

**ALASKA LEGISLATURE COMMITTEE FILES 1991-1992 8672**  
**7458 SENATE JUDICIARY**

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SEVENTEENTH LEGISLATURE  
SENATE JUDICIARY COMMITTEE BILL FILE

Bill Number: SB65  
Abbreviated Title: Mental Health Lands

Sponsor: Duncan Original Received: May 6, 1991  
Written Request to Schedule Rcv'd: \_\_\_\_\_ From: \_\_\_\_\_  
Sponsor's Statement Rcv'd: \_\_\_\_\_ From: \_\_\_\_\_  
Sectional Analysis Rqst'd: \_\_\_\_\_ From: \_\_\_\_\_  
Sectional Analysis Received: \_\_\_\_\_

Fiscal Note (Original)  
Rqst'd Of: \_\_\_\_\_ Rcv'd From: \_\_\_\_\_ Date: \_\_\_\_\_  
Rqst'd Of: \_\_\_\_\_ Rcv'd From: \_\_\_\_\_ Date: \_\_\_\_\_  
Rqst'd Of: \_\_\_\_\_ Rcv'd From: \_\_\_\_\_ Date: \_\_\_\_\_

Fiscal Note (C.S.)  
Rqst'd Of: \_\_\_\_\_ Rcv'd From: Fund 0? Date: \_\_\_\_\_  
Rqst'd Of: \_\_\_\_\_ Rcv'd From: DNR 1,471 Date: 6 May 91  
Rqst'd Of: \_\_\_\_\_ Rcv'd From: Revenue 7589 Date: 3-12-91

Five Day Notice Given: B. HES Notice of Hearings Given: May 3, 1991  
Committees of Referral: First: \_\_\_\_\_ Second: \_\_\_\_\_ Third: \_\_\_\_\_  
LAA Contact: Cheamuth - To Senate Secretary: \_\_\_\_\_  
2450

COMMITTEE ACTION

DATE:

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PERSONS TO BE NOTIFIED OF HEARING

1. Sponsor Duncan
2. Agency \_\_\_\_\_
3. Ray Horgan 3727
4. Duncan Lebaugh
5. \_\_\_\_\_
6. \_\_\_\_\_
7. \_\_\_\_\_
8. \_\_\_\_\_
9. \_\_\_\_\_
10. \_\_\_\_\_

FISCAL NOTE

STATE OF ALASKA  
1991 LEGISLATIVE SESSION

BILL NO. CSSSB 65

Revision Date: May 16, 1991  
 Title: An Act establishing the Mental Health Trust  
 Authority and defining its powers and duties;  
 Sponsor: Senator Duncan  
 Requestor: \_\_\_\_\_

Department Affected: Revenue  
 BRU: Treasury  
 Component: \_\_\_\_\_

Component Serial No.

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Expenditures/Revenues: (Thousands of Dollars)

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

CAPITAL						
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REVENUE						
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FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year impact: \_\_\_\_\_

ANALYSIS: See attached bill analysis.

Prepared by: Brian C. Andrews *BA*

Phone: 465-2350

Division: Treasury

Date: May 16, 1991

Approved by Commissioner: *by Daniel Rasmusen*

Agency: Revenue

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

Bill Analysis  
CSSSSB\_65

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

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

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



# Alaska State Legislature

## Senate

Office of the Secretary

OFFICIAL BUSINESS

PO BOX V  
CAPITOL BUILDING  
JUNEAU, ALASKA 99811

FOR YOUR IMMEDIATE ATTENTION

DATE: May 9, 1991

TO SENATE  
COMMITTEE: Judiciary/Senator Halford

FROM: Office of the Senate Secretary *JR*

The attached fiscal note(s) relate to the following bill(s) pending in your Committee.

Please place the fiscal note inside the front cover of the blue or yellow committee folder.

SPONSOR SUBSTITUTE FOR SENATE BILL NO 65

Alaska Mental Health Trust Authority

Thank you.

SIGNATURE OF PERSON RECEIVING THIS NOTE

JR/s

STATE OF ALASKA  
1991 LEGISLATIVE SESSION

FISCAL NOTE

No. 4

Version: CS 555B 65

(S) Publish Date: 5/10/91

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

Department Affected: Revenue  
 BRU: Treasury  
 Component: \_\_\_\_\_

Component Serial No.

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Expenditures/Revenues: (Thousands of Dollars)

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

CAPITAL						
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REVENUE						
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FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year impact: \_\_\_\_\_

**ANALYSIS:** See attached bill analysis.

Prepared by: Brian C. Andrews

Phone: 465-2350

Division: Treasury

Date: May 6, 1991

Approved by Commissioner: 

Agency: Revenue

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

Bill Analysis  
SB\_65

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

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

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

FISCAL NOTE

STATE OF ALASKA  
1991 LEGISLATIVE SESSION

BILL NO. CSSS SB 65 (HESS)

Revision Date: \_\_\_\_\_  
Title: An Act establishing the Alaska Mental Health Trust  
Authority: \_\_\_\_\_  
Sponsor: Duncan  
Requestor: \_\_\_\_\_

Department Affected: Administration  
BRU: Older Alaskans Commission  
Component: Older Alaskans Services

COMPONENT SERIAL NO. 

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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES	59.4	61.0	62.4	64.2	65.7	67.5
TRAVEL	20.1	20.1	20.1	20.1	20.1	20.1
CONTRACTUAL	3.5	3.5	3.5	3.5	3.5	3.5
SUPPLIES	2.0	2.0	2.0	2.0	2.0	2.0
EQUIPMENT	3.5	0.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES	0.0	0.0	0.0	0.0	0.0	0.0
GRANTS, CLAIMS	0.0	0.0	0.0	0.0	0.0	0.0
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
<b>TOTAL OPERATING</b>	<b>88.5</b>	<b>86.6</b>	<b>88.0</b>	<b>89.8</b>	<b>91.3</b>	<b>93.1</b>

CAPITAL	0.0	0.0	0.0	0.0	0.0	0.0
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REVENUE	0.0	0.0	0.0	0.0	0.0	0.0
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FUNDING: (Thousands of Dollars)

GENERAL FUND	0.0	0.0	0.0	0.0	0.0	0.0
FEDERAL FUNDS	0.0	0.0	0.0	0.0	0.0	0.0
OTHER/MHT	88.5	86.6	88.0	89.8	91.3	93.1
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

POSITIONS:

FULL-TIME	1.0	1.0	1.0	1.0	1.0	1.0
PART-TIME	0.0	0.0	0.0	0.0	0.0	0.0
TEMPORARY	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of current year impact: \_\_\_\_\_

ANALYSIS: (Attach a separate page if necessary.) To meet its expanded duties under this bill, the Older Alaskans Commission (OAC) needs: (1) funds to increase commission meetings from three to four per year, one meeting for mental health (Alzheimer's) planning duties and public hearings; and (2) one staffer to carry out OAC's new planning duties and to monitor the mental health services funded by OAC. Staffer will attend, report back, and coordinate with the meetings, planning sessions, and regulatory requirements of the new Mental Health Authority, the Division of Mental Health, and the other three "coordinating" boards for mental health services.

Prepared by: Connie J. Sipe *Connie J. Sipe*  
Division: Older Alaskans Commission

Phone: 465-3250  
Date: May 9, 1991

Approved by Commissioner: Millett Keller *Millett Keller*  
Agency: Administration

Date: 5/13/91

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

Department of Administration  
Older Alaskans Commission  
May 9, 1991

DETAIL OF FISCAL NOTE ON CSSS SB 65

100	<u>PERSONAL SERVICES</u>	
	1 PFT Health Program Spec. II (Range 19) Juneau -	\$59.4
200	<u>TRAVEL</u>	
	1 three-day Commission meeting in Anchorage including a half-day statewide teleconference to specifically focus on OAC's responsibilities under the mental health trust (\$14.0); travel funds to allow the position and Commission member to attend numerous meetings of the Alaska Mental Health Authority, the Mental Health Board, and the annual planning session of the Division of Mental Health and Developmental Disabilities (\$6.1).	\$20.1
300	<u>CONTRACTUAL</u>	
	RSA with DOA word processing for reports, copying, and mailing; telephone and related fixed costs.	\$ 3.5
400	<u>SUPPLIES</u>	\$ 2.0
500	<u>EQUIPMENT</u>	
	Includes as one time expenses: computer, software, related office equipment	<u>\$ 3.5</u>
	<b>FY 92 TOTAL:</b>	<b>\$88.5</b>

STATE OF ALASKA  
1991 LEGISLATIVE SESSION

Bill No. CS SSSB 65 (Judiciary)

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

EXPENDITURES/REVENUES: (Thousands of Dollars)

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

CAPITAL						
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REVENUE						
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FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

Estimate of current year impact: \_\_\_\_\_

ANALYSIS: (Attach a separate page if necessary)

See attached analysis

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

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

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

Alaska Court System

Fiscal Analysis  
CS SSSB 65 (Judiciary)

<u>Personal Services</u>	<u>Full-year Cost</u>			<u>1/2-year FY 92 Cost</u>
	<u>Salary</u>	<u>Benefits</u>	<u>Total</u>	
In-Court Clerk, 12B, Anchorage, permanent full-time	\$26,592	\$12,408	\$39,000	\$19,500
<u>Travel</u>				
Travel by special master to view parcels and conduct hearings and investigations			15,000	7,500
<u>Contractual Services</u>				
Professional services -- special master for 1,500 hours at \$125 an hour			187,500	
Professional services -- paralegal assistant, full-time position			45,000	
Professional services -- secretary, full-time position			35,000	
Office rental -- 1,000 square feet at \$2.50 a foot			30,000	
		Total	297,500	148,750
<u>Supplies</u>				
Office supplies			3,000	1,500
<u>Equipment</u>				
Desks, chairs, computers, typewriters, filing cabinets, printer, statutes and reference materials			18,000	18,000
		Total Cost (full-year and 1/2-year)	\$372,500	\$195,250

FISCAL NOTE

STATE OF ALASKA  
1991 LEGISLATIVE SESSION

BILL NO. CSSSSB 65 (Jud)

Revision Date: \_\_\_\_\_ Department Affected: Department of Law  
 Title: "...establishing the Alaska Mental Health Trust Authority...powers & duties..." BRU: Legal Services  
 Component: Operations  
 Sponsor: Senator Duncan  
 Requestor: Senate Judiciary COMPONENT SERIAL NO. 

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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES	240.8	240.8	240.8	118.5	-0-	-0-
TRAVEL	9.0	9.0	9.0	3.0	-0-	-0-
CONTRACTUAL	336.0	336.0	232.5	173.5	-0-	-0-
SUPPLIES	12.3	12.3	12.3	6.0	-0-	-0-
EQUIPMENT	28.5					
LAND & STRUCTURES						
GRANTS, CLAIMS	1,000.0	1,000.0	800.0	500.0	-0-	-0-
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>1,626.6</b>	<b>1,598.1</b>	<b>1,294.6</b>	<b>801.0</b>	<b>-0-</b>	<b>-0-</b>

<b>CAPITAL</b>						
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<b>REVENUE</b>						
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FUNDING: (Thousands of Dollars)

GENERAL FUND	626.6	598.1	494.6	301.0	-0-	-0-
FEDERAL FUNDS						
OTHER MHTIA/GF	1,000.0	1,000.0	800.0	500.0	-0-	-0-
<b>TOTAL</b>	<b>1,626.6</b>	<b>1,598.1</b>	<b>1,294.6</b>	<b>801.0</b>	<b>-0-</b>	<b>-0-</b>

POSITIONS:

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

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

ANALYSIS: (Attach a separate page if necessary.)

Please see the attached analysis.

Prepared By: Richard I. Pegues, Director Phone: 465-3672  
 Division: Administrative Services Date: May 15, 1991  
 Approved by Commissioner: Charles E. Cole, Attorney General  
 Agency: Department of Law Date: May 15, 1991

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

## CONTINUATION of FISCAL NOTE ANALYSIS

For Bill/Resolution No. CSSSSB 65 (Jud)

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

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

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

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

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

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

FISCAL ANALYSIS - CSSSSB 65 (Fin)

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

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

## Request For New Position

AGENCY Department of Law

BRU Legal Services

COMPONENT Operations

**FY** 92

Page 1 of 1

Revised Date: \_\_\_\_\_

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

**Request For  
New Position**

AGENCY Department of Law  
BRU Legal Services  
COMPONENT Operations

**FY** 92

Page 1 of 1

Revised Date: \_\_\_\_\_



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

**Request For  
New Position**

AGENCY Department of Law  
 BRU Legal Services  
 COMPONENT Operations

**FY** 92

Page 1 of 1

Revised Date: \_\_\_\_\_



# Alaska State Legislature

## HOUSE OF REPRESENTATIVES

### HB59 Position Paper

Representative Ronald Larson

Official Business  
March 11, 1991

P.O. Box V  
State Capitol  
Juneau, Alaska 99811

The mental health trust lands litigation settlement reminds me of an earlier, similar settlement. The University of Alaska received trust land grants from the Federal Government by two Acts of Congress, in 1915 and 1929. Under the Acts the University was given 110,000 acres of land to be held in trust and managed to produce income to help support the University. Instead of managing the lands for maximum income production, the State treated the University grant lands as though they were State lands and made them available at less than fair market value.

In 1978 the University of Alaska challenged the Legislature's inclusion of University lands in a State park. In 1981, the Alaska Supreme Court in State v. University of Alaska found that the Legislative action was contrary to the terms of the Federal legislation which granted University lands to the State and required that they be used for the "exclusive use and benefit" of the University. Accordingly, the Court held that inclusion of those lands in a State park from which no revenues would be derived was a breach of trust. At the same time, however, the Court held that judicial invalidation of the Legislative action was inappropriate. Instead, the Court held that the proper remedy was compensation, either in money or land.

To compensate the University a settlement was reached providing for the transfer of title, management, and control of University grant lands to the University and for the appropriation of funds (\$4.2 million in Ch 21 SLA 1983 - Trust fund balance on 6/30/90 statement \$14.5 million) and the conveyance of State "replacement" lands (51,391 +/- acres fee simple of the 138,954 fee simple acre land trust currently held) to equal the dollar value of the compensation owed the University for transactions such as:

- easements and rights of way granted by the State
- residential, utility, commercial, agricultural, and private recreation leases let
- material (gravel/sand) removed for use by State agencies
- uncollected revenues from State sales of resources such as coal, oil and gas, and timber
- free use permits, and land management transfers
- Legislative withdrawals of University lands for parks

HB59 would follow the model of the University lands settlement and do what the Alaska Supreme Court directed in State v Weiss, 706P.2d 681 (Alaska 1985)

...Those general grant lands which were once mental health lands will return to their former trust status. In the event exchanges have been made, those properties which can be traced to an exchange involving mental health lands will also be included in the trust. To the extent that former mental health lands have been sold since the date of the conveyance the trust must be reimbursed for the fair market value at the time of sale. In calculating the total amount owed, the trial court should grant a set-off for mental health expenditures made by the state during the same period. ... The goal is to restore the trust to its position just prior to the conveyance effected by the redesignation legislation.

## LAND-GRANT TRUST FUNDS

The University is required to report annually to the legislature on funds derived from lands conveyed to the University of Alaska in settlement of the claim by the University to federal lands granted to the state by the acts of March 4, 1915 and January 21, 1929, as amended. The following statement of changes in fund balances for the University of Alaska Land-Grant Trust Funds represents this report to the legislature for the fiscal year ended June 30, 1990.

Funds derived from sales, leases, exchanges, and transfer of the University's trust lands, as required by law, are deposited with the State Department of Revenue for investment in a trust fund. Investment income from the trust fund is made available quarterly to the University. The expenditure of these funds by the University is governed by regents' policy and University regulation which provide: (1) that a portion of the annual earnings will be utilized for expenditures to manage the University's lands, (2) that a portion of the annual earnings will be set aside for separate investment in order to "inflation-proof" the trust funds held by the Department of Revenue at an amount equal to the increase in the federal consumer price index, and (3) that the remaining annual earnings be transferred to a Natural Resources Fund primarily for the purpose of funding programs in support of agriculture, fisheries, natural resource management and marketing, and natural resource management education.

### Land-Grant Trust Funds Statement of Changes in Fund Balances For the Year Ended June 30, 1990

	<u>Endowment Funds</u>		<u>Designated Unrestricted Funds</u>		
	<u>Land-Grant Trust Fund</u>	<u>Inflation- Proofing Fund</u>	<u>Land-Grant Trust Revenue Fund</u>	<u>University Earned Revenues Fund</u>	<u>Natural Resources Fund</u>
Fund Balance July 1, 1989	\$12,642,960	\$ 2,433,138	\$ 674,047	\$ 586,168	\$ 873,086
Additions to the Land - Grant Trust Fund	1,820,675	--	--	--	--
Investment Earnings	--	--	1,195,017	357,263	--
Expenditures:					
Land Management	--	--	(140,725)	--	--
Natural Resources Program	--	--	--	--	(593,073)
Transfers:					
Inflation-Proofing Fund	--	623,452	(623,452)	--	--
Natural Resources Fund	--	--	(430,840)	(357,263)	788,103
Fund Balance June 30, 1990	<u>\$14,463,635</u>	<u>\$ 3,056,590</u>	<u>\$ 674,047</u>	<u>\$ 586,168</u>	<u>\$ 1,068,116</u>

#### NOTES:

1. The land-grant trust fund principal of \$14,463,635 on June 30, 1990, held in trust by the Alaska Department of Revenue, is invested for the benefit of the university in U.S. Treasury Notes yielding 7.37% to 11.75%, and corporate bonds yielding 9% to 9.75%. All other funds are administered by the university.
2. Additions to the land grant trust fund represent total proceeds for the year from the sale, lease or transfer of land, materials and mineral interests acquired as grant lands.
3. The natural resources fund represents funds designated to provide support funding for agriculture, forestry, fisheries, minerals and other academic programs.
4. The inflation-proofing fund includes an investment in unimproved real estate adjacent to the Palmer agricultural experiment station at a cost of \$307,635. The remainder of the principal of the inflation-proofing fund, the land-grant trust revenue fund and the university earned revenue fund is invested in short-term certificates of deposit.

January 21, 1920.  
[H. R. 10167.]  
[Public, No. 670.]

Alaska.  
Agricultural College  
and School of Mines.

Additional public  
lands granted to.  
Vol. 33, p. 1214.

Territory to have ex-  
clusive control.

