

**State of Alaska
FY2005 Governor's Operating Budget**

**Department of Revenue
Alaska Mental Health Trust Authority
Component Budget Summary**

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Component: Alaska Mental Health Trust Authority

Contribution to Department's Mission

The mission of the Alaska Mental Health Trust Authority is to administer the Alaska Mental Health Trust as a perpetual trust and to ensure a comprehensive and integrated mental health program to improve the lives of beneficiaries.

Core Services

- Manage Trust cash and non-cash assets.
- Provide leadership in advocacy and planning around beneficiary related issues.
- Ensure funding of a comprehensive integrated mental health program.
- Spend Trust income to improve the lives and circumstances of Trust beneficiaries.

End Results	Strategies to Achieve Results
<p>(1) Increase quality of life for Trust beneficiaries.</p> <p><u>Target:</u> At least 10% of "In Step Plan" indicators will show improvement.</p> <p><u>Measure:</u> % of In Step Plan indicators showing improvement.</p>	<p>(1) Maximize revenues from Trust cash assets.</p> <p><u>Target:</u> FY 05 3.5% payout of Trust Principle Fund, 1 million in interest income, 2.6 million in land income.</p> <p><u>Measure:</u> FY 05 3.5% of Trust Principle Fund, % of 1 million in interest income generated, and % of 2.6 million in land income generated.</p> <p><u>Target:</u> Maintain Reserve account at 400%.</p> <p><u>Measure:</u> % reserve account maintained.</p> <p><u>Target:</u> 5% total real return on Trust Fund at APFC.</p> <p><u>Measure:</u> Total Real Return as set by APFC.</p> <p><u>Target:</u> % return on intermediate fund invested at Treasury.</p> <p><u>Measure:</u> Actual rate of return on intermediate fund invested at Treasury.</p> <p>(2) Maximize revenues from Trust non-cash assets.</p> <p><u>Target:</u> FY 05 \$2.6 million in spendable income for Trust Authority.</p> <p><u>Measure:</u> Percentage of Trust Land Office spendable "income" achieved.</p> <p><u>Target:</u> FY 05 \$5.3 million to Trust Principle from Trust Land Office.</p> <p><u>Measure:</u> Percentage of Trust Land Office principle projection achieved.</p> <p><u>Target:</u> Invest at least \$1 million of Trust principle in Trust land enhancements or strategic land acquisitions.</p> <p><u>Measure:</u> Percent of target amount invested.</p> <p>(3) Spend Trust income to improve the lives and circumstances of Trust beneficiaries.</p> <p><u>Target:</u> Budget 3.5% percent of Trust Funds annually for</p>

End Results	Strategies to Achieve Results
	<p>programmatic spending as set by Asset Management Policy approved by Board of Trustees. <u>Measure:</u> Percent of Trust Fund spent annually for MHTAAR projects approved by Trustees.</p> <p><u>Target:</u> At least 50% of MHTAAR funded projects and 80% of Small Projects funded with Trust Income will report beneficiary-related performance outcome measures. <u>Measure:</u> Percent of Trust Income funded projects that report beneficiary-related performance outcome measures.</p> <p>(4) Leverage Trust funds with funds from private corporations, foundations and other sources for beneficiary related projects.</p> <p><u>Target:</u> Leverage \$10.00 for every \$1.00 MHTAAR in projects designated as partnering projects. <u>Measure:</u> Dollars leveraged for every dollar of MHTAAR.</p> <p><u>Target:</u> Generate 12 partners for MHTAAR partnering projects outside of state government. <u>Measure:</u> Percent of target met.</p> <p>(5) Provide leadership in advocacy and planning around improving lives of beneficiaries.</p> <p><u>Target:</u> Work to develop/change at least two policies/programs to improve/protect the lives of beneficiaries. <u>Measure:</u> Number of policies developed/changed that improve/protect the lives of beneficiaries.</p>

