program for the beneficiaries of the trust; and

18 (C) estimated to be surplus, if any, in the mental health trust income
19 account for transfer into the general fund on September 15; and

20 (2) annually, not later than September 15, transfer the surplus, if any, in the
21 mental health trust income account that is not reasonably or foreseeably needed to meet the
22 necessary operating and capital expenses of the comprehensive service program for the
23 beneficiaries of the trust into the general fund to be used for other public purposes.

24 [Sec. 47.30.051. AUTHORITY ADMINISTRATIVE BUDGET. (a) By December 15
25 of each year, the authority shall prepare and submit to the legislature for its approval a proposed
26 budget to meet the authority's administrative expenses for the next fiscal year.

27 (b) The authority may not spend money for administrative expenses except as approved
28 by the legislature unless the expenditure has been approved by the court as necessary to fulfill
29 the purposes of the trust and the duties of the trustees.]

30 Sec. 47.30.056. SUBMISSIONS REQUIRING USE OF TRUST MONEY. An agency
31 or entity proposing an expenditure of money by the trust must present its proposal to the

1 authority under regulations adopted under AS 47.30.031.

2 Sec. 47.30.061. USE OF MONEY IN THE MENTAL HEALTH TRUST INCOME
3 ACCOUNT. (a) The authority shall use money in the mental health trust income
4 established in AS 37.14.021 to

5 (1) provide a comprehensive program of services as required by this section; and

6 (2) meet the authority's annual administrative expenses.

7 (b) In making expenditures under (a)(1) of this section, the authority shall guarantee a
8 priority in service delivery to persons identified in this section who, as a result of a disorder
9 identified in this section,

10 (1) may require or are at risk of hospitalization; or

11 (2) experience such major impairment of self-care, self-direction, or social and
12 economic functioning that they require continuing or intensive services.

13 (c) The comprehensive program of services funded by the trust shall provide services
14 needed by

15 (1) the mentally ill;

16 (2) the mentally defective and retarded;

17 (3) chronic alcoholics suffering from psychoses; and

18 (4) senile people who as a result of their senility suffer major mental illness.

19 (d) In (c) of this section, "the mentally ill" includes persons with the following mental
20 disorders:

21 (1) schizophrenia;

22 (2) delusional (paranoid) disorder;

23 (3) mood disorders;

24 (4) anxiety disorders;

25 (5) somatoform disorders;

26 (6) organic mental disorders;

27 (7) personality disorders;

28 (8) dissociative disorders;

29 (9) other psychotic or severe and persistent mental disorders manifested by
30 behavioral changes and symptoms of comparable severity to those manifested by persons with
31 mental disorders listed in this subsection; and

1 (10) persons who have been diagnosed by a licensed psychologist, psychiatrist,
2 or physician licensed to practice medicine in the state and, as a result of the diagnosis, have been
3 determined to have a childhood disorder manifested by behaviors or symptoms suggesting risk
4 of developing a mental disorder listed in this subsection.

5 (e) In (c) of this section, "the mentally defective and retarded" includes persons with the
6 following neurologic or mental disorders:

- 7 (1) cerebral palsy;
- 8 (2) epilepsy;
- 9 (3) mental retardation;
- 10 (4) autistic disorder;
- 11 (5) severe organic brain impairment;
- 12 (6) significant developmental delay during early childhood indicating risk of
13 developing a disorder listed in this subsection;
- 14 (7) other severe and persistent mental disorders manifested by behaviors and
15 symptoms similar to those manifested by persons with disorders listed in this subsection.

16 (f) In (c) of this section, "chronic alcoholics suffering from psychoses" includes persons
17 with the following disorders:

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

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

- 30 (1) primary degenerative dementia of the Alzheimer type;
- 31 (2) multi-infarct dementia;

- 1 (3) senile dementia;
2 (4) presenile dementia;
3 (5) other severe and persistent mental disorders manifested by behaviors and
4 symptoms similar to those manifested by persons with disorders listed in this subsection.

5 (h) Persons not included in (b) and (c) of this section may be provided services under
6 the comprehensive service program to be paid for from the trust provided the authority
7 determines that the provision of services is consistent with its obligation as trustee under (b) and
8 (c) of this section.

9 (i) The authority shall adopt regulations defining the disorders identified in this section
10 to reflect revisions in the diagnostic nomenclature of the health professions serving the
11 beneficiaries of the trust. The authority shall review and revise the regulations as necessary.
12 Regulations adopted under this subsection must be in the long term best interest of the trust and
13 of persons with disorders equivalent to those identified in (b) and (c) of this section.