Lands, and proceeds  
thereof to be held in  
trust and disposed of  
only as herein pro-  
vided.

Any other disposition  
a breach of trust.

Mortgages, etc., not  
valid.

Sales or leases, except  
to highest bidder after  
specified publication,  
forbidden.

Sales of timber, etc.,  
subject to same provi-  
sions.

Proviso.  
Leases on terms for  
five years, without ad-  
vertisement allowed.

Appraisal at true  
value, and no disposal  
at less than as so ascer-  
tained.

Minimum price for  
the land.

Fund established and  
receipts to be deposited  
in Territorial treasury.

Investment in inter-  
est-bearing securities.

Bond required.

Income exclusively  
for the college.

Proviso.  
Application thereof  
for building, etc., for-  
bidden.

Sales, etc., not in con-  
formity herewith null  
and void.

Attorney General to  
enforce in Federal  
courts necessary pro-  
ceedings relative to  
application of lands,  
etc.

CHAP. 92.—An Act Making an additional grant of lands for the support and maintenance of the Agricultural College and School of Mines of the Territory of Alaska, and for other purposes.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That in addition to the provision made by the Act of Congress approved March 4, 1915 (Thirty-eighth Statutes at Large, page 1214), for the use and benefit of the Agricultural College and School of Mines, there is hereby granted to the Territory of Alaska, for the exclusive use and benefit of the Agricultural College and School of Mines, one hundred thousand acres of vacant nonmineral surveyed unreserved public lands in the Territory of Alaska, to be selected, under the direction and subject to the approval of the Secretary of the Interior, by the Territory, and subject to the following conditions and limitations:

SEC. 2. That the college and school provided for in this Act shall forever remain under the exclusive control of the said Territory, and no part of the proceeds arising from the sale or disposal of any lands granted herein shall be used for the support of any sectarian or denominational college or school.

SEC. 3. That it is hereby declared that all lands hereby granted to said Territory are hereby expressly transferred and confirmed to the said Territory and shall be by the said Territory held in trust, to be disposed of, in whole or in part, only in the manner herein provided and for the objects specified in the granting provisions, and that the natural products and money proceeds of any of said lands shall be subject to the same trusts as the lands producing the same. Disposition of any of said lands or of any money or thing of value directly or indirectly derived therefrom for any object other than that for which such particular lands or the lands from which such money or thing of value shall have been derived or granted or in any manner contrary to the provisions of this Act shall be deemed a breach of trust.

SEC. 4. That no mortgage or other encumbrance of said lands shall be valid in favor of any person for any purpose or under any circumstances whatsoever. Said lands shall not be sold nor leased, in whole or in part, except to the highest bidder at public auction, notice of which public auction shall first have been duly given by advertisement, which shall set forth the nature, time, and place of the transaction to be had, with full description of the lands to be offered, published once each week for not less than ten successive weeks in a newspaper of general circulation published regularly at the capital and in a newspaper of like circulation which shall then be regularly published nearest to the location of the lands so offered; nor shall any sale or contract for the sale of any timber or other natural product of such lands be made, save at the place, in the manner, and after the notice thus provided for sales and leases of the lands themselves: *Provided*, That nothing herein contained shall prevent said Territory from leasing any of said lands referred to in this section for a term of five years or less without such advertisement herein required.

SEC. 5. That all lands, leasehold, timber, and other products of the land before being offered shall be appraised at their true value, and no sale or other disposal thereof shall be made for a consideration less than the value so ascertained, nor, in case of the sale of the land, less than a minimum price of \$5 per acre; nor upon credit unless accompanied by ample security, and the legal title shall not be deemed to have passed until the consideration shall have been paid.

SEC. 6. That a fund shall be established in the Territorial treasury to carry out the purposes of this Act, and whenever any money shall be in any manner derived from any of the land granted same shall be deposited in the Territorial treasury in the fund. The Territorial treasurer shall keep all such money invested in safe interest-bearing securities, which securities shall be approved by the governor and the secretary of state of the Territory, and shall at all times be under a good and sufficient bond or bonds conditioned for the faithful performance of his duties in regard thereto, as defined by this Act and the laws of the Territory not in conflict herewith. The income from said fund may and shall be used exclusively for the purposes of such Agricultural College and School of Mines: *Provided*, That no portion of said income shall be applied, directly or indirectly, under any pretense whatever, to the purchase, erection, preservation, or repair of any building or buildings.

SEC. 7. That every sale, lease, conveyance, or contract of or concerning any of the lands hereby granted or confirmed or the use thereof of the natural products thereof, not made in substantial conformity with the provisions of this Act, shall be null and void. It shall be the duty of the Attorney General of the United States to prosecute in the name of the United States and in its courts such proceedings at law or in equity as may from time to time be necessary and appropriate to enforce the provisions hereof relative to the application and disposition of the said lands and the products thereof and the funds derived therefrom.

Approved, January 21, 1920.

# STATE OF ALASKA

## DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

WALTER J. HICKEL, GOVERNOR

P.O. BOX K—STATE CAPITOL  
JUNEAU, ALASKA 99811-0300  
PHONE: (907) 465-3600

May 9, 1991

Hon. Rick Halford  
Alaska State Senator  
Chairman, Senate Judiciary Committee  
P. O. Box V  
Juneau, AK 99811-3100

Re: CSSSSB 65 (HES)

Dear Senator Halford:

On your behalf, Douglas B. Baily asked this morning whether there are any constitutional questions presented by the provisions of CSSSSB 65 (HES). Several constitutional questions are presented.

The most significant constitutional issue is presented in section 11, which would add new sections to AS 37.14 addressing the mental health trust. Under proposed AS 37.14.001(a) (page 8, beginning on line 9), the governor, the legislature, and a new Alaska Mental Health Trust Authority would be made co-trustees of the mental health trust. To the extent that the bill would mix the duties and responsibilities of the governor and the legislature, it would seem to violate the separation of powers doctrine under which the legislature enacts the laws and the governor executes them.

In addition, each action by the governor and the legislature would be subject to judicial review for compliance with fiduciary duties. Under our constitutional form of government, however, state action is not completed until the state acts as a whole, which requires joint action by both the legislature and the governor. By making both legislative and executive action individually subject to judicial review, the bill would have the courts effectively giving advisory opinions prior to final state action.

The new Alaska Mental Health Trust Authority would have a legal status co-equal to that of the governor and the legislature. It would have substantial executive authority, including the powers to: establish subaccounts within the mental health

trust income account (proposed AS 37.14.021(c), beginning on page 18, line 4); veto certain regulations of the Department of Health and Social Services (see secs. 20 and 21 on pages 21-22); adopt regulations (proposed AS 47.30.031(b), beginning on page 27, line 30); use money appropriated to it (proposed AS 47.30.056(a), beginning on page 31, line 17, and proposed AS 47.30.472(2), beginning on page 36, line 17), presumably by independently contracting with and making grants to service providers; and apparently prepare "the plan for the integrated comprehensive mental health program for the people of the state." (See proposed AS 47.30.472(1), beginning on page 36, line 11.) These are obviously executive branch functions which, under the strong governor contemplated by the constitutional framers, should be under the Department of Health and Social Services with a commissioner responsible directly to the governor. In fact, a proposed amendment to AS 47.30.660 (see page 41, lines 19-20) would require the Department to "conform to regulations adopted by the Alaska Mental Health Trust Authority." (There also would be substantial duplication between the Authority and the Department, as a comparison of the Department's responsibilities under that section and the Authority's powers and duties reveals.)

There also is a dedicated fund question presented by the bill. Article IX, sec. 7, of the Alaska Constitution prohibits dedicating state funds "to any special purpose, except as provided in section 15 of this article [the Alaska Permanent Fund section] or when required by the federal government for state participation in federal programs." There seems to be agreement that the 1956 federal law establishing the mental health trust does not dedicate trust proceeds to mental health programs. Instead, mental health trust proceeds must first be used to meet the necessary expenses of the mental health program of Alaska, and any remainder may be used for other public purposes. Upon initial review, it appears that the bill is carefully crafted to satisfy the constitutional concern in this respect (although, as drafted, it presents a practical problem in implementation).

But the framers of our constitution were concerned about two problems when they prohibited the dedication of funds. The first was direct dedications, something which apparently is not now a problem with the bill. The second is the establishment of separate funds within the treasury which are treated separately in the budgeting process. The constitutional framers were concerned that, by establishing such separate funds subject to separate treatment, dedicated funds could be created indirectly even though they could not be created directly. There are no cases addressing this aspect of the constitutional framers' concern, but the separate budget process for making appropriations from the mental health trust income account (see proposed AS 37.14.005(b), beginning on page 9, line 24, which would

Hon. Rick Halford, Alaska State Senator  
Chairman, Senate Judiciary Committee

May 9, 1991  
Page 3

mandate a separate appropriation of money from the mental health trust income account) may very well conflict with this aspect of the dedicated fund prohibition.

Proposed AS 37.14.015 (beginning on page 14, line 30) would require the state to make equal installment payments to the authority for original mental health land not retained by the state, and proposed AS 37.14.017(a) would require the state to make annual rental payments to the authority for original mental health lands retained in state ownership. As you know, no legislature can bind a succeeding legislature. If the required payments are not made, however, proposed AS 37.14.019 (beginning on page 16, line 16) provides an enforcement mechanism which, in subsection (f) (beginning on page 17, line 10), would permit the authority to satisfy a judgment against the state for the required payments by executing against state assets, including "any bank or other financial accounts of the state." Such execution against the Alaska Permanent Fund would be an obvious violation of art. IX, sec. 15, of the Alaska Constitution, which provides that the principal of the permanent fund "may be used only for those income-producing investments specifically designated by law as eligible for permanent fund investments." To the extent that execution would be against the general fund, it would violate art. IX, sec. 13, of the Alaska Constitution, which provides that money may not be withdrawn from the treasury "except in accordance with appropriations made by law."

Those are the constitutional questions presented by CSSSSB 65 (HES) which we have been able to identify at this time. Should we discover additional constitutional questions, we will bring them to your attention as soon as possible. We also point out that the administration has several other concerns with the bill in its present form which we could address before your committee, but it may be more appropriate to present them in some other forum; we will abide by your desires in that regard.

We hope this submittal is responsive to Mr. Baily's request on your behalf. If you have further questions, we will try to answer them as quickly as we can.

Sincerely yours,



Charles E. Cole  
Attorney General

CEC:GTK:tg

# STATE OF ALASKA

WALTER J. HICKEL, GOVERNOR

## DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

P.O. BOX K—STATE CAPITOL  
JUNEAU, ALASKA 99811-0300  
PHONE: (907) 465-3600  
FAX: (907) 463-5295

May 7, 1991

Hon. Richard I. Eliason  
President, Alaska State Senate  
P. O. Box V  
Juneau, AK 99811

HAND DELIVERED

Dear Senator Eliason:

In furtherance of our conversation this morning about the right of the State to offset against the amount owing by the State for breach of its mental healthlands obligations, I enclose a copy of the opinion of the Alaska Supreme Court in State v. Weiss, 706 P.2d 681 (Alaska 1985).

I direct your attention to the last paragraph of the opinion which reads as follows:

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

Accordingly, the State is entitled to a set-off, together with interest, for all mental health expenditures it made during the period the State breached its trust responsibilities.

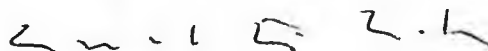
No question exists about the State's right of offset; the Supreme Court has directed the trial court to grant the

Hon. Richard I. Eliason  
May 7, 1991  
Page 2

State this offset and the trial court is required as a matter of law to comply with this order.

Although I do not have presently compiled the amount of this offset, and although there is apt to be a dispute about it, certainly no question exists but that the amount of the offset is in excess of \$1 billion. Needless to say, I am unable to support any settlement of the Weiss litigation which does not recognize this offset amount.

Very truly yours,



Charles E. Cole  
Attorney General

CEC:pml

att.

## REPLACEMENT LAND POOL

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

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

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

## GENERAL FUND UNRESTRICTED REVENUES

(Millions of Dollars)

TAXES	FY 1990 Actuals	FY 1991 ESTIMATES			FY 1992 ESTIMATES			FY 1993 ESTIMATES		
		Scen A	Scen B	Scen C	Scen A	Scen B	Scen C	Scen A	Scen B	Scen C
<b>Income</b>										
Corporate General	45.3	31.0	44.0	54.0	35.0	45.0	55.0	35.0	45.0	55.0
Corporate - Petroleum	117.2	109.0	142.0	171.0	115.0	140.0	165.0	117.0	145.0	167.0
Income from Prior Years (1)	22.0	30.3	30.3	39.3	0.0	0.0	0.0	0.0	0.0	0.0
Total (2)	185.1	170.3	216.3	255.3	150.0	185.0	220.0	152.0	190.0	222.0
<b>Severance</b>										
Oil & Gas Production	972.3	1135.0	1218.7	1309.7	519.4	822.6	1104.3	676.3	965.3	1273.0
Oil & Gas Conservation	2.4	2.3	2.3	2.3	2.3	2.3	2.3	2.2	2.2	2.2
Oil & Hazardous Release (3)	26.9	28.3	28.3	28.3	28.5	28.5	28.5	27.5	27.5	27.5
ELF Revision Payments (4)	102.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Income from Prior Years (1)	0.0	0.7	0.7	0.7	0.0	0.0	0.0	0.0	0.0	0.0
Total	1103.8	1166.3	1250.0	1341.0	550.2	853.4	1135.2	706.0	995.1	1302.8
<b>Property</b>										
Oil & Gas (5)	117.8	84.7	84.7	84.7	80.7	80.7	80.7	77.0	77.0	77.0
<b>Sale/Use</b>										
Alcoholic Beverages	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0
Fuel Taxes - Aviation (6)	9.4	9.5	9.5	9.5	10.0	10.0	10.0	10.2	10.2	10.2
Fuel Taxes - Highway	22.9	23.0	23.0	23.0	23.5	23.5	23.5	23.5	23.5	23.5
Fuel Taxes - Marine	9.2	9.0	9.0	9.0	9.1	9.1	9.1	9.2	9.2	9.2
Tobacco Products (7)	11.0	13.5	13.5	13.5	13.0	13.0	13.0	13.0	13.0	13.0
Total	64.5	67.0	67.0	67.0	67.6	67.6	67.6	67.9	67.9	67.9
<b>Miscellaneous - Other Taxes</b>										
Alaska Business License (8)	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Fish - Canned/Shorebased (9)	15.3	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0
Fish - Floating	9.8	9.5	9.5	9.5	9.7	9.7	9.7	9.7	9.7	9.7
Salmon Enhancement (10)	6.5	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Seafood Marketing (11)	3.3	3.5	3.5	3.5	4.0	4.0	4.0	4.0	4.0	4.0
Insurance Companies	22.7	22.5	22.5	22.5	22.5	22.5	22.5	23.0	23.0	23.0
Electric & Telephone Coops (12)	2.1	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Gaming (13)	1.6	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Mining License Tax	0.9	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Estate	1.1	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8
Total	63.4	61.8	61.8	61.8	62.5	62.5	62.5	63.0	63.0	63.0
<b>TOTAL TAXES</b>	<b>1534.6</b>	<b>1550.1</b>	<b>1679.8</b>	<b>1809.8</b>	<b>911.0</b>	<b>1249.2</b>	<b>1566.0</b>	<b>1065.9</b>	<b>1393.0</b>	<b>1732.7</b>

	Actuals	Scen A	Scen B	Scen C	Scen A	Scen B	Scen C	Scen A	Scen B	Scen C
<b>LICENSES &amp; PERMITS</b>										
Business (8)(14)	6.7	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0
Non-Business	21.1	21.3	21.3	21.3	21.0	21.0	21.0	21.0	21.0	21.0
Total	27.8	28.3	28.3	28.3	28.0	28.0	28.0	28.0	28.0	28.0
<b>INTERGOVERNMENTAL RECEIPTS</b>										
Federal Shared Revenues (15)	10.0	11.5	11.5	11.5	10.4	10.4	10.4	10.2	10.2	10.2
Section 8(g) Funds (15)(16)	2.0	2.0	2.0	2.0	4.6	4.6	4.6	4.6	4.6	4.6
Total	12.0	13.5	13.5	13.5	15.0	15.0	15.0	14.8	14.8	14.8
<b>STATE RESOURCE REVENUE</b>										
<b>Sale/Use</b>										
Bonus Sales (15)(17)(18)	0.0	15.0	15.0	15.0	0.0	0.0	0.0	0.0	0.0	0.0
Rents (15)(18)	5.3	5.3	5.3	5.3	6.1	6.1	6.1	6.9	6.9	6.9
Royalties (15)	747.4	866.2	934.2	1025.2	379.5	666.5	917.5	527.3	782.2	1049.1
Sale of State Property	4.3	6.6	6.6	6.6	6.7	6.7	6.7	6.7	6.7	6.7
Gravel, Timber, etc.	0.8	0.5	0.5	0.5	0.7	0.7	0.7	0.7	0.7	0.7
Total	757.8	893.6	961.6	1052.6	393.0	680.0	931.0	541.6	796.5	1063.4
<b>Investment Earnings</b>	<b>117.9</b>	<b>117.3</b>	<b>119.5</b>	<b>130.5</b>	<b>91.5</b>	<b>128.4</b>	<b>155.5</b>	<b>85.6</b>	<b>155.6</b>	<b>223.2</b>
<b>Facilities Related Charges</b>										
Airports	1.5	1.6	1.6	1.6	1.5	1.5	1.5	1.6	1.6	1.6
Ferry System - SF (19)	30.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Ferry System - SW (19)	4.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	1.7	2.5	2.5	2.5	2.1	2.1	2.1	2.4	2.4	2.4
Total	37.2	4.1	4.1	4.1	3.6	3.6	3.6	4.0	4.0	4.0
<b>Services Related Charges</b>										
Court System	5.8	5.7	5.7	5.7	5.8	5.8	5.8	5.9	5.9	5.9
Other	3.2	2.5	2.5	2.5	3.7	3.7	3.7	3.9	3.9	3.9
Total	9.0	8.2	8.2	8.2	9.5	9.5	9.5	9.8	9.8	9.8
<b>TOTAL RESOURCE REVENUE</b>	<b>921.9</b>	<b>1023.2</b>	<b>1033.4</b>	<b>1125.4</b>	<b>497.6</b>	<b>821.3</b>	<b>1099.6</b>	<b>640.9</b>	<b>959.9</b>	<b>1300.4</b>
<b>MISCELLANEOUS REVENUE</b>	<b>10.9</b>	<b>11.0</b>	<b>11.0</b>	<b>11.0</b>	<b>11.0</b>	<b>11.0</b>	<b>11.0</b>	<b>11.0</b>	<b>11.0</b>	<b>11.0</b>
<b>TOTAL UNRESTRICTED REVENUE (20)</b>	<b>2507.2</b>	<b>2626.1</b>	<b>2826.0</b>	<b>3058.0</b>	<b>1462.6</b>	<b>2124.7</b>	<b>2719.5</b>	<b>1760.6</b>	<b>2412.7</b>	<b>3086.5</b>
<b>MENTAL HEALTH TRUST INCOME ACCOUNT (21)</b>	<b>122.0</b>	<b>127.5</b>	<b>129.0</b>	<b>123.5</b>	<b>57.3</b>	<b>121.5</b>	<b>163.2</b>	<b>103.0</b>	<b>124.5</b>	<b>155.5</b>