Major Activities to Advance Strategies	
<ul style="list-style-type: none"> • Monthly financial reports produced and distributed to Trustees. • Complete annual payout and funding report and distribute. • Coordinate cash management with APFC. • Prepare and distribute annual report. • Trustee Resource Management Committee meets and approves the TLO annual work plan. • Manage existing and create new land sale contracts, timber sale contracts, leases and licenses. • Efficient and accountable Trust Land Office Administration. • Enhance Trust land values through subdivision improvements and other actions, and acquire new lands for the Trust. • Work with Trust Advisory bodies, consumers and provider groups to access needs of beneficiaries. • Annual request for recommendations to advisory groups. • Develop recommendations for the Governor and 	<ul style="list-style-type: none"> • Trust implements funding as approved by Trustees. • Develop funding agreements and performance measures for Trust funding projects and monitor. • Work with Trust advisory bodies, departments, consumers and provider groups to evaluate effectiveness of MHTAAR funded projects. • Develop partnership and other independently administered project proposals with leveraged funds for consideration by Trustees. • Finance Committee considers proposals and determines which ones to forward to Board of Trustees for approval. • Board of Trustees considers and makes decisions on proposals. • Memorandum of agreements developed, executed, monitored and evaluated for projects approved. • Partner with DHSS, and provide funding, develop Comprehensive Integrated Mental Health Plan and keep updated. • Provide facilitation/sponsorship for collaboration

Major Activities to Advance Strategies

<p>Legislative Budget and Audit Committee by Sept. 15 for the Mental Health Appropriation Bill.</p> <ul style="list-style-type: none"> • Recommendations from Trustees presented to OMB. • Trust works with Governor and legislature to finalize funding in the Mental Health Budget bill. 	<p>meetings of four advisory bodies specified in statute to set collaboration agenda.</p> <ul style="list-style-type: none"> • Provide technical assistance to Steering Committee for Coordinated Communications Plan. • Participate on Steering Committee for Coordinated Communications Plan. • Implement Trust related strategies from the Coordinated Communications Plan. • Partner with DHSS in planning system change for the Behavioral Health system and for senior and developmentally disabled systems.
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FY2005 Resources Allocated to Achieve Results

FY2005 Component Budget: \$1,418,400

Personnel:

Full time	9
Part time	0
Total	9

Performance Measure Detail

(1) Result: Increase quality of life for Trust beneficiaries.

Target: At least 10% of "In Step Plan" indicators will show improvement.

Measure: % of In Step Plan indicators showing improvement.

Year	FY2002	FY2003	FY2004	FY2005	YTD Total
2004	NA	NA	NA	NA	
2005	0	0	0	0	0

Analysis of results and challenges: State statute requires an integrated comprehensive mental health plan. The "In Step Plan" is done in partnership with The Trust by DHSS and is updated annually by a staff person who is funded partially by The Trust.

(1) Strategy: Maximize revenues from Trust cash assets.

Target: FY 05 3.5% payout of Trust Principle Fund, 1 million in interest income, 2.6 million in land income.

Measure: FY 05 3.5% of Trust Principle Fund, % of 1 million in interest income generated, and % of 2.6 million in land income generated.

Year	FY2002	FY2003	FY2004	FY2005	YTD Total
2004	NA	NA	NA	NA	0

Analysis of results and challenges: The Trustee set a payout rate, interest income and land income rates that will maximize available income while ensuring a perpetual Trust and keep the annual revenues for funding the integrated comprehensive mental health program secure during sustained market downturns. The payout rate has been increased twice and will eventually approach 5% as the reserve becomes fully funded.

Target: Maintain Reserve account at 400%.

Measure: % reserve account maintained.