14 (j) In this section, "a comprehensive service program" includes, at a minimum, each of
15 the following services for the beneficiaries of the trust as appropriate:

- 16 (1) emergency services on a 24-hour basis;
17 (2) screening examination and evaluation services required to complete the
18 involuntary commitment process under AS 47.30.700 - 47.30.815;
19 (3) inpatient care;
20 (4) crisis stabilization services, which may include:
21 (A) active community outreach;
22 (B) in-hospital contact;
23 (C) mobile crisis teams of mental health professionals;
24 (D) crisis beds to provide a short term residential program for persons
25 experiencing an acute episode of mental illness that requires temporary removal from a
26 home environment;
27 (5) treatment services, which may include
28 (A) diagnosis, testing, and evaluation of medical needs;
29 (B) medication monitoring;
30 (C) physical examinations;
31 (D) dispensing psychotropic and other medication;

- 1 (E) detoxification;
- 2 (F) individual or group therapy;
- 3 (G) aftercare;
- 4 (6) case management, which may include
- 5 (A) evaluation of needs;
- 6 (B) development of individualized treatment plans;
- 7 (C) enhancement of access to available resources and programs;
- 8 (D) development of interagency contacts and family involvement;
- 9 (E) advocacy;
- 10 (7) daily structure and support, which may include
- 11 (A) daily living skills training;
- 12 (B) socialization activities;
- 13 (C) recreation;
- 14 (D) transportation;
- 15 (E) day care services;
- 16 (F) client and care provider education and support services;
- 17 (8) residential services, which may include
- 18 (A) crisis or respite care;
- 19 (B) board and care;
- 20 (C) foster care, group homes, halfway houses, or supervised apartments;
- 21 (D) intermediate care facilities;
- 22 (E) long term care facilities;
- 23 (F) in-home care;
- 24 (9) vocational services, which may include
- 25 (A) prevocational services;
- 26 (B) work adjustment;
- 27 (C) supported work;
- 28 (D) sheltered work;
- 29 (E) training in which participants achieve useful work experience;
- 30 (10) outpatient screening, diagnosis, and treatment services, including individual.
- 31 family, and group psychotherapy, counseling, and referral; and

1 (11) administrative services, including appropriate operating expenses of state
2 agencies and other service providers.

3 (k) The authority shall adopt regulations regarding the services described in (j) of this
4 section to reflect advances in the appropriate professions serving the beneficiaries of the trust.
5 The authority shall review and revise the regulations as necessary. Regulations adopted under
6 this subsection must be in the long term best interest of the mental health trust.

7 Sec. 47.30.066. DEFINITIONS. In AS 47.30.011 - 47.30.066,

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

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

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

13 * Sec. 27. AS 47.30 is amended by adding a new section to read:

14 Sec. 47.30.472. POWERS AND DUTIES OF ALASKA MENTAL HEALTH TRUST
15 AUTHORITY. The Alaska Mental Health Trust Authority established by AS 47.30.011

16 (1) shall include within the plan for the comprehensive service program for the
17 beneficiaries of the mental health trust the services and facilities that are necessary for the care
18 and treatment of persons identified as chronic alcoholics suffering from psychoses, as defined in
19 AS 47.30.061(f); in preparing the plan of services for persons identified in this paragraph, the
20 authority shall coordinate with the Advisory Board on Alcoholism and Drug Abuse;

21 (2) shall use money in the mental health trust income account established under
22 AS 37.14.021 to provide the necessary services identified in (1) of this section and in accordance
23 with AS 47.30.061;

24 (3) may accept and deposit in accounts established for that purpose, grants from
25 the federal government or gifts or contributions from other sources to assist in implementing this
26 section.

27 * Sec. 28. AS 47.30.520 is amended to read:

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

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

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

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

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

10 (5) [(2)] improve the effectiveness of existing mental health services;

11 (6) [(3)] integrate state-operated and community mental health programs into a
12 unified mental health system;

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

17 (8) [(5)] ESTABLISH A UNIFORM RATIO OF LOCAL AND STATE
18 GOVERNMENT RESPONSIBILITY FOR FINANCING MENTAL HEALTH SERVICES;

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

21 (9) [(7)] encourage the full use of all existing public or private agencies, facilities,
22 personnel, and funds to accomplish these objectives; and

23 (10) [(8)] prevent unnecessary duplication and fragmentation of services and
24 expenditures.

25 * Sec. 29. AS 47.30 is amended by adding new sections to read:

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

28 (1) the community mental health program provide a comprehensive and integrated
29 system of community based facilities, supports, and mental health services including child and
30 adolescent screening and diagnosis, inpatient, outpatient, prevention, consultation, and education
31 services;