\* Footnotes on the following page

CURRENT MENTAL HEALTH LAND STATUS, May 16, 1991

1 million acres

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

# **CORRECTION**

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

## GENERAL FUND UNRESTRICTED REVENUES

(Millions of Dollars)

TAXES	FY 1990 Actuals	FY 1991 ESTIMATES			FY 1992 ESTIMATES			FY 1993 ESTIMATES		
		Scen A	Scen B	Scen C	Scen A	Scen B	Scen C	Scen A	Scen B	Scen C
<b>Income</b>										
Corporate General	45.3	31.0	44.0	54.0	35.0	45.0	55.0	35.0	45.0	55.0
Corporate - Petroleum	117.2	109.0	142.0	171.0	115.0	140.0	165.0	117.0	145.0	167.0
Income from Prior Years (1)	22.0	30.3	30.3	30.3	0.0	0.0	0.0	0.0	0.0	0.0
Total (2)	185.1	170.3	216.3	255.3	150.0	185.0	220.0	152.0	190.0	222.0
<b>Severance</b>										
Oil & Gas Production	972.3	1135.0	1218.7	1309.7	519.4	822.6	1104.3	676.3	965.3	1273.0
Oil & Gas Conservation	2.4	2.3	2.3	2.3	2.3	2.3	2.3	2.2	2.2	2.2
Oil & Hazardous Release (3)	26.9	28.3	28.3	28.3	28.5	28.5	28.5	27.5	27.5	27.5
ELF Revision Payments (4)	102.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Income from Prior Years (1)	0.0	0.7	0.7	0.7	0.0	0.0	0.0	0.0	0.0	0.0
Total	1103.8	1166.3	1250.0	1341.0	550.2	853.4	1135.2	706.0	995.1	1302.8
<b>Property</b>										
Oil & Gas (5)	117.8	84.7	84.7	84.7	80.7	80.7	80.7	77.0	77.0	77.0
<b>Sale/Use</b>										
Alcoholic Beverages	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0
Fuel Taxes - Aviation (6)	9.4	9.5	9.5	9.5	10.0	10.0	10.0	10.2	10.2	10.2
Fuel Taxes - Highway	22.9	23.0	23.0	23.0	23.5	23.5	23.5	23.5	23.5	23.5
Fuel Taxes - Marine	9.2	9.0	9.0	9.0	9.1	9.1	9.1	9.2	9.2	9.2
Tobacco Products (7)	11.0	13.5	13.5	13.5	13.0	13.0	13.0	13.0	13.0	13.0
Total	64.5	67.0	67.0	67.0	67.6	67.6	67.6	67.9	67.9	67.9
<b>Miscellaneous - Other Taxes</b>										
Alaska Business License (8)	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Fish - Canned/Shorebased (9)	15.3	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0
Fish - Floating	9.8	9.5	9.5	9.5	9.7	9.7	9.7	9.7	9.7	9.7
Salmon Enhancement (10)	6.5	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Seafood Marketing (11)	3.3	3.5	3.5	3.5	4.0	4.0	4.0	4.0	4.0	4.0
Insurance Companies	22.7	22.5	22.5	22.5	22.5	22.5	22.5	23.0	23.0	23.0
Electric & Telephone Coops (12)	2.1	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Gaming (13)	1.6	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Mining License Tax	0.9	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Estate	1.1	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8
Total	63.4	61.8	61.8	61.8	62.5	62.5	62.5	63.0	63.0	63.0
<b>TOTAL TAXES</b>	<b>1534.6</b>	<b>1550.1</b>	<b>1679.8</b>	<b>1809.8</b>	<b>911.0</b>	<b>1249.2</b>	<b>1566.0</b>	<b>1065.9</b>	<b>1393.0</b>	<b>1732.7</b>

	Actuals	Scen A	Scen B	Scen C	Scen A	Scen B	Scen C	Scen A	Scen B	Scen C
<b>LICENSES &amp; PERMITS</b>										
Business (8)(14)	6.7	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0
Non-Business	21.1	21.3	21.3	21.3	21.0	21.0	21.0	21.0	21.0	21.0
Total	27.8	28.3	28.3	28.3	28.0	28.0	28.0	28.0	28.0	28.0
<b>INTERGOVERNMENTAL RECEIPTS</b>										
Federal Shared Revenues (15)	10.0	11.5	11.5	11.5	10.4	10.4	10.4	10.2	10.2	10.2
Section 8(g) Funds (15)(16)	2.0	2.0	2.0	2.0	4.6	4.6	4.6	4.6	4.6	4.6
Total	12.0	13.5	13.5	13.5	15.0	15.0	15.0	14.8	14.8	14.8
<b>STATE RESOURCE REVENUE</b>										
<b>Sale/Use</b>										
Bonus Sales (15)(17)(18)	0.0	15.0	15.0	15.0	0.0	0.0	0.0	0.0	0.0	0.0
Rents (15)(18)	5.3	5.3	5.3	5.3	6.1	6.1	6.1	6.9	6.9	6.9
Royalties (15)	747.4	866.2	934.2	1025.2	379.5	666.5	917.5	527.3	782.2	1049.1
Sale of State Property	4.3	6.6	6.6	6.6	6.7	6.7	6.7	6.7	6.7	6.7
Gravel, Timber, etc.	0.8	0.5	0.5	0.5	0.7	0.7	0.7	0.7	0.7	0.7
Total	757.8	893.6	961.6	1052.6	393.0	680.0	931.0	541.6	796.5	1063.4
<b>Investment Earnings</b>	117.9	117.3	119.5	130.5	91.5	128.4	155.5	85.6	155.6	223.2
<b>Facilities Related Charges</b>										
Airports	1.5	1.6	1.6	1.6	1.5	1.5	1.5	1.6	1.6	1.6
Ferry System—SE (19)	30.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Ferry System—SW (19)	4.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	1.7	2.5	2.5	2.5	2.1	2.1	2.1	2.4	2.4	2.4
Total	37.2	4.1	4.1	4.1	3.6	3.6	3.6	4.0	4.0	4.0
<b>Services Related Charges</b>										
Court System	5.8	5.7	5.7	5.7	5.8	5.8	5.8	5.9	5.9	5.9
Other	3.2	2.5	2.5	2.5	3.7	3.7	3.7	3.9	3.9	3.9
Total	9.0	8.2	8.2	8.2	9.5	9.5	9.5	9.8	9.8	9.8
<b>TOTAL RESOURCE REVENUE</b>	<b>921.9</b>	<b>1023.2</b>	<b>1093.4</b>	<b>1195.4</b>	<b>497.6</b>	<b>821.5</b>	<b>1099.6</b>	<b>640.9</b>	<b>955.9</b>	<b>1300.4</b>
<b>MISCELLANEOUS REVENUE</b>	10.9	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0
<b>TOTAL UNRESTRICTED REVENUE (20)</b>	<b>2507.2</b>	<b>2626.1</b>	<b>2826.0</b>	<b>3058.0</b>	<b>1462.6</b>	<b>2124.7</b>	<b>2719.5</b>	<b>1760.6</b>	<b>2412.7</b>	<b>3086.5</b>
<b>MENTAL HEALTH TRUST INCOME ACCOUNT (21)</b>	122.0	157.5	169.6	181.5	87.3	127.5	163.2	105.6	154.8	185.2

\* Footnotes on the following page

13.120

§ 37.14.011

PUBLIC FINANCE

§ 37.14.021

Article 1. Mental Health Trust Income Account.

Section

- 11. Mental health trust income account
- 21. Utilization of the mental health trust income account

Sec. 37.14.011. Mental health trust income account. (a) The mental health trust income account is established as a separate account in the general fund.

(b) The amount determined under (c) of this section as the rental value of the land constituting the mental health trust corpus is the earnings of the trust and the commissioner of revenue shall annually allocate that amount from the general fund to the mental health trust income account.

(c) The rental value of the land constituting the mental health trust corpus is equal to six percent of the unrestricted general fund revenue of the state for the fiscal year. (§ 2 ch 48 SLA 1987; am §§ 1, 2 ch 210 SLA 1990)

Effect of amendments. — The 1990 amendment, effective July 12, 1990, substituted "rental value" for "fair market rental" in subsection (b), and rewrote subsection (c).

Sec. 37.14.021. Utilization of the mental health trust income account. Money in the mental health trust income account established in AS 37.14.011(a) shall first be appropriated by the legislature to meet the necessary expenses of the mental health program of the state. In making annual appropriations from the mental health trust income account, the legislature shall consider the recommendations of the Alaska Mental Health Board established under AS 47.30.661, including recommendations regarding capital improvements. After the necessary expenses of the state's mental health program have been funded, the legislature may authorize transfer of the unobligated and unappropriated fiscal year-end balance in the mental health trust income account as of June 30 to the unreserved portion of the general fund for other public purposes. (§ 3 ch 48 SLA 1987; am § 3 ch 210 SLA 1990)

Effect of amendments. — The 1990 amendment, effective July 12, 1990, substituted the language beginning with "authorize transfer of the unobligated" for "make appropriations from the mental health trust income account for other public purposes" in the last sentence.

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Senate

CURRENT MENTAL HEALTH LAND STATUS, May 16, 1991

1 million acres

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



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

May 17, 1991

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

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

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

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

cc: AML Board of Directors

C/MENHEAL.517

Submitted by: Assemblyman Begich  
Prepared by: Assembly Budget Analyst

1  
2  
3  
4 ~~PRESENTED AND APPROVED~~

For reading:

5  
6 Date: 5-7-91

ANCHORAGE, ALASKA  
AR NO. 91-88(S) as amended

7  
8  
9 A RESOLUTION OF THE ANCHORAGE MUNICIPAL ASSEMBLY RELATING TO THE  
10 ALASKA MENTAL HEALTH TRUST LAND  
11

12  
13 WHEREAS, the State of Alaska has violated its trust in the  
14 disposal of Mental Health Lands without just compensation to the  
15 Mental Health Trust Fund; and

16  
17 WHEREAS, as a result of this action of the State regarding  
18 Mental Health Lands, property titles are clouded, development  
19 projects, new industries and financing for individual mortgages are  
20 stalled, and the status of huge tracts of public lands now in State  
21 parks and other public use areas is uncertain; and

22  
23 WHEREAS, it is in the best interest of all the citizens of the  
24 State to justly compensate the Mental Health Trust Fund for the  
25 land the State has illegally taken; and

26  
27 WHEREAS, it is in the best interest of the citizens of the  
28 Municipality of Anchorage to resolve this problem in order that the  
29 lands of the Municipality, as well as those in the rest of the  
30 State, are no longer encumbered by this cloud of uncertainty; and

31  
32 WHEREAS, the lack of adequate services too often finds the  
33 mentally handicapped in the public safety and criminal justice  
34 system, receiving the most expensive and least appropriate types of  
35 services.

36  
37 NOW, THEREFORE, the Anchorage Municipal Assembly resolves:

38  
39 Section 1: That the Anchorage Assembly calls upon the State  
40 to fairly reinstate and/or justly compensate the Mental Health  
41 Trust Fund as soon as possible.

42  
43 Section 2: That the Anchorage Assembly supports any  
44 legislation accomplishing the following:

- 45  
46 a. Receives support by the beneficiaries;  
47 b. establishes fair value for the lands;  
48 c. ensures an integrated mental health service delivery for  
49 the people of Alaska;  
50 d. clears all titles clouded by the decision of State vs.  
51 Weiss, 706 P.2d 681 (Alaska 1985); and  
52 e. develops a reasonable and acceptable fiscal plan for the  
53 State to repay its debt.  
54



CS SB 263 — (0:6)

set P2 a 9-660  
as amended

For Committee

3727

*Jay Horan*

PUBLIC LAW 830 - July 28, 1956

TITLE I - AUTHORITY OF THE TERRITORY OF ALASKA  
IN THE FIELD OF MENTAL HEALTH

Powers of the Territorial Government

Sec. 101. For the purpose of vesting in the Territory of Alaska authority comparable in scope to that of the States and other Territories of the United States in the field of mental health, the Territorial legislature is hereby authorized to enact such laws on the subject of mental health as it may deem appropriate, and such legislation may supersede any of the Acts cited in section 301.

LAND GRANT

Sec. 202. (a) The Territory of Alaska is hereby granted and shall be entitled to select, within ten years from the effective date of this Act, not to exceed one million acres from the public lands of the United States in Alaska which are vacant, unappropriated, and unreserved at the time of their selection ...

(c) All grants made or confirmed under this section shall include mineral deposits: . . .

(d) Following the selection of lands by the Territory pursuant to subsection (b), but prior to the issuance of final patent, the Territory shall be authorized to lease and to make conditional sales of such selected lands.

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

THE GRANTS-IN-AID PROVISION

Under the Senate amendment, the grants-in-aid are identical, in substance, to those approved by the House. That is, three different grants for different purposes are provided:

(1) \$6 1/2 million is authorized to be appropriated for construction of mental health facilities in Alaska. At present, there are none of any kind. Persons "convicted" by the mandatory jury trial are held in jail until arrangements can be made for transporting them away from Alaska to the private institution in Oregon.

(2) \$6 million is authorized to be appropriated over a 10-year period to assist the Territory in developing a rounded mental health program for its people until it can itself assume full financial responsibility. This amount would be available, subject to approval of appropriations bills for the purpose, as follows:

Fiscal year ---		Fiscal year -- Continued	
1958 .....	\$1,000,000	1963 .....	\$600,000
1959 .....	1,000,000	1964 .....	400,000
1960 .....	800,000	1965 .....	400,000
1961 .....	800,000	1966 .....	200,000
1962 .....	600,000	1967 .....	200,000

(3) One million acres of the "vacant, unappropriated, and unreserved" public lands of Alaska, to be selected by the Territory within a 10-year period. The income and proceeds from disposition of these lands must be administered as a public trust, with the expenses of the mental health program having first call on such funds. Amounts not needed for the mental health program can be used for other public purposes as the legislature may determine.

. . .

Public land grants for public purposes in the Territory of the United States are, of course, older than the Constitution itself, dating from at least the Northwest Ordinance of the Continental Congress in 1787. (See 1 Stat. 50, 51.) In all of the public land States of the West the Federal Government has made grants of the public lands in order to provide funds for schools or other public purposes. In five States, namely, Idaho, Oklahoma, South Dakota, Utah, and Wyoming, grants of public lands have been made specifically to provide means for the care of the insane.

. . .

The purpose of the grant is to afford revenues to the Territory for support of its mental-health program. If such revenues are in excess of needs for the program, they may be used, as a public trust, for other public purposes.

During Congressional markup of the 1956 Alaska mental health enabling legislation Alaska Delegate E.L. "Bob" Bartlett said in opposition to proposed "earmarking" of land proceeds exclusively for mental health purposes:

MR. BARTLETT. When previous legislation on this matter was being considered words substantially the same as those proposed by the gentleman were offered. My understanding is that they were not incorporated in this bill for this reason: No one knows what the land is going to be worth - 500,000 acres. It might have very slight value, it might be of average value; or again, we hope it might be enormously rich land containing oil. You might arrive at a situation where, if it did have oil, you would have revenues piled up there far in excess of the needs of any mental institution. The thought was that in any case the Territory of Alaska will have an obligation to appropriate money required for the care of the mentally ill, and it was thought it would not be desirable to hobble us possibly in that manner.

MR. DAWSON. Then I am to understand that the gift of this land is not for the purpose of the mentally ill alone, but you are to use it for any purpose you want in Alaska? Is that right?

MR. BARTLETT. It might very well be, Mr. Dawson, that the land would never provide more than a fraction of the funds required for the mentally ill.

Hearing before the Subcommittee of the Interior and Insular Affairs Committee of the House of Representatives April - July 1955 on bills providing for the care of Alaskan mentally ill.

ALASKA MENTAL HEALTH ENABLING ACT

Senate Report No. 2053, May 25, 1956 (To accompany H.R.6376)

LETTERS TO THE SENATE COMMITTEE

United States Department of the Interior,  
Office of the Secretary,  
Washington 25, D.C., January 9, 1956

Hon. James E. Murray,  
Chairman, Committee on Interior and Insular Affairs,  
United States Senate, Washington 25, D.C.

MY DEAR SENATOR MURRAY: This will refer further to your request for the views of the Department on S.2518, a bill to provide for the hospitalization and care of the mentally ill of Alaska, and for other purposes.

Finally, section 202 (e) was amended by the House committee to provide for the earmarking of funds derived from the land grants to the sole purpose of the hospitalization and care of the mentally ill. While it is, of course, anticipated that the land revenues will be used for this purpose, we are inclined to believe that it would be wiser not to restrict them in this manner. It is impossible at this time to predict accurately the cost to the Territory of the program envisaged by S. 2518. It is equally difficult to predict the amount of revenue that will accrue to the Territory under the land grant. It is possible that revenue resulting from the land grant will substantially exceed the costs of the program, in which case the Territory ought to be free to use such revenues for other purposes. It is also possible, however, that the land grant may be insufficient to sustain the Territory's financial responsibility under the program, and if that is so, the Territory should not be deterred from using funds from other sources to sustain it. We believe that it might be deterred if the earmarking requirement remains in the bill.