Year	FY2002	FY2003	FY2004	FY2005	YTD Total
2004	NA	NA	NA	NA	0

Analysis of results and challenges: The Trust used a consultant to recommend methods to assure consistent funding levels for the Integrated Comprehensive Mental Health Program and a 400% reserve account was recommended and adopted by the Board of Trustees. This reserve account has proven essential over the last three years during the downturn in the investment market to keeping funding available when other philanthropy organizations and funding corporations from the State of Alaska have reduced funding.

Target: 5% total real return on Trust Fund at APFC.

Measure: Total Real Return as set by APFC.

Year	FY2002	FY2003	FY2004	FY2005	YTD Total
2004	NA	NA	NA	NA	0

Target: % return on intermediate fund invested at Treasury.

Measure: Actual rate of return on intermediate fund invested at Treasury.

Analysis of results and challenges: The real return rate is set annually by the APFC. The Trust Principle account is mandated in statute to be managed by the APFC.

(2) Strategy: Maximize revenues from Trust non-cash assets.

Target: FY 05 \$2.6 million in spendable income for Trust Authority.

Measure: Percentage of Trust Land Office spendable "income" achieved.

Year	FY2002	FY2003	FY2004	FY2005	YTD Total
2004	NA	NA	NA	NA	0

Target: FY 05 \$5.3 million to Trust Principle from Trust Land Office.

Measure: Percentage of Trust Land Office principle projection achieved.

Target: Invest at least \$1 million of Trust principle in Trust land enhancements or strategic land acquisitions.

Measure: Percent of target amount invested.

Analysis of results and challenges: The Trust Board of Trustees have set resource management policies which include definitions of spendable income.

(3) Strategy: Spend Trust income to improve the lives and circumstances of Trust beneficiaries.

Target: Budget 3.5% percent of Trust Funds annually for programmatic spending as set by Asset Management Policy approved by Board of Trustees.

Measure: Percent of Trust Fund spent annually for MHTAAR projects approved by Trustees.

Year	FY2002	FY2003	FY2004	FY2005	YTD Total
2004	NA	NA	NA	NA	0

Analysis of results and challenges: The Trustee set a payout rate, interest income and land income rates that will maximize available income while ensuring a perpetual Trust and keep the annual revenues for funding the integrated comprehensive mental health program secure during sustained market downturns. The payout rate has been increased twice and will eventually approach 5% as the reserve becomes fully funded.

Target: At least 50% of MHTAAR funded projects and 80% of Small Projects funded with Trust Income will report beneficiary-related performance outcome measures.

Measure: Percent of Trust Income funded projects that report beneficiary-related performance outcome measures.

Year	FY2002	FY2003	FY2004	FY2005	YTD Total
2004	NA	NA	NA	NA	0

Analysis of results and challenges: The Trust is dedicated to assuring that its resources are expended to improve the lives of Trust beneficiaries. Each project approved and funded with Trust Income is required to set performance measures and to report at the end of the first 6 months and then again annually at the end of each funded year, with a final report done a year after the termination of any project. Each project is measured against the impact it will have on improving the lives of beneficiaries or creating the system capacity to improve beneficiary lives.

(4) Strategy: Leverage Trust funds with funds from private corporations, foundations and other sources for beneficiary related projects.

Target: Leverage \$10.00 for every \$1.00 MHTAAR in projects designated as partnering projects.

Measure: Dollars leveraged for every dollar of MHTAAR.

Year	FY2002	FY2003	FY2004	FY2005	YTD Total
2004	NA	NA	NA	NA	0

Analysis of results and challenges: The Trust has been focusing on increasing resources that help to improve the lives of Trust beneficiaries. A proven way the philanthropic community across the nation does this is through leveraging funds with other resources to accomplish mutual goals. The Trust has been increasing leveraging activity each year and continues to place an emphasis on partnering with local, state and national partners.

Target: Generate 12 partners for MHTAAR partnering projects outside of state government.

Measure: Percent of target met.