Wesley A. D'Ewart,  
Assistant Secretary of the Interior

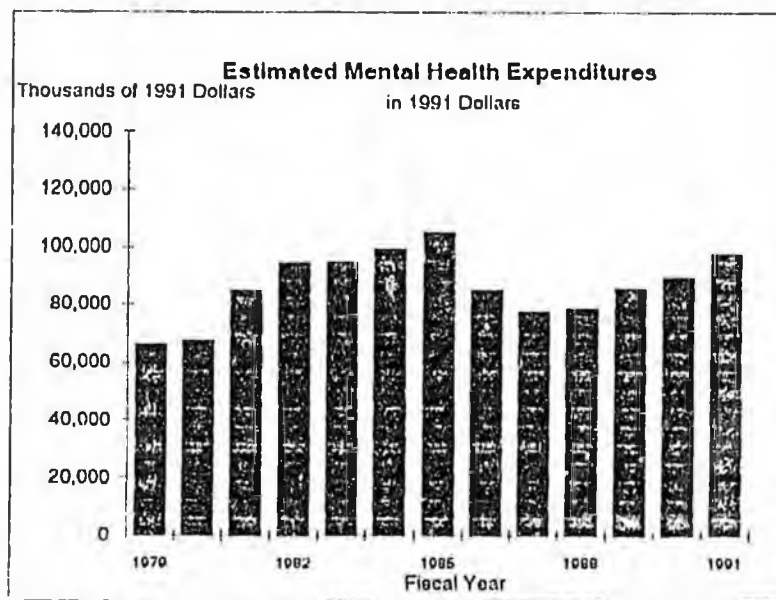
MENTAL.XLS

*Mental Health  
Lands Trust  
Part of  
...  
...*

Estimated Mental Health Expenditures from Unrestricted General Fund Revenue

(In Thousands of Dollars)

Agency/Budget Request Unit	Fiscal Year												
	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991
Department of Administration	530	586	754	1,119	1,154	1,184	1,217	1,683	1,600	1,682	1,847	1,953	1,588
Department of Law	13	30	44	48	43	40	38	73	42	54	52	59	67
Department of Education	3,147	3,560	4,155	4,803	5,493	6,017	6,715	1,844	1,694	1,676	1,751	1,859	2,226
Dept. of Health and Social Services	29,881	33,246	46,619	53,391	55,193	59,019	64,822	62,501	59,528	63,452	72,779	80,009	92,930
Department of Public Safety	1,095	2,418	3,595	3,972	3,511	3,278	3,152	826	483	619	587	673	0
Department of Corrections	2,042	2,222	2,479	3,320	3,981	5,955	7,043	966	952	1,039	1,178	1,185	1,222
<b>Total Estimated Expenditure</b>	<b>36,708</b>	<b>42,062</b>	<b>57,646</b>	<b>66,655</b>	<b>69,374</b>	<b>75,494</b>	<b>82,987</b>	<b>67,892</b>	<b>64,380</b>	<b>68,521</b>	<b>78,195</b>	<b>85,749</b>	<b>98,092</b>
<b>Cumulative Estimated Expenditure</b>	<b>36,708</b>	<b>78,770</b>	<b>136,416</b>	<b>203,071</b>	<b>272,445</b>	<b>347,939</b>	<b>430,926</b>	<b>498,819</b>	<b>553,198</b>	<b>631,720</b>	<b>709,914</b>	<b>795,663</b>	<b>893,755</b>
FY 79 - FY 85	36,708	78,770	136,416	203,071	272,445	347,939	430,926						
FY 86 - FY 91								67,892	132,272	200,793	278,988	364,737	462,829
<b>Total Estimated Expenditure in 1991 Dollars</b>	<b>66,340</b>	<b>67,632</b>	<b>85,083</b>	<b>94,714</b>	<b>94,972</b>	<b>99,419</b>	<b>105,317</b>	<b>85,197</b>	<b>77,377</b>	<b>78,869</b>	<b>85,881</b>	<b>89,607</b>	<b>98,092</b>
<b>Cumulative Estimated Expenditure in 1991 Dollars</b>	<b>66,340</b>	<b>133,972</b>	<b>219,055</b>	<b>313,769</b>	<b>408,740</b>	<b>508,160</b>	<b>613,476</b>	<b>698,673</b>	<b>776,050</b>	<b>854,919</b>	<b>940,799</b>	<b>1,030,407</b>	<b>1,128,499</b>
<b>Mental Health Expenditures As Percentage of General Fund Unrestricted Revenues</b>	<b>3.24%</b>	<b>1.68%</b>	<b>1.55%</b>	<b>1.62%</b>	<b>1.91%</b>	<b>2.23%</b>	<b>2.55%</b>	<b>2.21%</b>	<b>3.58%</b>	<b>2.97%</b>	<b>3.58%</b>	<b>3.42%</b>	<b>3.47%</b>



*From -  
Charlie  
Cole*

Prepared by the Legislative Research Agency (91.242)

Source: Mental Health Lands Trust Review, Summary Schedule and Analysis - Potential State Mental Health Expenditures  
State of Alaska, Office of Management and Budget - Division of Budget Review, Operating Budget Funding Summary, All Funds, By Agency, BRU & Component, January 28, 1991  
Note: Program Receipts have been removed from totals given.

**THE LEGISLATURE**

**BUDGET AND AUDIT COMMITTEE**

FINANCE DIVISION  
P.O. BOX WF  
JUNEAU, ALASKA 99811  
PHONE: (907) 465-3795

MEMORANDUM

DATE: May 3, 1991

TO: Senator Arliss Sturgulewski, Chair  
Senate Health, Education, and Social Services Committee

FROM: Nancy J. Slagle, *NJS*  
Fiscal Analyst

SUBJ: Mental Health Program Expenditures

Attached is a summary of potential mental health expenditures for the State of Alaska for the fiscal years 1979 through 1991 as prepared by the Legislative Finance Division. This report contains estimated costs developed using the same or similar methods used by the House and Senate in formulating their respective fiscal year 1992 budgets. In developing estimates for a few areas for fiscal years 1979 through 1985, we depended on numbers formulated by the Legislative Audit Division, otherwise we used actual expenditures contained in budget documents. We feel that this report is a conservative estimate. Our total general fund expenditure estimate is \$839,290,700.

If you require any further information concerning these calculations, please give me a call.

**STATE OF ALASKA  
SUMMARY OF ESTIMATED MENTAL HEALTH EXPENDITURES  
FY79-FY91 (GENERAL FUND)**

**DEPARTMENT OF HEALTH AND SOCIAL SERVICES**

<b>Medicaid</b>	<b>56,532.5</b>
Includes MH clinic services, inpatient psychiatric services, ICF-MR, and Intermediate Care - MI/MR.	
<b>Division of Family and Youth Services</b>	<b>25,591.3</b>
Includes portions of foster care, residential child care, adult services and youth services.	
<b>Alcohol Abuse Grants and Administration</b>	<b>156,354.6</b>
Includes 100% of alcohol abuse grants and a percentage of administrative costs.	
<b>Division of Public Health</b>	<b>13,888.1</b>
Includes Infant Learning Program.	
<b>Division of Mental Health &amp; Developmental Disabilities</b>	<b>444,014.1</b>
Includes community mental health grants, DD grants, API, Harborview and Alaska Youth Initiative.	
<b>Administrative Services</b>	<b>1,444.5</b>
Includes Governor's Council for Handicapped and Gifted, Alaska Mental Health Board, and Office of Prevention grants.	
<b>Capital</b>	<b>52,262.2</b>

**DEPARTMENT OF ADMINISTRATION**

<b>Older Alaskan's Commission</b>	<b>996.0</b>
<b>Office of Public Advocacy</b>	<b>578.1</b>

**DEPARTMENT OF CORRECTIONS**

<b>Facilities and Statewide</b>	<b>5,840.8</b>
Includes mental health clinicians, psychological counselors, and contractual services related to mental health.	

**EDUCATION**

<b>Special Education</b>	<b>55,595.9</b>
Includes intensive special education units	
<b>Schools for the Handicapped</b>	<b>10,036.6</b>
<b>Vocational Rehabilitation</b>	<b>16,091.3</b>

**DEPARTMENT OF LAW**

<b>Legal Services</b>	<b>64.7</b>
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<b>TOTAL</b>	<b>839,290.7</b>
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STATE OF ALASKA										
GENERAL FUNDS EXPENDITURES FOR MENTAL HEALTH PROGRAMS										
		FY79 - FY85	1986	1987	1988	1989	1990	1991	TOTAL	
PER LEG AUDIT								AUTH		
Total Funds										
<b>HEALTH &amp; SOCIAL SERVICES</b>										
Medicaid	52,072.0	16,024.9	3,919.6	4,895.1	4,678.6	7,885.4	8,190.2	10,935.7	56,532.5	Legislature's Base Analysis (FY79-91)
Div of Family & Youth Svcs	4,717.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	Deny audit. Need time study for staff.
Adult Services	19,178.9	1,390.5	160.0	98.7	99.1	99.1	10.9	21.6	1,879.8	5.8% as noted in Legislature's Base Analysis
Foster Care	0.0	1,050.0	150.0	150.0	150.0	150.0	649.3	1,140.7	3,470.0	Legislature's Base Analysis. Conservative estimate from 79-89 for psych eval/diagnostic and counseling svcs
Residential Child Care	12,798.6	12,798.6	899.2	800.8	817.9	858.6	886.0	3,064.2	20,125.2	8.3% per Leg. Audit report. FY91 see Legislature's Base Analysis.
Youth Facilities	30,614.7	0.0	0.0	0.0	0.0	0.0	0.0	62.9	62.9	Unable to calculate mental health svcs - see Legis. Base Analysis.
Fairbanks Youth Facility	0.0	0.0	0.0	0.0	0.0	0.0	0.0	82.6	82.6	Unable to calculate mental health svcs - see Legis. Base Analysis.
Nome Youth Facility	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.8	0.8	Unable to calculate mental health svcs - see Legis. Base Analysis.
Probation Services	7,110.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	Unable to calculate mental health svcs - see Legis. Base Analysis.
Manilaq Mental Health	0.0	0.0	278.1	218.7	207.8	207.8	207.8	283.8	1,404.0	100%
Manilaq Alcohol & Drug Abuse	0.0	0.0	568.9	501.8	476.5	476.5	476.5	476.5	2,976.6	86.1%
Norton Sound Public Health	0.0	0.0	0.0	0.0	0.0	0.0	0.0	69.9	69.9	
Norton Sound Mental Health	0.0	0.0	385.5	285.0	278.3	278.3	278.3	278.3	1,783.7	100%
Norton Sound Alcohol & Drug	0.0	0.0	541.6	450.1	488.7	488.7	488.7	488.7	2,946.5	86.1%
SEARHC Alcohol & Drug Abuse	0.0	0.0	0.0	0.0	0.0	0.0	0.0	172.2	172.2	
TCC Mental Health	0.0	0.0	249.0	207.0	196.6	196.6	196.6	221.6	1,267.4	100%
TCC Alcohol & Drug Abuse	0.0	0.0	244.9	203.5	221.0	221.0	221.0	294.2	1,405.7	86.1%
YKHC Mental Health	0.0	0.0	0.0	0.0	0.0	436.9	436.9	583.0	1,456.8	100%
YKHC Alcohol & Drug Abuse	0.0	0.0	0.0	0.0	0.0	252.0	252.0	252.0	756.0	86.1%
Public Health Admin	0.0	0.0	0.0	0.0	0.0	128.0	0.0	0.0	128.0	
Vital Statistics	0.0	0.0	0.0	0.0	0.0	131.5	150.0	0.0	281.5	
Infant Learning Program	0.0	4,604.5	1,372.5	1,222.4	1,399.5	1,521.7	1,719.9	1,568.1	13,408.7	70.6% see Legislature's Base Analysis
SOADA/Admin	0.0	0.0	1,214.3	1,153.9	949.2	972.2	1,646.9	951.5	6,288.1	Calculated at same percentage as alcohol grants to total alcohol and drug grants
Alcohol Abuse Grants	95,846.7	86,647.4	10,238.7	8,197.9	8,126.0	7,800.3	9,110.8	11,688.4	141,809.5	100% of alcohol grants. FY79-91 includes admin costs.
ASAP	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	Evaluating & referring people charged with alcohol and drug abuse related offenses
Div of MH & DD		172,886.0	0.0	0.0	0.0	0.0	0.0	0.0	172,886.0	100%
Comm Mental Health Grants	32,170.0	*	8,160.7	6,885.9	7,103.4	8,931.2	10,701.2	10,861.2	52,640.6	100%. FY79-91 shown in Div of MH & DD
Fairbanks Comm Mental Health	0.0	0.0	0.0	1,509.2	1,571.9	2,228.2	0.0	0.0	5,309.3	100%
Svc/Chronically Mentally Ill	0.0	0.0	0.0	690.2	3,376.2	7,825.8	9,725.4	11,021.3	32,638.9	100%
Designated Eval & Treatment	0.0	0.0	0.0	0.0	0.0	0.0	573.4	688.3	1,261.7	100%
OBRA '87	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1,225.0	1,225.0	100%
Comm Dev Disability Grants	32,386.0	*	8,483.0	7,417.6	7,488.7	9,934.8	11,434.5	13,318.1	56,076.7	100%. FY79-91 shown in Div of MH & DD
Mental Health Admin	0.0	0.0	1,814.0	1,381.3	1,713.8	2,366.1	2,839.4	3,289.3	13,403.9	100%
API	77,616.0	*	13,574.2	11,593.2	11,483.6	11,511.7	13,516.8	14,004.3	75,683.8	100%. FY79-91 shown in Div of MH & DD
Harborview	46,992.0	*	5,079.0	4,154.2	1,448.2	3,183.1	3,742.3	4,153.9	21,760.7	100%. FY79-91 shown in Div of MH & DD
Alk Youth Initiative	0.0	0.0	0.0	0.0	328.7	649.5	1,126.7	1,110.7	3,215.6	100%
Governor's Council	0.0	0.0	0.0	0.0	0.0	0.0	0.0	45.0	45.0	

STATE OF ALASKA										
GENERAL FUNDS EXPENDITURES FOR MENTAL HEALTH PROGRAMS										
		FY79 - FY85	1986	1987	1988	1989	1990	1991 AUTH	TOTAL	
PER LEG AUDIT										
Total Funds										
Office of Prevention	0.0	0.0	0.0	0.0	0.0	0.0	0.0	255.8	255.8	MH grants
Alk Mental Health Board	0.0	0.0	0.0	0.0	139.9	324.4	311.1	368.3	1,143.7	100%
Capital	26,265.0	26,265.0	7,586.0	3,042.0	2,050.0	4,839.0	4,049.0	4,431.2	52,262.2	
<b>H&amp;SS TOTAL</b>	<b>437,767.5</b>	<b>321,666.9</b>	<b>64,919.2</b>	<b>55,061.5</b>	<b>54,790.7</b>	<b>73,898.4</b>	<b>82,341.6</b>	<b>97,409.1</b>	<b>750,007.4</b>	
<b>ADMINISTRATION</b>										
Pioneer Homes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Older Alaskans' Commission	0.0	0.0	0.0	0.0	0.0	0.0	0.0	996.0	996.0	
Office of Public Advocacy	0.0	0.0	0.0	0.0	0.0	0.0	0.0	578.1	578.1	
<b>Admin Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>1,574.1</b>	<b>1,574.1</b>	
<b>CORRECTIONS</b>										
Facilities & Statewide	28,886.0	733.5	546.4	821.8	669.9	852.3	995.2	1,221.7	5,840.8	MH clinicians, psych counselors and contracts back to FY83
<b>EDUCATION</b>										
Special Education	26,795.4	25,246.5	4,477.6	4,477.6	4,893.5	5,477.7	5,275.3	5,747.6	55,595.9	33% of instructional value for intensive special ed units FY86 and FY87 are estimates based on other year's information
Youth Correctional Facilities	4,546.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Schools for the Handicapped	0.0	0.0	0.0	2,763.3	1,749.7	1,880.4	1,749.5	1,893.7	10,036.6	68.3% as in OMB audit and accepted by Leg. AYI. Providence Heights Not available prior to FY87.
Basic Ed & Instructional Imp	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Vocational Rehabilitation	14,295.5	6,433.0	1,619.9	1,635.7	1,650.0	1,593.4	1,530.1	1,629.2	16,091.3	39.4% of counseling and placement, 46.2% svcs to clients, and 39.4 of Voc Rehab Admin as calculated in OMB audit and accepted by Leg Not available prior to FY84.
<b>Education Total</b>	<b>45,637.1</b>	<b>31,679.5</b>	<b>6,097.5</b>	<b>8,876.7</b>	<b>8,293.2</b>	<b>8,951.4</b>	<b>8,554.9</b>	<b>9,270.6</b>	<b>81,723.8</b>	
<b>LAW</b>										
Legal Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0	64.7	64.7	
Indirect Costs	0.0	0.0	0.0	0.0	0.0	0.0	0.0		0.0	
<b>STATEWIDE TOTAL</b>	<b>512,290.6</b>	<b>354,079.8</b>	<b>71,563.0</b>	<b>64,760.0</b>	<b>63,753.8</b>	<b>83,702.1</b>	<b>91,891.8</b>	<b>109,540.2</b>	<b>839,290.7</b>	

*Only operating, not capital*

STATE OF ALASKA  
OFFICE OF MANAGEMENT & BUDGET  
DIVISION OF BUDGET REVIEW

DATE: 04/24/91  
TIME: 13:04:43  
PROG: SWFLXCUT

OPERATING BUDGET FUNDING SUMMARY, COMPONENTS UTILIZING MENTAL HEALTH TRUST FUNDS, BY AGENCY, BRU & COMPONENT

AGENCY: Department of Administration

BUDGET REQUEST UNIT/COMPONENT	<i>GF Match</i>		<i>GF</i>		<i>GF Prop. Rec. MH Trust</i>			
	FY91 AU03	FY91 AU03	FY91 AU04	FY91 AU04	FY91 AU05	FY91 AU06	FY91 AUAL	
Older Alaskans Commission								
Older Alaskan Services		934.6		3,103.3		0.0	996.0	10,951.0
*** BRU TOTALS ***		934.6		3,103.3		0.0	996.0	10,951.0
Office of Public Advocacy								
Office of Public Advocacy		0.0		4,460.6		0.0	592.2	5,052.8
*** BRU TOTALS ***		0.0		4,460.6		0.0	592.2	5,052.8
*** AGENCY GRAND TOTALS ***		934.6		7,563.9		0.0	1,588.2	16,003.8
AGENCY FUNDING SUMMARY								
Federal Funds		0.0		0.0		0.0	0.0	5,807.1
General Fund		934.6		7,563.9		0.0	1,588.2	10,086.7
Other Funds		0.0		0.0		0.0	0.0	110.0

S T A T E O F A L A S K A  
 OFFICE OF MANAGEMENT & BUDGET  
 DIVISION OF BUDGET REVIEW

DATE: 04/24/91  
 TIME: 13:06:09  
 PROG: SHFLXCUT

OPERATING BUDGET FUNDING SUMMARY, COMPONENTS UTILIZING MENTAL HEALTH TRUST FUNDS, BY AGENCY, BRU & COMPONENT

AGENCY: Department of Law

BUDGET REQUEST UNIT/COMPONENT	FY91 AU03	FY91 AU04	FY91 AU05	FY91 AU06	FY91 AUAL
Legal Services					
Operations	0.0	5,592.7	224.1	66.7	12,440.4
*** BRU TOTALS ***	0.0	5,592.7	224.1	66.7	12,440.4
*** AGENCY GRAND TOTALS ***	0.0	5,592.7	224.1	66.7	12,440.4
AGENCY FUNDING SUMMARY					
Federal Funds	0.0	0.0	0.0	0.0	0.0
General Fund	0.0	5,592.7	224.1	66.7	5,883.5
Other Funds	0.0	0.0	0.0	0.0	6,556.9

S T A T E O F A L A S K A  
 OFFICE OF MANAGEMENT & BUDGET  
 DIVISION OF BUDGET REVIEW

DATE: 04/24/91  
 TIME: 13:07:21  
 PROG: SWFLXCUT

OPERATING BUDGET FUNDING SUMMARY, COMPONENTS UTILIZING MENTAL HEALTH TRUST FUNDS, BY AGENCY, BRU & COMPONENT

AGENCY: Department of Education

BUDGET REQUEST UNIT/COMPONENT	FY91 AU03	FY91 AU04	FY91 AU05	FY91 AU06	FY91 AUAL
<b>K-12 Support</b>					
Schools for the Handicapped	0.0	1,834.1	0.0	938.5	2,872.6
*** BRU TOTALS ***	0.0	1,834.1	0.0	938.5	2,872.6
<b>Vocational Rehabilitation</b>					
Counseling and Placement	523.4	751.5	52.3	516.1	4,064.5
Services to Clients	462.9	466.0	0.0	640.2	3,632.1
Vocational Rehabilitation Administration	132.1	188.9	0.0	130.9	1,005.8
*** BRU TOTALS ***	1,118.4	1,406.4	52.3	1,287.2	8,702.4
<b>*** AGENCY GRAND TOTALS ***</b>	<b>1,118.4</b>	<b>3,240.5</b>	<b>52.3</b>	<b>2,225.7</b>	<b>11,575.0</b>
<b>AGENCY FUNDING SUMMARY</b>					
Federal Funds	0.0	0.0	0.0	0.0	4,938.1
General Fund	1,118.4	3,240.5	52.3	2,225.7	6,636.9
Other Funds	0.0	0.0	0.0	0.0	0.0

S T A T E O F A L A S K A  
OFFICE OF MANAGEMENT & BUDGET  
DIVISION OF BUDGET REVIEW

DATE: 04/24/91  
TIME: 13:09:11  
PROG: SWFLXCUT

OPERATING BUDGET FUNDING SUMMARY, COMPONENTS UTILIZING MENTAL HEALTH TRUST FUNDS, BY AGENCY, BRU & COMPONENT

AGENCY: Department of Health and Social Services

BUDGET REQUEST UNIT/COMPONENT	FY91 AU03	FY91 AU04	FY91 AU05	FY91 AU06	FY91 AUAL
<b>Medical Assistance</b>					
Medicaid Non-Facility	32,735.8	0.0	169.0	2,096.5	69,765.8
Medicaid-Facilities	48,576.0	0.0	422.5	8,839.2	115,212.0
*** BRU TOTALS ***	81,311.8	0.0	591.5	10,935.7	184,977.8
<b>Purchased Services</b>					
Adult Services	0.0	350.5	0.0	21.6	372.1
Foster Care	900.7	7,889.0	375.0	1,140.7	11,206.1
Residential Child Care	348.0	7,441.9	0.0	3,064.2	11,202.1
*** BRU TOTALS ***	1,248.7	15,631.4	375.0	4,226.5	22,780.3
<b>Youth Services</b>					
McLaughlin Youth Center	0.0	6,940.3	0.0	62.9	7,188.2
Fairbanks Youth Facility	0.0	2,350.3	0.0	82.6	2,538.9
Nome Youth Facility	0.0	972.4	0.0	0.8	985.2
*** BRU TOTALS ***	0.0	10,263.0	0.0	146.3	10,712.3
<b>Maniilaq</b>					
Maniilaq Alcohol and Drug Abuse Services	0.0	76.9	0.0	476.5	553.4
Maniilaq Mental Health/Developmental Disab	0.0	0.0	0.0	283.8	283.8
*** BRU TOTALS ***	0.0	76.9	0.0	760.3	837.2
<b>Norton Sound Health Corporation</b>					
Norton Sound Public Health Services	0.0	1,056.8	0.0	69.9	1,213.3
Norton Sound Alcohol and Drug Abuse Servic	0.0	78.9	0.0	488.7	567.6
Norton Sound Mental Health and Development	0.0	0.0	0.0	278.3	278.3
*** BRU TOTALS ***	0.0	1,135.7	0.0	836.9	2,059.2
<b>Southeast Alaska Regional Health Corporation</b>					
Southeast Alaska Regional Health Corporati	0.0	27.8	0.0	172.2	200.0
*** BRU TOTALS ***	0.0	27.8	0.0	172.2	200.0
<b>Tanana Chiefs Conference</b>					

AGENCY: Department of Health & Social Services (Cont'd)

BUDGET REQUEST UNIT/COMPONENT	FY91 AU03	FY91 AU04	FY91 AU05	FY91 AU06	FY91 AUAL
Tanana Chiefs Conference Alcohol and Drug	0.0	47.5	0.0	294.2	341.7
Tanana Chiefs Conference Mental Health Ser	0.0	0.0	0.0	221.6	221.6
*** BRU TOTALS ***	0.0	47.5	0.0	515.8	563.3
<b>Yukon-Kuskokwim Health Corporation</b>					
Yukon-Kuskokwim Alcohol/Drug Services	0.0	40.7	0.0	252.0	292.7
Yukon-Kuskokwim Mental Health Services	0.0	0.0	0.0	583.0	583.0
*** BRU TOTALS ***	0.0	40.7	0.0	835.0	875.7
<b>Health Grants</b>					
Infant Learning Program Grants	0.0	1,568.0	0.0	1,568.1	3,466.8
*** BRU TOTALS ***	0.0	1,568.0	0.0	1,568.1	3,466.8
<b>Alcohol and Drug Abuse Services</b>					
Administration	0.0	173.7	0.0	1,067.3	1,528.9
Alcohol Abuse Grants	0.0	0.0	0.0	11,688.4	16,106.9
*** BRU TOTALS ***	0.0	173.7	0.0	12,755.7	17,635.8
<b>Community Mental Health Grants</b>					
Community Mental Health Grants	0.0	0.0	0.0	10,861.2	11,392.2
Services to the Chronically Mentally Ill	0.0	0.0	0.0	11,021.3	11,021.3
Designated Evaluation and Treatment	0.0	0.0	0.0	688.3	688.3
Omnibus Budget Reconciliation Act of 1987	0.0	0.0	0.0	1,225.0	1,225.0
*** BRU TOTALS ***	0.0	0.0	0.0	23,795.8	24,326.8
<b>Community Developmental Disabilities Grants</b>					
Community Developmental Disabilities Grant	0.0	0.0	0.0	13,318.1	13,318.1
*** BRU TOTALS ***	0.0	0.0	0.0	13,318.1	13,318.1
<b>Institutions and Administration</b>					
Mental Health Administration	0.0	51.9	0.0	3,237.4	4,032.7
Alaska Psychiatric Institute	0.0	41.0	1,007.8	13,963.3	15,412.1
Harborview Development Center	0.0	11.0	104.0	4,142.9	7,646.3
Alaska Youth Initiative	0.0	0.0	0.0	1,110.7	1,110.7
*** BRU TOTALS ***	0.0	103.9	1,111.8	22,454.3	28,201.8
<b>Administrative Services</b>					

AGENCY: Department of Health & Social Services (Cont'd)

BUDGET REQUEST UNIT/COMPONENT	FY91 AU03	FY91 AU04	FY91 AU05	FY91 AU06	FY91 AUAL
Governor's Council/Handicapped and Gifted	0.0	0.0	0.0	45.0	672.9
Office of Prevention	0.0	974.6	0.0	255.8	1,270.5
Alaska Mental Health Board	0.0	0.0	0.0	368.3	368.3
*** BRU TOTALS ***	0.0	974.6	0.0	669.1	2,311.7
*** AGENCY GRAND TOTALS ***	82,560.5	30,093.2	2,078.3	92,989.8	312,266.8
AGENCY FUNDING SUMMARY					
Federal Funds	0.0	0.0	0.0	0.0	98,921.2
General Fund	82,560.5	30,093.2	2,078.3	92,989.8	207,721.8
Other Funds	0.0	0.0	0.0	0.0	5,623.8

S T A T E O F A L A S K A  
 OFFICE OF MANAGEMENT & BUDGET  
 DIVISION OF BUDGET REVIEW

DATE: 04/24/91  
 TIME: 13:22:46  
 PROG: SWFLXCUT

OPERATING BUDGET FUNDING SUMMARY, COMPONENTS UTILIZING MENTAL HEALTH TRUST FUNDS, BY AGENCY, BRU & COMPONENT

AGENCY: Department of Corrections

BUDGET REQUEST UNIT/COMPONENT	FY91 AU03	FY91 AU04	FY91 AU05	FY91 AU06	FY91 AUAL
<b>Statewide Operations</b>					
Statewide Programs	0.0	6,730.5	215.0	177.0	7,750.9
Fairbanks Correctional Center	0.0	7,099.6	0.0	74.7	7,174.3
Palmer Correctional Center	0.0	7,278.9	0.0	70.3	7,349.2
Combined Hiland Mountain Correctional Cent	0.0	6,727.9	0.0	175.7	6,903.6
Cook Inlet Correctional Center	0.0	8,147.3	0.0	363.2	8,510.5
Wildwood Correctional Center	0.0	7,126.2	0.0	115.9	7,242.1
Spring Creek Correctional Center	0.0	11,803.0	824.7	172.4	12,800.1
Lemon Creek Correctional Center	0.0	6,135.5	0.0	72.5	6,208.0
*** BRU TOTALS ***	0.0	61,048.9	1,039.7	1,221.7	63,938.7
*** AGENCY GRAND TOTALS ***	0.0	61,048.9	1,039.7	1,221.7	63,938.7
<b>AGENCY FUNDING SUMMARY</b>					
Federal Funds	0.0	0.0	0.0	0.0	0.0
General Fund	0.0	61,048.9	1,039.7	1,221.7	63,310.3
Other Funds	0.0	0.0	0.0	0.0	628.4

STATE OF ALASKA  
 OFFICE OF MANAGEMENT & BUDGET  
 DIVISION OF BUDGET REVIEW

DATE: 04/24/91  
 TIME: 13:25:51  
 PROG: SWFLXCUT

OPERATING BUDGET FUNDING SUMMARY, COMPONENTS UTILIZING MENTAL HEALTH TRUST FUNDS, STATEWIDE TOTALS

AGENCY NAME/FUNDING SOURCE	FY91 AU03	FY91 AU04	FY91 AU05	FY91 AU06	FY91 AUAL
* * * STATEWIDE GRAND TOTALS * * *					
FEDERAL RECEIPTS	0.0	0.0	0.0	0.0	109,666.4
GENERAL FUND	84,613.5	107,539.2	3,394.4	98,092.1	293,639.2
OTHER FUNDS	0.0	0.0	0.0	0.0	12,919.1
*** TOTAL FUNDS ***	84,613.5	107,539.2	3,394.4	98,092.1	416,224.7

# STATE OF ALASKA

STEVE COWPER, GOVERNOR

## OFFICE OF THE GOVERNOR

POUCH AM  
JUNEAU, ALASKA 99811  
PHONE: (907) 465-3568

### OFFICE OF MANAGEMENT AND BUDGET DIVISION OF BUDGET REVIEW

May 2, 1990

The Honorable John Binkley  
The Honorable Ron Larson  
Conference Committee on  
the Budget  
Alaska State Legislature  
P.O. Box V  
Juneau, AK 99811

Dear Senator Binkley and Representative Larson:

Attached for the consideration of the Conference Committee on the Budget is documentation in support of the appropriation of an additional \$44,881,300 from the Mental Health Trust Income Account (MHTIA) of the General Fund to meet the necessary expenses of the state's comprehensive mental health program. These changes have already been incorporated in the Senate version of HB 500. The increase in MHTIA funds shown does not represent an increase in funding for mental health programs above the amounts included in either the Governor, House or Senate versions of the FY 91 budget. Rather, each increase in MHTIA funds is offset by a reduction in either general funds or general fund match funds. In total, this request is a net-zero in terms of all classes of general funds.

The purpose of this exercise is to more accurately reflect the total funding for mental health programs. To accomplish this, the affected departments have reviewed their FY 90 base budgets to determine which activities currently funded with general funds or general fund match funds should more appropriately be funded from the MHTIA. The departments were greatly assisted in this effort by the House Finance Committee, Department of Health and Social Services Budget Subcommittee, which held extensive hearings on this subject early in the legislative session. This request is a direct result of the subcommittee's efforts.

Although the Administration is confident that this change represents a sizable step forward in identifying mental health program activities included in the budget base, we recognize that there is additional work that must be done in this regard. The approach taken here has been conservative and the process will be ongoing. There are a number of areas, e.g., the Pioneer Homes system, Special Education and several programs within the Division of Family & Youth Services which, due to time and other administrative constraints, have not yet been reviewed and consequently are not included in the proposal.

May 2, 1990

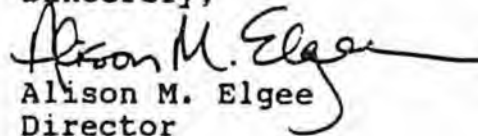
Page 2

Likewise, the amounts identified as appropriate for MHTIA funding in those areas which are included in the proposal before the Committee should not be regarded as fixed. Under OMB direction, a formal audit plan will be developed for each of the components in which Mental Health Trust beneficiary services are found. Audits will begin during the interim. This may result in adjustments in the FY 92 budget to the base level in the already identified components and to new components being identified. This audit plan will lay the groundwork for annual or biannual reassessments of the appropriate allocation of MHTIA, GF and GFM fund sources for those components that rely on more than one. No effort will be made in any component to require MHTIA funds appropriated to track to individual clients. Rather, aggregate data will be compiled and analyzed on a periodic basis, probably annually, to determine the level of service provided to Mental Health Trust beneficiaries, which will drive the allocation of MHTIA funds for the succeeding fiscal year.

To assist agencies in their ongoing review of mental health program funding, the Governor's FY 91 budget request includes additional audit staff in the Office of Management & Budget, Division of Management Services. The Conference Committee's approval of this increment would be most helpful as part of our continuing mental health program review efforts.

Attached for your review are individual C-5 forms which provide detail on the individual transactions at the budget component level. Your consideration of this request will be appreciated.

Sincerely,

  
Alison M. Elgee  
Director

Attachments

STATE OF ALASKA  
MENTAL HEALTH LANDS TRUST REVIEW  
Explanation of the Summary Schedule and Analysis of  
Potential State Mental Health  
Expenditures and Program Receipts  
July 1, 1978 - September 30, 1985

The Summary Schedule and Analysis of Potential State Mental Health Expenditure and Program Receipts was prepared for the Interim Mental Health Trust Commission. The schedule was designed to assist the Commission in their review and identification of State expenditures. The Commission is required by law to submit recommendations regarding what State expenditures relate to the State's Mental Health Program to the 1987 Legislature.

We have attempted to provide sufficient information to allow the Commission to analyze services provided by various state agencies. In order to provide the Commission with the most extensive range of options, and mindful of the intent of the House Finance Committee (see Purpose of the Report) we have presented expenditures based on differing views and definitions of mental health services.

The schedule identifies aspects of various programs identified in the Alaska State Comprehensive Statewide Mental Health Plan, FY 77 (FY77 PLAN), analyzes programs in terms of Alaska Statute definitions and the professional diagnostic publication Diagnostic and Statistical Manual of Mental Disorders, Third Edition (DSM-III), and analyzes programs in terms of the working definition of mental health programs provided by the Commissioner of Health and Social Services (see Appendix A).

For the purposes of developing a "menu of costs" for the Commission's review, professionals from the Division of Mental Health and Developmental Disabilities (MHDD) assisted us in interpreting and applying DSM-III and Alaska statutory definitions of mental illness. Although cost estimates that were developed using this technical assistance are labeled "Allocation Per Mental Health Analysis," it is not meant to imply that MHDD necessarily endorses or accepts the analyzed agency's services as being mental health related.

The following is a discussion of the information presented in each column of the Summary Schedule and Analysis of Potential Mental Health Expenditures:

Column One - Program Title and 1977 Mental Health Plan Aspects

Column One presents state programs identified as potentially being part of the State's Mental Health Program. The column also contains our analysis of how the identified State programs relate to the FY77 PLAN which has been adopted by the Commission as a basis for the State's Mental Health Program.

Column Two - Program Receipts

Column Two presents revenues collected by the various State agencies identified in Column One. Program revenues are primarily Federal receipts. Amounts presented represent revenues collected from July 1, 1978 to September 30, 1985, as recorded in the State's accounting records or audited information reported by school districts. Revenues are presented at the request of the Commission in order that net State General Fund expenditures could better be estimated.

Column Three - Program Expenditures

Column Three presents the total expenditures from July 1, 1978 to September 30, 1985, as recorded in the State's accounting records for programs presented in Column One. Expenditures presented for MHDD and the State Office on Alcoholism and Drug Abuse have been audited. Other expenditure totals are presented as recorded in the State's accounting records as unaudited. However, these departments and programs have been audited for most, though not every, fiscal year for the period presented.

Column Four - Allocation Per Mental Health Analysis

Column Four presents an allocation of mental health-related program costs. The Commission requested that expenditures be allocated based on how various programs served individuals that could be classified as mentally ill either under DSM-III diagnoses and/or Alaska Statutes. (For further discussion of the statutory definition of mental illness, see the Mental Health Lands Suit - History and Issues section of this report.)

Based upon the analysis provided by an MHDD mental health professional, we allocated program expenditures in order to quantify mental health service aspects of the programs presented. Procedures used at arriving at estimates are discussed in Column Seven.