Year	FY2002	FY2003	FY2004	FY2005	YTD Total
2004	NA	NA	NA	NA	0

Analysis of results and challenges: The Trust has been focusing on increasing resources that help to improve the lives of Trust beneficiaries. A proven way the philanthropic community across the nation does this is through leveraging funds with other resources to accomplish mutual goals. The Trust has been increasing leveraging activity each year and continues to place an emphasis on partnering with local, state and national partners.

(5) Strategy: Provide leadership in advocacy and planning around improving lives of beneficiaries.

Target: Work to develop/change at least two policies/programs to improve/protect the lives of beneficiaries.

Measure: Number of policies developed/changed that improve/protect the lives of beneficiaries.

Year	FY2002	FY2003	FY2004	FY2005	YTD Total
2004	NA	NA	NA	NA	NA

Analysis of results and challenges: The Trust is tasked in statute with providing leadership to improve systems that serve Trust beneficiaries. The challenge for the next few years will be to advocate for healthy public policy around beneficiaries issues during times of government reorganizations and downsizing.

Key Component Challenges

- In light of the stock market changes and volatility, maintain a principal reserve account balance sufficient to protect the disbursement rate over time so as to allow the comprehensive integrated mental health program budget to remain funded at a constant level.
- Assist with the replacement and reduction in the number of beds in the state psychiatric hospital, while simultaneously increasing the southcentral Alaska community-based services to compensate for this downsizing.
- To coordinate and collaborate with the various state agencies, providers and advocacy groups to meet the program needs of the trust beneficiaries.
- To support the innovative programs and projects in the areas of housing, transportation, employment, and service needs for trust beneficiaries, while maintaining the current funding level for mental health programs and projects to avoid a serious gap in services.
- To provide support to the various task forces or initiatives on insurance parity, assisted living development, work force development, community-based services, homeless, and transportation issues so as to allow the current state administered programs to continue until a solution or mandate can be met.
- Educate the beneficiaries, their families, policymakers and the public about the Trust's responsibilities and activities.
- Continue to develop partnering initiatives to leverage funds from private corporations and foundations for beneficiary related programs.
- Improve the information required to assess the extent, causes, and costs of unnecessary/avoidable incarceration of persons with mental disabilities is not routinely collected by criminal justice system agencies. This hinders both efforts to make effective policy and program changes and to measure their results.

Significant Changes in Results to be Delivered in FY2005

No changes in results delivered.

Major Component Accomplishments in 2003

- Secured inclusion of Behavioral Health space in rural primary health care clinics including equal access to Denali Commission funding.
- Individual Develop Account (IDA) project progression included the initiation of a new partnership with Cook Inlet Tribal Council (CITC) to begin an IDA program which leveraged their getting a 5 year federal grant for IDA's. Additionally, AMHTA partnered with Rasmuson Foundation and the United Way of Anchorage to form a statewide IDA umbrella organization that will continue to move IDA forward in the state.
- Provided technical assistance to rural areas to assist them in developing new funding sources for projects that would serve Trust beneficiaries.
- Partnered on many projects to build new infrastructure to serve Trust beneficiaries including expansion of the Safe Harbor Inn in Anchorage, the Chugiak Senior Center expansion, and a new kitchen for the Wasilla Senior Center.
- Awarded 31 small grants of up to \$10,000 for beneficiary-related projects for a total of \$274,896 – half of which were rural projects.
- Development of a web-based data system for collecting information on persons with mental disorders held in correctional facilities, jails, lockups, under protective custody authority of AS 47.30 - .37.
- Development of joint initiative with Alaska Court System to sustain and expand therapeutic courts.
- Negotiated an agreement with Dept. of Corrections to increase capacity to perform forensic examinations – determination of mental competence of defendants occurs more quickly; criminal cases are resolved more quickly increasing efficiency of criminal justice system and reducing jail time; defendants who are incompetent

are transferred from jail to appropriate treatment reducing inappropriate incarceration and demand on correctional system.