A major issue that was identified when applying both the DSM-III and the statutory criteria for mental illness was the unclear status of substance abusers and the developmentally disabled. Both of these populations of individuals are specifically excluded from the statutory definition of mental illness, but both are included under the diagnostic criteria of DSM-III. According to the MHDD analyst, how the Commission classifies services provided to these groups is a major underlying policy decision that will affect which of the programs will be identified as mental health related.

#### Column Five - Allocation Per Program Management Analysis

Column Five presents an allocation of mental health-related program costs. Based upon the analysis provided by program managers, expenditures were allocated, in order to quantify, in dollars, mental health service aspects of the programs presented. Procedures used at arriving at estimates are discussed in Column Seven.

Essentially, the analysis was based on how managers interpreted the "working" definition of mental health programs developed by the Commissioner of Health and Social Services, and/or the manager's own perceptions. As stated in the introduction, this different view was used in developing cost estimates in order to provide a more extensive "menu of costs" for consideration of the Commission.

All program services provided to individuals who could be classified as mentally ill, were included in the estimates and allocation of costs, even though the services were not treatment oriented in nature. We felt this was consistent with how services at Alaska Psychiatric Institute would be viewed. That is, costs associated with personnel, meals, administration, laundry, etc., would be considered mental health related as well as the more direct psychiatric treatment and nursing costs.

#### Column Six - Program Description and Analyses of Mental Health Professionals and Program Managers.

Column Six presents program descriptions that were developed from discussions with management and review of State budget documents. As discussed previously, the MHDD professional essentially analyzed the program descriptions and services provided using criteria set out in DSM-III and statutes.

Due to time constraints, we used the representations, estimates, and evaluations of program managers when applying the mental health analytical criteria. In order to apply the MHDD criteria more accurately would require a case-by-case review of various agency's client files.

As discussed in the Mental Health Lands Suit - History and Issues section of this report, there is not a clear definition of mental illness nor mental health. There is disagreement even among mental health professionals. The differences in the analyses of management and MHDD, where it occurs, reflects the uncertainty and debate involving mental health services. These differences also frequently came about because program management used the broader "working" definition of mental health services developed by the DHSS Commissioner, rather than the more restrictive DSM-III and/or statutory criteria applied by MHDD as requested by the Commission.

In addition, program managers also were more likely to consider programs that dealt with antisocial behavior as being mental health related. MHDD points out that DSM-III classifies much of antisocial behavior as "V" codes, and as such does not consider them a diagnosable mental disorder.

Column Seven - Nature and Extent of Audit Review, Allocation Procedures, and Other Comments.

The Commission requested that Legislative Audit document in the report our allocation and audit procedures applied in developing the mental health expenditures. This Column provides a narrative of the rationale, information, assumptions, and procedures used in the expenditure allocations presented in Columns Four and Five.

STATE OF ALASKA  
 MENTAL HEALTH LANDS TRUST REVIEW  
 SUMMARY SCHEDULE AND ANALYSIS OF  
 POTENTIAL STATE MENTAL HEALTH EXPENDITURES  
 July 1, 1978 - September 30, 1985

Department Program	Program Receipts	Program Expenditures	Per Mental Health Analysis	Per Program Management Analysis	Nature and Extent of Audit Review, Allocation Procedures, and Other Comments
<u>Department of Health and Social Services</u>					
Division of Mental Health and Developmental Disabilities (MHDD)	\$42,543,000	\$215,429,000	\$215,429,000	\$215,429,000	Program Receipts and Expenditures for MHDD and SOADA have been audited for the period FY 79 (see Section 1 of this report). Program Receipts and Expenditures for the period July 1, 1978 to September 30, 1985 have been compiled, unaudited from the State's accounting records, and the audited totals for the purposes of further analysis as presented in this schedule (see 2 of this report for the summary of this compilation).  Allocations of identified and compiled expenditures were made based on the analysis and management of individual programs (Allocation per Program Management Analysis). Due to time constraints and the nature of the programs involved, we did not apply any verification, review, or audit procedures to these estimates for MHDD, SOADA, or any of the other programs presented on this and subsequent schedules.
State Office of Alcoholism and Drug Abuse (SOADA)	9,199,181	95,846,650	95,846,650	19,169,329	
Division of Family and Youth Services (DFYS)	1,150,987	262,097,495	74,419,880	199,769,885	Program Receipts and Expenditures for DFYS were compiled, unaudited from the State's accounting records for the entire period presented. As stated in the Notes to the Schedules in Section 2, DFYS Program Receipts and Expenditures include juvenile custody transactions recorded under the now-defunct DHSS, Division of Corrections for the period FY 79 - FY 83.
Division of Medical Assistance	64,398,000	133,359,000	52,072,000	88,592,000	Program Expenditures for the Division of Medical Assistance were compiled, unaudited from the State's accounting records for the entire period presented. As stated in the Notes to the Schedules in Section 2, Program Receipts were not directly identifiable in the State's accounting records, but rather were calculated based on the level and degree of Federal funding participation in the program.
<u>Total Department of Health and Social Services</u>	<u>117,291,168</u>	<u>706,732,145</u>	<u>437,767,530</u>	<u>522,960,214</u>	
<u>Department of Education</u>					
Special Education Programs	397,097,434	1,748,679,413	31,341,573	57,974,149	Program Expenditures for Special Education Programs were compiled from a variety of sources. Program Expenditures were compiled from the annual audit reports received from the State's school districts. Federal Program Expenditures were compiled from grant documents and accounting records. The indirect expenditure component was compiled from audited annual school district reports. The contract schools component was compiled from audited annual school district reports and State contract records (for further discussion of how receipts and expenditures were compiled for the Special Education category, see Notes to the Schedules in Section 2).
Division of Vocational Rehabilitation (DVR)	23,289,705	45,118,494	14,295,530	17,822,400	Program Receipts and Expenditures for DVR were compiled, unaudited from the State's accounting records.
<u>Total Department of Education</u>	<u>420,387,139</u>	<u>1,793,797,907</u>	<u>45,637,103</u>	<u>75,796,549</u>	
<u>Department of Corrections</u>					
Adult Confinement	1,900,000	352,265,000	28,886,000	28,886,000	Program Receipts and Expenditures for DOC were compiled, unaudited from the State's accounting records. As stated in the Notes to the Schedules in Section 2, DOC Program Receipts and Expenditures include adult confinement transactions recorded under the now-defunct DHSS, Division of Corrections for the period FY 79 - FY 83.
<u>Department of Administration</u>					
Division of Pioneers' Benefits	7,721,000	137,215,000	Indeterminate	Indeterminate	Program Receipts and Expenditures for Pioneers' Homes were compiled, unaudited from the State's accounting records.
Older Alaskans Commission (OAC)	18,818,000	54,640,000	Indeterminate	Indeterminate	Program Receipts and Expenditures for OAC were compiled, unaudited from the State's accounting records. As stated in the Notes to the Schedules in Section 2, OAC Program Receipts and Expenditures include transactions recorded under the now-defunct DHSS, Division of Adult and Aging Services for the period FY 79 - January 1982.
Municipal Grant Program (MGP)	-0-	11,728,720	Indeterminate	Indeterminate	Program Expenditures for MGP were compiled, unaudited from the State's accounting records.
<u>Total Department of Administration</u>	<u>26,539,000</u>	<u>203,583,720</u>	<u>Indeterminate</u>	<u>Indeterminate</u>	
<u>Department of Public Safety</u>					
Council on Domestic Violence and Sexual Assault (CDVSA)	2,179,790	26,467,668	-0-	26,467,668	Program Receipts and Expenditures for CDVSA were compiled, unaudited from the State's accounting records.
<u>Total</u>	<u>\$568,297,097</u>	<u>\$3,082,846,440</u>	<u>\$512,290,633</u>	<u>\$654,110,431</u>	

STATE OF ALASKA  
 MENTAL HEALTH TRUST REVIEW  
 SUMMARY SCHEDULE AND ANALYSIS OF  
 POTENTIAL STATE MENTAL HEALTH EXPENDITURES  
 July 1, 1978 - September 30, 1985

Department Division Program Sub-Program 1977 Mental Health Plan Aspects	Program Receipts	Program Expenditures	Allocation Per Mental Health Analysis	Allocation Per Program Management Analysis	Program Description and Analysis of Mental Health Professionals and Program Managers	Nature and Extent of Audit Review, Allocation Pro- and Other Comments
<u>Department of Health and Social Services (DHSS)</u>						
<u>Division of Mental Health and Developmental Disabilities (DHDD)</u>	42,543,000	215,429,000				
<u>Alaska Psychiatric Institution (API)</u>					<p><u>Program Description:</u>            API is a 188-bed institutional facility that provides inpatient diagnostic and treatment mental health services not available in local communities. Communities are usually unable to provide treatment due to the complexity or severity of the illness, small number of clients, or the need for security. API is the only designated mental health facility in the State, and as such can accept involuntarily committed patients under Alaska's civil commitment statutes.</p> <p>API is also responsible for treatment of criminally committed mentally ill persons. An 18-bed Secure Treatment Unit and a 14-day bed Psychiatric Security Unit are currently used to provide care and treatment to the State's population of criminally committed patients.</p>	<p>Program Receipts include 529,356 in restricted revenues and 511,111 in unrestricted revenues. Receipts from both sources are presented because API recorded most of the revenues, primarily from Federal receipts, in unrestricted receipt codes during this time period.</p>
<p>The FY77 PLAN features API prominently. The FY77 PLAN describes the nature and structure of API's treatment units as they existed at the time of the FY77 PLAN, and discusses the prospective construction and type of treatment anticipated to be put in place in API's security unit. (VOL I, PP 15-17)</p> <p>In a discussion of present services available in the Anchorage area, the FY77 PLAN states that "inpatient services are provided by the Alaska Psychiatric Institute." (VOL III, P 48)</p> <p>Inpatient mental health services as defined for Community Mental Health Centers appear to apply to API. The FY77 PLAN states that a major goal of inpatient services, defined as a therapeutic environment for persons requiring 24-hour care, is "rapid evaluation and effective treatment of persons with severe emotional disturbances . . ." (VOL I, PP 70-71)</p>			77,616,000	77,616,000	<p><u>Mental Health and Program Management Analysis:</u>            API is an institution for the diagnosis/treatment of mental illness. The Commission has designated 100% of MHDD mental health expenditures to the Mental Health Program. No program evaluation was done.</p>	<p>Expenditures recorded in the accounting records for API account code allocated to the Mental Health Program 100%.</p>
<u>Community Mental Health Grants</u>					<p><u>Program Description:</u>            MHDD funds grants/contracts with local Community Mental Health Centers (CMHC) across the State. These local centers provide mental health services such as:</p> <ul style="list-style-type: none"> <li>- outpatient services</li> <li>- specialized programs for children, adolescents, elderly and minorities</li> <li>- patient services for individuals acutely or chronically mentally ill</li> <li>- pre-hospitalization screening and evaluation</li> <li>- psychiatric emergency treatment</li> <li>- inpatient services</li> <li>- crisis intervention</li> <li>- consultation and education</li> <li>- residential beds</li> <li>- non-residential community support services</li> </ul>	
<p>The FY77 PLAN focuses primarily on Community Mental Health Grants. Mental health services are defined in terms of Community Mental Health Centers. (VOL I, PP 72-90)</p> <p>The FY77 PLAN cites community-based mental health services as the "most apparent urgent need" in the State according to the 1975 Mental Health Needs Assessment. (VOL I, P 164)</p>					<p>MHDD evaluates local grant applications and presents them to the Governor's Mental Health Advisory Board for their review and recommendations. The Board recommends funding levels to the Commissioner of DHSS for each of the local CMHCs.</p>	

STATE OF ALASKA  
 MENTAL HEALTH TRUST REVIEW  
 SUMMARY SCHEDULE AND ANALYSIS OF  
 POTENTIAL STATE MENTAL HEALTH EXPENDITURES  
 July 1, 1978 - September 30, 1985

Department Division Program Sub-Program	1977 Mental Health Plan Aspects	Program Receipts	Program Expenditures	Allocation Per Mental Health Analysis	Allocation Per Program Management Analysis	Program Descriptions and Analysis of Mental Health Professionals and Program Managers	Nature and Extent of Audit Review, Allocation Process and Other Comments
<b>Department of Health and Social Services (DHSS)</b>							
<b>Division of Mental Health and Developmental Disabilities (DMDD)</b>							
	<u>Community Mental Health Grants (cont.)</u>			12,170,000	12,170,000	<u>Mental Health and Program Management Analysis</u> DMDD is responsible for developing and implementing a coordinated mental health system through the funding of local CHMCs. The Commission has designated 100% of DMDD mental health expenditures to the Mental Health Program.	Expenditures recorded in the accounting records for Community Mental Health Grants/Contracts are allocated 100% to the Mental Health Program.
	<u>Capital Improvement Projects, Miscellaneous Programs - Mental Health (PM) and Mental Health Administration - MI</u>			17,227,000	17,227,000	<u>Program Description:</u> Capital Improvement Projects for mental health mainly consist of repair, maintenance and construction at API. Miscellaneous Programs - MI consist of programs that are not classified as API or as mental health grants. (These programs are immaterial compared to the other programs.) Mental Health Administration - Mental Health is the estimated mental health portion of the Administration component in DMDD.  <u>Mental Health and Program Management Analysis:</u> These DMDD program expenditures are all included as part of the Mental Health Program. No program evaluation was done.	Expenditures recorded in the accounting records for these programs are allocated at 100% to the Mental Health Program. The mental health portion of the Administration component was based on an estimated proportion of employees in that component working on mental health administrative duties plus direct mental health expenditures coded to accounts within the Administration component. Expenditures for capital projects include both DMDD projects (related to mental health) and projects administered by other divisions, such as the Division of Planning, that are related to mental health.
	The FY77 PLAN also developed several general administrative objectives to be implemented in subsequent fiscal years. For example, its FY 78 objectives for administration and support were, in part:						
	1. . . . 3. Expand public information system to education programs through increased utilization of the media and the development of mental health curriculum in the primary school system.						
	4. Examine the feasibility of private providers participating in the management data system.						
	5. Request additional position of mental health lands specialist to administer the mental health lands program. . . .						
	8. Expand management data system to include an evaluation section to develop outcome data which will be used in conjunction with cost data to determine cost effectiveness and efficiency." (VOL 1, P 267)						
	<u>Harborview Developmental Center (HDC)</u>					<u>Program Description:</u> HDC is a certified Intermediate Care Facility for the developmentally disabled. HDC serves those residents of Alaska in need of specialized services. Emphasis is towards meeting the needs of the severely and profoundly impaired individual. HDC provides a wide range of rehabilitative services. Programs range from life support services to preparation for community living. Specific services include vocational and occupational training; recreational and physical therapy; psychological and social services; contractual medical, dental, and psychiatric services; nursing and life training programs. Special education is also provided in cooperation with local school districts and the Department of Education.	
	The FY77 PLAN was developed when HDC was known as Harborview Memorial Hospital. In the inventory of Direct Mental Health Services for the Valdez area, Harborview Memorial Hospital was prominently listed as a provider of: inpatient services, 24-hour emergency care, consultation and education, and rehabilitative services. (VOL 111, P 159)						

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Department Division Program Sub-Program	1977 Mental Health Plan Aspects	Program Receipts	Program Expenditures	Allocation Per Mental Health Analysis	Allocation Per Program Management Analysis	Program Descriptions and Analyses of Mental Health Professionals and Program Managers	Nature and Extent of Audit Review, Allocation Process and Other Comments
<u>Department of Health and Social Services (DHSS)</u>							
<u>Division of Mental Health and Developmental Disabilities (DMDD)</u>							
<u>Harborview Developmental Center (HDC) (cont.)</u>							
	To the extent that HDC serves children it would come under the purview of the FY77 PLAN's discussion of targeted services to children and the elderly. The FY77 PLAN states that the Federal Community Mental Health Center Act requires "special attention be paid to the mental health needs of children and the elderly."			46,992,000	46,992,000	<u>Mental Health and Program Management Analysis:</u> HDC provides institutional services to the developmentally disabled population. Mental retardation is diagnosed as a mental disorder under DSM-III, but is specifically excluded from the statutory definition of mental illness. Given its status under DSM-III, the statutory definition notwithstanding, all HDC program expenditures may be regarded as mental health related.	Expenditures recorded in the acc records for HDC are allocated 100% to the Mental Health Program.
	The FY77 Plan also states that "services for children can include the full range of services made available through the center, appropriately geared to the needs of children at different stages of development." (VOL 1, PP 77-78)						
	<u>Developmental Disabilities Grants/Contracts</u>					<u>Program Description:</u> DMDD funds grants to local nonprofit agencies in order to provide comprehensive community developmental disabilities services such as:  - respite care for families - vocational training - community residential support - daily living skills training - community education - protection and advocacy	
	The FY77 PLAN also states that "services for children can include the full range of services made available through the center, appropriately geared to the needs of children at different stages of development." (VOL 1, PP 77-78)						
	Historically, the developmentally disabled population in the State have received a significant amount of mental health services. Mental retardation was identified in the March 1976 addendum to Volume V of the FY77 PLAN, as one of the primary presenting problems in Community Mental Health Centers' (CMHC) admissions in 1975. (ALDEHDUM)			32,386,000	32,386,000	<u>Mental Health and Program Management Analysis:</u> DMDD is responsible for developing and implementing a statewide, coordinated community services program for the developmentally disabled population. Mental retardation is diagnosed as a mental disorder under DSM-III, but is specifically excluded from the statutory definition of mental illness. Given its status under DSM-III, the statutory definition notwithstanding, all developmental disability program expenditures may be regarded as mental health related.	Expenditures recorded in the acc records for Developmental Disabilities Grants are allocated 100% to the Mental Health Program.
	At the time the FY77 PLAN was written API had a separate treatment unit for mental retardation. The FY77 PLAN anticipated the eventual transfer of many of the patients in this unit when it noted "long range planning conceives of the phasing out of this unit as community alternatives for the mentally retarded and developmentally disabled are developed." (VOL 1, P 15)						

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Department Division Program Sub-Program 1977 Mental Health Plan Aspects	Program Receipts	Program Expenditures	Allocation Per Mental Health Analysis	Allocation Per Program Management Analysis	Program Descriptions and Analyses of Mental Health Professionals and Program Managers	Nature and Extent of Audit Review, Allocation Pro- and Other Comments
<u>Department of Health and Social Services (DHSS)</u>						
<u>Division of Mental Health and Developmental Disabilities (DHDD)</u>						
<u>Developmental Disabilities Grants/Contracts (cont.)</u>						
In general, the API treatment program described in the FY77 PLAN appears to be essentially the same type of services delivered in recent years by either HDC or by local community contract service providers.						
<u>Capital Improvement Projects, Miscellaneous Programs - Develop- mental Disabilities (PP), and Mental Health Administration - DD</u>					<u>Program Description:</u> Capital Improvement Projects mainly consist of repair, renovation and construction at HDC. Miscellaneous Programs - DD include programs not categorized under HDC or Developmental Disabilities Grants. (These are immaterial compared to the other programs.) Mental Health Administration - Developmental Disabilities is the estimated developmental disabilities portion of the Administration component.	
-57- The FY77 PLAN also developed several general administrative objectives to be implemented in subsequent fiscal years. For example, its FY 78 objectives for administration and support were, in part:			9,038,000	9,038,000	<u>Mental Health and Program Management Analysis:</u> Services are provided to the developmentally disabled population. Mental retardation is diagnosed as a mental disorder under DSM-III, but is specifically excluded from the statutory definition of mental illness. Given its status under DSM-III, the statutory definition notwithstanding, all HDC program expenditures may be regarded as mental health related.	Expenditures recorded in the accounts for these programs are allocated 100% to the Mental Health since mental retardation is a diagnosis in DSM-III. The Developmental Disabilities portion of the Administration component was based on an entire proportion of employees in work on developmental disabilities administrative duties plus direct DD expenditures coded to accounts within the Administration component. Expenses for capital projects include both projects (related to developmental disabilities) and projects administered by other divisions, such as the Division of Planning, that are related to developmental disabilities.
" . . . 2. Request additional administration staff in Developmental Disabilities Section to provide proper support and program administration. . . .						
7. Request a children's services specialist to concentrate on the development of prevention and education programs as well as remedial programs." (VOL I, P 207)						
<u>Total Division of Mental Health and Developmental Disabilities</u>	<u>\$42,543,000</u>	<u>\$215,429,000</u>	<u>\$215,429,000</u>	<u>\$215,429,000</u>		

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Department Division Program Sub-Program	Program Receipts	Program Expenditures	Allocation Per Mental Health Analysis	Allocation Per Program Management Analysis	Program Descriptions and Analyses of Mental Health Professionals and Program Managers	Nature and Extent of Audit Review, Allocation Process and Other Comments
Department of Health and Social Services State Office of Alcoholism and Drug Abuse (SOADA)	9,199,101	95,046,650				
Aftercare			657,971		<p><u>Program Description:</u>            Aftercare provides care to patients who have progressed sufficiently through emergency, inpatient, intermediate, and/or outpatient services to a point in their recovery where they will benefit from a level of continued contact which will support and increase the gains made in the treatment process. Aftercare must be delivered through the development of an individualized aftercare plan developed between the aftercare counselor and the client.</p> <p><u>Mental Health Analysis:</u>            The Aftercare component of SOADA's program, like all of SOADA's programs, addresses alcoholism and substance abuse. Historically, alcoholism and substance abuse have been classified as mental disorders under the Diagnostic and Statistical Manual of Mental Disorders, Third Edition (DSM-III). However, under Alaska Statutes alcoholism and substance abuse are excluded from the definition of mental illness and funds addressing these problems have, for the most part, been administered by agencies outside MHD.</p>	<p>FOR ALL SOADA PROGRAM COMPONENTS Expenditures presented were allocated based on the number of workhours that various SOADA grantees reported they spent providing various services. For example, the allocated expenditure presented in the column to the left were based on the reported hour worked by SOADA grantees in services related to Aftercare.</p> <p>Grantee administrative costs were allocated to the grantee's various service components based on the number of workhours reported spent on each direct service component.</p> <p>SOADA administrative costs were allocated to grant service components based on each grantee's reported workhours broken down by service component (such as Aftercare, Alcohol Safety Action Program, Outreach, Outpatient, etc.).</p> <p>Reported grantee workhours for a three year period FY 84 - FY 86 broken down by service component were used for allocation of all expenditures for the period presented.</p>
				131,594	<p><u>Program Management Analysis:</u>            National studies conducted in recent years, have generally indicated that approximately 20% of individuals suffering from alcohol and/or substance abuse problems also suffer from a diagnosable mental illness or disorder. Given the average age and circumstance of Alaskans suffering from alcoholism and/or substance abuse problems, it could reasonably be expected that this percentage may be higher for State residents.</p>	<p>Program management's allocation represents 20% of the total estimated Aftercare services expenditures.</p>

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Department Division Program Sub-Program	Program Receipts	Program Expenditures	Allocation Per Mental Health Analysis	Allocation Per Program Management Analysis	Program Descriptions and Analyses of Mental Health Professionals and Program Managers	Nature and Extent of Audit Review, Allocation Process and Other Comments
Department of Health and Social Services State Office of Alcoholism and Drug Abuse  Alcohol Safety Action Program			4,290,197		<p><u>Program Description:</u>            The Alcohol Safety Action Program (ASAP) is a systematic means of evaluating and referring persons convicted of alcohol and drug abuse-related offenses by the District Court of the State of Alaska. ASAP is viewed as a means of differentiating the effect of the drinking problems and referring them to appropriate agencies for treatment depending on the client's needs. It is seen as a very structured system that is governed by a set of predetermined standards designed to assist in diagnosing problem levels of clients involved with the system.</p> <p><u>Mental Health Analysis:</u>            The ASAP component of SOADA's program, like all of SOADA's programs, addresses alcoholism and substance abuse. Historically, alcoholism and substance abuse have been classified as mental disorders under DSM-III. However, under Alaska Statutes alcoholism and substance abuse are excluded from the definition of mental illness and funds addressing these problems have, for the most part, been administered by agencies outside MIDD.</p>	For explanation of how expenditures were allocated for SOADA programs see the discussion in this column for the Aftercare service component (the first program presented in the SOADA section of this schedule).
				854,039	<p><u>Program Management Analysis:</u>            National studies conducted in recent years have generally indicated that 20% of individuals suffering from alcohol and/or substance abuse problems suffer from a diagnosable mental illness or disorder. Given the average age and circumstances of Alaskans suffering from alcoholism and/or substance abuse problems, it could reasonably be expected that this percentage may be higher for State residents.</p>	Program management's allocation represents 20% of the total estimated ASAP expenditures.
Consultation/Education/Prevention			5,389,159		<p><u>Program Description:</u>            The dissemination of relevant information specifically aimed at increasing the awareness, receptivity, and sensitivity of the community and stimulating social action to increase the services provided for people with problems associated with the use of alcohol or of providing information and/or technical assistance to a particular group or individual seeking resolution of a specific problem(s). It also includes those activities that are designed to prevent individuals and groups from becoming dependent on the regular use of alcohol and/or other drugs. Prevention services may vary widely but are generally associated with information, education alternatives, literature distribution, media campaigns, clearinghouse activities, speakers' bureau, and school or peer group situations. These services may be directed at any segment of the population.</p> <p><u>Mental Health Analysis:</u>            The Consultation/Education/Prevention component of SOADA's program, like all of SOADA's programs, addresses alcoholism and substance abuse. Historically, alcoholism and substance abuse have been classified as mental disorders under DSM-III. However, under Alaska Statutes alcoholism and substance abuse are excluded from the definition of mental illness and funds addressing these problems have, for the most part, been administered by agencies outside MIDD.</p>	For explanation of how expenditures were allocated for SOADA programs see the discussion in this column for the Aftercare service component (the first program presented in the SOADA section of this schedule).

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Department Division Program Sub-Program	Program Receipts	Program Expenditures	Allocation Per Mental Health Analysis	Allocation Per Program Management Analysis	Program Descriptions and Analyses of Mental Health Professionals and Program Managers	Nature and Extent of Audit Review, Allocation Process and Other Comments
<u>Department of Health and Social Services</u>						
<u>State Office of Alcoholism and Drug Abuse</u>						
<u>Consultation/Education/Prevention (cont.)</u>						
				1,077,832	<p><b>Program Management Analysis:</b>            National studies conducted in recent years have generally indicated that 20% of individuals suffering from alcohol and/or substance abuse problems suffer from a diagnosable mental illness or disorder. Given the average age and circumstances of Alaskans suffering from alcoholism and/or substance abuse problems, it could reasonably be expected that this percentage may be higher for State residents.</p>	Program management's allocation represents 20% of the total estimated Consultation/Education/Prevention service expenditures.
				1,541,699	<p><b>Program Description:</b>            The process of providing to individuals incarcerated in a correctional facility diagnostic and alcoholism and drug abuse treatment services on a scheduled basis utilizing traditional outpatient counseling techniques.</p> <p><b>Mental Health Analysis:</b>            The Inmate Counseling component of SOADA's program, like all of SOADA's programs, addresses alcoholism and substance abuse. Historically, alcoholism and substance abuse have been classified as mental disorders under DSM-III. However, under Alaska Statutes alcoholism and substance abuse are excluded from the definition of mental illness and funds addressing these problems have, for the most part, been administered by agencies outside MIDD.</p>	For explanation of how expenditures were allocated for SOADA programs see the discussion in this column for the Aftercare service component (the first program presented in the SOADA section of this schedule).
				308,340	<p><b>Program Management Analysis:</b>            National studies conducted in recent years have generally indicated that 20% of individuals suffering from alcohol and/or substance abuse problems suffer from a diagnosable mental illness or disorder. Given the average age of Alaskans suffering from alcoholism and/or substance abuse problems, it could reasonably be expected that this percentage may be higher for State residents.</p>	Program management's allocation represents 20% of the total estimated Inmate Counseling Program expenditures.
					<p><b>Program Description:</b>            Emergency Care Systems provide for twenty-four hour availability of the following services to all persons and their families with problems related to alcohol or drug use and abuse:</p> <ol style="list-style-type: none"> <li>(1) immediate medical evaluation and care,</li> <li>(2) supervision of persons by properly trained staff until they are no longer incapacitated by the effects of alcohol,</li> <li>(3) evaluation of medical, psychological, and social needs, leading to the development of a plan for continuing care, and</li> <li>(4) effective transportation services.</li> </ol> <p>Emergency Care comprises a network of services that provides all persons having acute problems related to alcohol or drug use and abuse immediate diagnosis and care, as well as appropriate referral for continuing care after emergency treatment. Primary emergency services in Alaska are community service patrols and medical or social detoxification.</p>	
<u>Inmate Counseling Program</u>						
				1,541,699		
				308,340		
<u>Emergency Care Systems</u>						
				308,340		

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Department Division Program Sub-Program	Program Receipts	Program Expenditures	Allocation Per Mental Health Analysis	Allocation Per Program Management Analysis	Program Descriptions and Analyses of Mental Health Professionals and Program Managers	Nature and Extent of Audit Review, Allocation Process and Other Comments
<u>Department of Health and Social Services</u>						
<u>State Office of Alcoholism and Drug Abuse</u>						
<u>Emergency Care System: (cont.)</u>			8,771,706		<p><u>Mental Health Analysis:</u>            The Emergency Care component of SOADA's program, like all of SOADA's programs, addresses alcoholism and substance abuse. Historically, alcoholism and substance abuse have been classified as mental disorders under DSM-III. However, under Alaska Statutes alcoholism and substance abuse are excluded from the definition of mental illness and funds addressing these problems have, for the most part, been administered by agencies outside MIDD.</p>	For explanation of how expenditures were allocated for SOADA program see the discussion in this column for the Aftercare service component (the first program presented in the SOADA section of this schedule).
				1,754,341	<p><u>Program Management Analysis:</u>            National studies conducted in recent years have generally indicated that 20% of individuals suffering from alcohol and/or substance abuse problems suffer from a diagnosable mental illness or disorder. Given the average age and circumstances of Alaskans suffering from alcoholism and/or substance abuse problems, it could reasonably be expected that this percentage may be higher for State residents.</p>	Program management's allocation represents 20% of the total cost of Emergency Care System expenditures.
<u>Hospital Care</u>					<p><u>Program Description:</u>            The process of providing care to persons who require 24-hour medical supervision in a hospital or other suitably equipped medical setting as a result of acute or chronic medical, social, cultural, spiritual, and psychological problems associated with alcohol abuse, drug abuse, and/or alcoholism. The average planned length of stay in these units is twenty-eight days and incorporates intoxicant-free therapy, promoting involvement with available aftercare planning, and community support resources.</p>	
The FY77 PLAN acknowledges that although MIDD has no statutory responsibility for the treatment of alcoholism, it states that the affects of alcohol abuse "cannot be separated and treated by the different divisions. Consequently, the regional clinics treat a large number of persons for alcohol and drug-related problems or refer them to other appropriate programs." (VOL I, P 19)			5,640,751		<p><u>Mental Health Analysis:</u>            The Hospital Care component of SOADA's program, like all of SOADA's programs, addresses alcoholism and substance abuse. Historically, alcoholism and substance abuse have been classified as mental disorders under DSM-III. However, under Alaska Statutes alcoholism and substance abuse are excluded from the definition of mental illness and funds addressing these problems have, for the most part, been administered by agencies outside MIDD.</p>	For explanation of how expenditures were allocated for SOADA program see the discussion in this column for the Aftercare service component (the first program presented in the SOADA section of this schedule).
As for drug treatment, the FY77 PLAN states that MIDD does provide service "to many drug and substance abusers whose primary presenting problem is labeled mental illness." (VOL I, P 20)				1,128,150	<p><u>Program Management Analysis:</u>            National studies conducted in recent years have generally indicated that 20% of individuals suffering from alcohol and/or substance abuse problems suffer from a diagnosable mental illness or disorder. Given the average age and circumstances of Alaskans suffering from alcoholism and/or substance abuse problems, it could reasonably be expected that this percentage may be higher for State residents.</p>	Program management's allocation represents 20% of the total cost of Hospital Care service expenditures.

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Department Division Program Sub-Program	Program Receipts	Program Expenditures	Allocation Per Mental Health Analysis	Allocation Per Program Management Analysis	Program Descriptions and Analyses of Mental Health Professionals and Program Managers	Nature and Extent of Audit Review, Allocation Process and Other Comments
Department of Health and Social Services  State Office of Alcoholism and Drug Abuse  Intermediate Residential Care					<p><u>Program Descriptions:</u>            Intermediate Residential Care is designed to facilitate the rehabilitation of the alcohol or drug abusing persons by placing them in an organized therapeutic environment in which they may receive diagnostic services, counseling, vocational rehabilitation, and/or work therapy while benefiting from the support which a full 24-hour or partial (less than 24 hours) residential setting can provide.</p> <ol style="list-style-type: none"> <li>Short-term intermediate residential care is the provision of counseling and social adjustment services to persons who require 24-hour supervision as a result of alcohol or drug abuse. This process is more intensive than other forms of intermediate care with an average length of stay of twenty-eight days. This process is similar to inpatient care without the medical staff and the hospital setting.</li> <li>Transitional care is delivered in halfway houses and involves a one to six-month length of stay. At the start of transitional care, clients spend most of their time at the house in a therapeutic and support environment. As they advance through treatment more time may be spent on habilitation or rehabilitation until re-entry into the community is made. Most individuals will enter this care from some other component of service.</li> <li>Long-term care is a long-term therapeutic environment for a period of six months to two years. Each of the clients is required to assist in the upkeep and operation of the facility as well as attending therapeutic activities. Such care may be rather intense (e.g. in a Therapeutic Community (TC)) or be closer to transitional care in treatment intensity.</li> </ol>	
			26,462,336		<p><u>Mental Health Analysis:</u>            The Intermediate Residential Care component of SOADA's program, like all of SOADA's programs, addresses alcoholism and substance abuse. Historically, alcoholism and substance abuse have been classified as mental disorders under DSM-III. However, under Alaska Statutes alcoholism and substance abuse are excluded from the definition of mental illness and funds addressing these problems have, for the most part, been administered by agencies outside MIDD.</p>	For explanation of how expenditures were allocated for SOADA programs see the discussion in this column for the Aftercare service component (the first program presented in the SOADA section of this schedule).
				5,292,467	<p><u>Program Management Analysis:</u>            National studies conducted in recent years have generally indicated that 20% of individuals suffering from alcohol and/or substance abuse problems suffer from a diagnosable mental illness or disorder. Given the average age and circumstances of Alaskans suffering from alcoholism and/or substance abuse problems, it could reasonably be expected that this percentage may be higher for State residents.</p>	Program management's allocation represents 20% of the total estimated Intermediate Residential Care service expenditures.

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Department Division Program Sub-Program	Program Receipts	Program Expenditures	Allocation Per Mental Health Analysis	Allocation Per Program Management Analysis	Program Description and Analysis of Mental Health Professionals and Program Managers	Nature and Extent of Audit Review, Allocation Process and Other Comments
<u>Department of Health and Social Services</u>						
<u>State Office of Alcoholism and Drug Abuse</u>						
<u>Methadone Treatment</u>						
As for drug treatment, the FY77 PLAH states that MIDD does provide service "to many drug and substance abusers whose primary presenting problem is labeled mental illness." (VOL I, P 20)			1,108,103		<p><u>Program Description:</u> Provides methadone (or other drugs approved by the Department) as a substitute for opiates, in addition to counseling and other types of psychological or social therapy.</p> <p><u>Mental Health Analysis:</u> The Methadone Treatment component of SOADA's program, like all of SOADA's drug abuse grant programs, addresses substance abuse. Historically, alcoholism and substance abuse have been classified as mental disorders under DSM-III. However, under Alaska Statutes alcoholism and substance abuse are excluded from the definition of mental illness and funds addressing these problems have, for the most part, been administered by agencies outside MIDD.</p>	For explanation of how expenditures were allocated for SOADA program see the discussion in this column for the Aftercare service component (the first program presented in the SOADA section of this schedule).
				221,621	<p><u>Program Management Analysis:</u> National studies conducted in recent years have generally indicated that 20% of individuals suffering from alcohol and/or substance abuse problems suffer from a diagnosable mental illness or disorder. Given the average age and circumstances of Alaskans suffering from alcoholism and/or substance abuse problems, it could reasonably be expected that this percentage may be higher for State residents.</p>	Program management's allocation represents 20% of the total estimated Methadone Treatment expenditures.
<u>Outpatient Care Services</u>						
The FY77 PLAH acknowledges that although MIDD has no statutory responsibility for the treatment of alcoholism, it states that the affects of alcohol abuse "cannot be separated and treated by the different divisions. Consequently, the regional clinics treat a large number of persons for alcohol and drug-related problems or refer them to other appropriate programs." (VOL I, P 19)			14,380,084		<p><u>Program Description:</u> Outpatient Care services provide non-residential diagnostic and primary alcoholism and drug abuse treatment services on both a scheduled and a non-scheduled basis. Outpatient services can either be delivered on a drug-free or drug-assisted basis.</p> <p><u>Mental Health Analysis:</u> The Outpatient Care component of SOADA's program, like all of SOADA's programs, addresses the problems of alcoholism and substance abuse. Historically, alcoholism and substance abuse have been classified as mental disorders under DSM-III. However, under Alaska Statutes alcoholism and substance abuse are excluded from the definition of mental illness and funds addressing these problems have, for the most part, been administered by agencies outside MIDD.</p>	For explanation of how expenditures were allocated for SOADA program see the discussion in this column for the Aftercare service component (the first program presented in the SOADA section of this schedule).
As for drug treatment, the FY77 PLAH states that MIDD does provide service "to many drug and substance abusers whose primary presenting problem is labeled mental illness." (VOL I, P 20)				2,876,017	<p><u>Program Management Analysis:</u> National studies conducted in recent years have generally indicated that 20% of individuals suffering from alcohol and/or substance abuse problems suffer from a diagnosable mental illness or disorder. Given the average age and circumstances of Alaskans suffering from alcoholism and/or substance abuse problems, it could reasonably be expected that this percentage may be higher for State residents.</p>	Program management's allocation represents 20% of the total estimated Outpatient Care services expenditures.