- Project-specific memorandums of agreement developed among criminal justice and treatment system agencies to enable federally funded project to divert mentally ill “nuisance” offenders from jail to community treatment.
- Private funding obtained to support community forums and initiate development of community plans in 5 communities.
- Assisted state criminal justice and treatment agencies in application for resources to assist in planning and implementing policy and program changes to increase coordination between and effectiveness of the two systems in reducing unnecessary incarceration of mentally ill and achieving better public safety outcomes.

Statutory and Regulatory Authority

AS 37.14

AS 47.30

Contact Information
<p>Contact: Jeff Jessee, Executive Director Phone: (907) 269-7960 Fax: (907) 269-7966 E-mail: Jeff_Jessee@mhta.revenue.state.ak.us</p>

**Alaska Mental Health Trust Authority
Component Financial Summary**

All dollars shown in thousands

	FY2003 Actuals	FY2004 Authorized	FY2005 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	900.4	954.5	859.4
72000 Travel	160.0	121.1	125.2
73000 Contractual	464.0	567.3	386.0
74000 Supplies	26.9	21.5	22.1
75000 Equipment	36.6	25.9	25.7
76000 Land/Buildings	0.0	0.0	0.0
77000 Grants, Claims	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	1,587.9	1,690.3	1,418.4
Funding Sources:			
1004 General Fund Receipts	58.5	0.0	0.0
1007 Inter-Agency Receipts	433.6	391.2	0.0
1092 Mental Health Trust Authority Authorized Receipts	0.0	100.0	155.4
1094 Mental Health Trust Administration	1,095.8	1,199.1	1,263.0
Funding Totals	1,587.9	1,690.3	1,418.4

Estimated Revenue Collections

Description	Master Revenue Account	FY2003 Actuals	FY2004 Authorized	FY2005 Governor
Unrestricted Revenues				
None.		0.0	0.0	0.0
Unrestricted Total		0.0	0.0	0.0
Restricted Revenues				
Interagency Receipts	51015	433.6	391.2	0.0
Restricted Total		433.6	391.2	0.0
Total Estimated Revenues		433.6	391.2	0.0

**Summary of Component Budget Changes
From FY2004 Authorized to FY2005 Governor**

All dollars shown in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2004 Authorized	0.0	0.0	1,690.3	1,690.3
Adjustments which will continue current level of service:				
-Transfer Long Term Care Ombudsman from Mental Health Trust Authority to new component	0.0	0.0	-391.2	-391.2
-Alcohol Grant Review Project End-Sec 81(d)(3) CH1 SLA 2002 P133 L26 (SB 2006) – ADN 04-3-1006	0.0	0.0	-100.0	-100.0
-Changes to Retirement and Other Personal Services Rates	0.0	0.0	31.4	31.4
Proposed budget increases:				
-Disability Justice Initiative	0.0	0.0	155.4	155.4
-Trustee Approved Funding Increase	0.0	0.0	32.5	32.5
FY2005 Governor	0.0	0.0	1,418.4	1,418.4

**Alaska Mental Health Trust Authority
Personal Services Information**

Authorized Positions		Personal Services Costs		
	FY2004 Authorized	FY2005 Governor		
Full-time	12	9	Annual Salaries	637,422
Part-time	0	0	Premium Pay	0
Nonpermanent	3	3	Annual Benefits	239,206
			<i>Less 1.97% Vacancy Factor</i>	<i>(17,228)</i>
			Lump Sum Premium Pay	0
Totals	15	12	Total Personal Services	859,400

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Accounting Supervisor	1	0	0	0	1
Budget Coordinator	1	0	0	0	1
Deputy Director	1	0	0	0	1
Executive Director	1	0	0	0	1
Graduate Intern	2	0	0	0	2
Grants Administrator	1	0	0	0	1
Program Service Aide	1	0	0	0	1
Project Director	1	0	0	0	1
Trust Financial Officer	1	0	0	0	1
Trust Program Officer	2	0	0	0	2
Totals	12	0	0	0	12