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Department Division Program Sub-Program 1977 Mental Health Plan Aspects	Program Receipts	Program Expenditures	Allocation Per Mental Health Analysis	Allocation Per Program Management Analysis	Program Descriptions and Analyses of Mental Health Professionals and Program Managers	Nature and Extent of Audit Review, Allocation Process and Other Comments
<u>Department of Health and Social Services</u>						
<u>State Office of Alcoholism and Drug Abuse</u>						
<u>Outreach</u>					<u>Program Description:</u> Outreach is the process of reaching into a community system- atically for the purpose of identifying persons in need of services, alerting persons and their families to the availability of services, and locating and enabling persons to enter and accept the service delivery system.	
The FY77 PLAN acknowledges that although MIDD has no statutory responsibility for the treatment of alcoholism, it states that the effects of alcohol abuse "cannot be separated and treated by the different divisions. Consequently, the regional clinics treat a large number of persons for alcohol and drug-related problems or refer them to other appropriate programs." (VOL 1, P 19)			1,942,521		<u>Mental Health Analysis:</u> The Outreach component of SOADA's program, like all of SOADA's programs, addresses the problems of alcoholism and substance abuse. Historically, alcoholism and substance abuse have been classified as mental disorders under DSM-III. However, under Alaska Statutes alcoholism and substance abuse are excluded from the definition of mental illness and funds addressing these problems have, for the most part, been administered by agencies outside MIDD.	For explanation of how expenditures were allocated for SOADA program see the discussion in this column for the Aftercare service component (the first program presented in the SOADA section of this schedule).
As for drug treatment, the FY77 PLAN states that MIDD does provide service "to many drug and substance abusers whose primary presenting problem is labeled mental illness." (VOL 1, P 20)				388,504	<u>Program Management Analysis:</u> National studies conducted in recent years have generally indicated that 20% of individuals suffering from alcohol and/or substance abuse problems suffer from a diagnosable mental illness or disorder. Given the average age and circumstances of Alaskans suffering from alcoholism and/or substance abuse problems, it could reasonably be expected that this percentage may be higher for State residents.	Program management's allocation represents 20% of the total est. Outreach services expenditures.
<u>Community Programs</u>					<u>Program Description:</u> Community programs are comprehensive alcoholism and drug abuse treatment and referral services. Programs generally do "a little of everything" and are found in the State's smaller communities.	
The FY77 PLAN acknowledges that although MIDD has no statutory responsibility for the treatment of alcoholism, it states that the effects of alcohol abuse "cannot be separated and treated by the different divisions. Consequently, the regional clinics treat a large number of persons for alcohol and drug-related problems or refer them to other appropriate programs." (VOL 1, P 19)			17,443,168		<u>Mental Health Analysis:</u> The Community Program aspect of SOADA, like all of SOADA's programs, addresses the problems of alcoholism and substance abuse. Historically, alcoholism and substance abuse have been classified as mental disorders under DSM-III. However, under Alaska Statutes alcoholism and substance abuse are excluded from the definition of mental illness and funds addressing these problems have, for the most part, been administered by agencies outside MIDD.	For explanation of how expenditures were allocated for SOADA program see the discussion in this column for the Aftercare service component (the first program presented in the SOADA section of this schedule).
As for drug treatment, the FY77 PLAN states that MIDD does provide service "to many drug and substance abusers whose primary presenting problem is labeled mental illness." (VOL 1, P 20)				3,488,634	<u>Program Management Analysis:</u> National studies conducted in recent years have generally indicated that 20% of individuals suffering from alcohol and/or substance abuse problems suffer from a diagnosable mental illness or disorder. Given the average age and circumstances of Alaskans suffering from alcoholism and/or substance abuse problems, it could reasonably be expected that this percentage may be higher for State residents.	Program management's allocation represents 20% of the total est. Community Program expenditures.

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STATE OF ALASKA  
 MENTAL HEALTH LANDS TRUST REVIEW  
 SUMMARY SCHEDULE AND ANALYSIS OF  
 POTENTIAL STATE MENTAL HEALTH EXPENDITURES  
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Department Division Program Sub-Program	Program Receipts	Program Expenditures	Allocation Per Mental Health Analysis	Allocation Per Program Management Analysis	Program Descriptions and Analyses of Mental Health Professionals and Program Managers	Nature and Extent of Audit Review, Allocation Process and Other Comments
<u>Department of Health and Social Services</u>						
<u>State Office of Alcoholism and Drug Abuse</u>						
<u>Training and Education</u>						
<p>The FY77 PLAN acknowledges that although MIDD has no statutory responsibility for the treatment of alcoholism, it states that the affects of alcohol abuse "cannot be separated and treated by the different divisions. Consequently, the regional clinics treat a large number of persons for alcohol and drug related problems, or refer them to other appropriate programs." (VOL 1, P 19)</p> <p>As for drug treatment, the FY77 PLAN states that MIDD does provide service "to many drug and substance abusers whose primary presenting problem is labeled mental illness." (VOL 1, P 20)</p>			1,962,942		<p><u>Program Descriptions:</u>            Training activities are comprised of all procedures directed towards increasing the knowledge, skills or competency of those providing substance abuse treatment services. The primary delivery of training services is accomplished through the regional training network and directed towards counselor trainee attainment to level I or level II certification. The delivery of training is also provided through the support of special purpose conferences, symposiums, and schools.</p> <p><u>Mental Health Analysis:</u>            Training and Education component of SOADA's program, like all of SOADA's programs, addresses the problems of alcoholism and substance abuse. Historically, alcoholism and substance abuse have been classified as mental disorders under DSM-III. However, under Alaska Statutes alcoholism and substance abuse are excluded from the definition of mental illness and funds addressing these problems have, for the most part, been administered by agencies outside MIDD.</p>	<p>For explanation of how expenditures were allocated for SOADA program, see the discussion in this column for the Aftercare service component (the first program presented in the SOADA section of this section).</p>
				392,588	<p><u>Program Management Analysis:</u>            National studies conducted in recent years have generally indicated that 20% of individuals suffering from alcohol and/or substance abuse problems suffer from a diagnosable mental illness or disorder. Given the average age and circumstances of Alaskans suffering from alcoholism and/or substance abuse problems, it could reasonably be expected that this percentage may be higher for State residents.</p>	<p>Program management's allocation represents 20% of the total cost of Training and Education services expenditures.</p>
<u>Youth Alternatives</u>						
<p>The FY77 PLAN acknowledges that although MIDD has no statutory responsibility for the treatment of alcoholism, it states that the affects of alcohol abuse "cannot be separated and treated by the different divisions. Consequently, the regional clinics treat a large number of persons for alcohol and drug-related problems or refer them to other appropriate programs." (VOL 1, P 19)</p> <p>As for drug treatment, the FY77 PLAN states that MIDD does provide service "to many drug and substance abusers whose primary presenting problem is labeled mental illness." (VOL 1, P 20)</p>			6,256,013		<p><u>Program Description:</u>            Provide structured prevention/education and recreational activities to youth target groups. Consultative and educational information are targeted to all area youth defined as "at risk" concerning alternatives to drug abuse. Services also include the operation of a variety of recreational activities.</p> <p><u>Mental Health Analysis:</u>            The Youth Alternatives component of SOADA's program, like all of SOADA's programs, addresses the problems of alcoholism and substance abuse. Historically, alcoholism and substance abuse have been classified as mental disorders under DSM-III. However, under Alaska Statutes alcoholism and substance abuse are excluded from the definition of mental illness and funds addressing these problems have, for the most part, been administered by agencies outside MIDD.</p>	<p>For explanation of how expenditures were allocated for SOADA program, see the discussion in this column for the Aftercare service component (the first program presented in the SOADA section of this section).</p>
				1,251,202	<p><u>Program Management Analysis:</u>            National studies conducted in recent years have generally indicated that 20% of individuals suffering from alcohol and/or substance abuse problems suffer from a diagnosable mental illness or disorder. Given the average age and circumstances of Alaskans suffering from alcoholism and/or substance abuse problems, it could reasonably be expected that this percentage may be higher for State residents.</p>	<p>Program management's allocation represents 20% of the total cost of Youth Alternative expenditures.</p>
<u>Total State Office of Alcoholism and Drug Abuse</u>	<u>\$9,199,181</u>	<u>\$95,846,650</u>	<u>\$95,846,650</u>	<u>\$19,169,329</u>		

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Department Division Program Sub-Program	Program Receipts	Program Expenditures	Allocation Per Mental Health Analysis	Allocation Per Program Management Analysis	Program Descriptions and Analyses of Mental Health Professionals and Program Managers	Nature and Extent of Audit Review, Allocation Error and Other Comments
<u>Department of Health and Social Services</u>						
<u>Division of Family and Youth Services (DFYS)</u>	1,150,987					
<u>Family/Social Services</u>		176,874,296				
<u>Ongoing Social Services</u>					<u>Program Descriptions:</u> Ongoing social workers work on cases that have passed through the preliminary intake and screening process. Ongoing social workers in larger communities essentially act as a coordinator and "broker" of available local services for children and families in their caseload. In smaller communities, workers generally provide more direct services, such as counseling. Ongoing social workers often utilize local mental health services such as private practice psychologists who may be under contract to the State and the local Community Mental Health Centers (CMHC). The primary goal of ongoing social workers is the development and implementation of a treatment plan to reunify dysfunctional families.	
The FY77 PLAN states that the Federal Community Mental Health Centers Act of 1975 (PL 95-63) requires that special attention be paid to the mental health needs of children. (VOL I, PP 77-79)						
The FY77 PLAN calls for a full range of diagnostic, treatment, liaison, and follow-up services to be provided.						
When assessing the need for mental health services in various parts of the State, one of the key indices that the FY77 PLAN considers is the rate of child abuse in the area compared to the State average. (VOL V, P 11)			2,135,161		<u>Mental Health Analysis:</u> To the extent that DFYS provides counseling services and funding for appropriate psychological treatment for individuals in the agency's caseload that have DSM-III diagnosed disorders, DFYS is supplying mental health services. However, many of the children and adults in DFYS' caseload engage in antisocial behavior or are undergoing typical parent/child conflicts that, although disruptive, do not constitute a DSM-III diagnosable mental disorder.	Expenditures for Intake Services, Ongoing Services, and Adult Protective Services were separated based on a prior study conducted by program management in January 1985. Estimates were developed from a survey of how social workers spend their time in five offices of the State: Juneau, Fairbanks, Anchorage, Eagle River, Galena, and Seward.
This suggests that programs that address either the prevention or treatment of victims and/or perpetrators of child abuse could be considered as mental health related expenditures.			2,581,815		In addition, DFYS program management estimated that approximately 10% of their caseloads were also a result of alcohol and substance problems. These DFYS expenditures for Ongoing Social Services may be determined to be mental health related based on DSM-III's classification of alcohol and substance abuse problems as mental disorders.	The Ongoing Services costs were allocated based on program management's estimates of the percentage of clients with DSM-III diagnoses in their current caseloads. Estimates were developed from a survey of selected caseloads in Fairbanks and Anchorage office management's estimates of DSM-III individuals in their current caseload. The final weighted average estimate of the percentage of DSM-III cases was 6.
						The second allocated cost figure presented in the mental health column represents an estimate of costs for services provided to individuals having alcohol and substance abuse problems. These individuals may have received a formal DSM-III diagnosis but represent a significant portion of DFYS' caseload. Costs associated with individuals who have received a formal diagnosis and have alcohol/substance abuse problems may be included in allocation figures.

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 TENTATIVE STATE MENTAL HEALTH EXPENDITURES  
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Department Division Program Sub-Program	Program Receipts	Program Expenditures	Allocation Per Mental Health Analysis	Allocation Per Program Management Analysis	Program Descriptions and Analyses of Mental Health Professionals and Program Managers	Nature and Extent of Audit Review, Allocation Pro- and Other Comments
<u>Department of Health and Social Services</u>						
<u>Division of Family and Youth Services (DFYS)</u>						
<u>Family/Social Services</u>						
<u>Ongoing Social Services (cont.)</u>				25,018,155	<p><u>Program Management Analysis:</u>            Ongoing social workers, as mental health professionals, provide services almost entirely to individuals with disabling/emotional conditions. Limited resources have prevented social workers from offering ongoing social work services to others. DFYS does not keep track of DSM-III diagnoses of its clients as a matter of course, although the agency feels a significant part of its caseload is in response to family problems brought on by alcoholism and substance abuse, both of which are DSM-III diagnosed illnesses.</p>	<p>This allocation also contains a of administrative and general capital project costs. These non-direct service expenditures allocated to the Ongoing Social Services category based on its per- of total Social Services expendi- for the FY 79 - 9/30/85 period.</p>
<u>Adult Protective Services</u>			19,178,873		<p><u>Program Description:</u>            Until FY 86, DFYS was responsible for providing protective services to adults. Social workers in this area provide direct counseling and casework coordination services to adults who cannot care for themselves. Social workers arrange for the provision of homemaker support, residential care, and adult foster care services.</p> <p>Adult Protective Services provides a continuum of services to dependent adults who may be elderly, mentally ill, physically handicapped, or developmentally disabled. A 1985 DFYS study found that a high percentage of Adult Protective Service clients had professionally diagnosed mental illnesses or developmental disabilities. The study indicated that 78% of the clients in Residential Care and 45% of those in Foster Care were chronically mentally ill, developmentally disabled, or both. The Adult Protective Services responsibilities, with the exception of elder abuse reports, were transferred to the Division of Mental Health and Developmental Disabilities (MHDD) during FY 86.</p> <p><u>Mental Health Analysis:</u>            All professionals agree that DFYS' Adult Protective Services program historically has met a need for providing a non-institutional, less restrictive setting for a group of adults who, as studies indicate, had a large incidence of diagnosed, chronic mental illness.</p>	<p>80% of identified Adult Protective Services (APS) expenditures were allocated to Mental Health based the findings of a 1985 DFYS study found that approximately 8 the individuals in APS had DSM-III diagnosed mental disorders.</p>
<p>The FY77 PLAN states that the Federal Community Mental Health Centers Act of 1975 (PL 95-63) requires that special attention be paid to the mental health needs of the elderly. (VOL I, PP 77-79)</p> <p>The FY77 PLAN calls for a full range of diagnostic, treatment, liaison, and follow-up services to be provided.</p> <p>Outreach services and home visits were identified as an "integral part of any program of service to the elderly." (VOL I, P 79)</p> <p>"Additionally, liaison services should focus on those resources and agencies which regularly deal with elderly populations so as to promote coordination and more ready access to other health and human services." (VOL I, P 79)</p>						

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Department Division Program Sub-Program	Program Receipts	Program Expenditures	Allocation Per Mental Health Analysis	Allocation Per Program Management Analysis	Program Descriptions and Analyses of Mental Health Professionals and Program Managers	Nature and Extent of Audit Review, Allocation Findings and Other Comments
<u>Department of Health and Social Services</u>						
<u>Division of Family and Youth Services (DFYS)</u>						
<u>Family/Social Services</u>						
<u>Adult Protective Services (cont.)</u>						
				21,973,592	<p><u>Program Management Analysis:</u>            All professionals agree that DFYS' Adult Protective Services program historically has met a need for providing a non-institutional, less restrictive setting for a group of adults who, as studies indicate, had a large incidence of diagnosed, chronic mental illness.</p>	<p>This allocation also contains a of administrative and general capital project costs. These non-direct service expenditures allocated to APS based on its percentage of total Social Serv. expenditures for the FY 79 - 9/30 period.</p> <p>The allocated amount presented in program management column represents 100% of identified Adult Protective Services expenditures.</p> <p>This allocation also contains a of administrative and general capital project costs. These non-direct service expenditures allocated to APS based on its percentage of total Social Serv. expenditures for the FY 79 - 9/30 period.</p>
					<p><u>Program Description:</u>            In FY 86, DFYS developed a Request for Proposals that categorized and described the types of residential care that DFYS needed for their clients. These categories of care were defined as follows:</p> <p>Category I - Day Treatment: An intensive daytime program of structured, supervised, rehabilitative activities for adolescents with behavioral and emotional problems.</p> <p>Category II - Emergency Shelter: A temporary residential care shelter for children who are in immediate danger in their present environment. There is little or no emphasis on treatment due to the short-term stays of children placed.</p> <p>Category III - Specialized Group Homes: Residential programs with more highly structured programs providing 24-hour care, supervision and treatment services for children with moderate to severe emotional and behavioral problems.</p>	
					<p><u>Residential Care</u></p> <p>The FY77 PLAN often uses the term "residential care facility" without clearly stating what type of facility is contemplated by use of the term.</p> <p>The FY77 PLAN identified inpatient services that provided short-term, intensive treatment, and/or evaluation as an element of mental health services. (VOL I, PP 70-72)</p> <p>The FY77 PLAN also seems to consider that facilities with differing programs could be part of the mental health system. The FY77 PLAN states "it is to be recognized that for certain</p>	