

Open Meetings Act

AS 44.62.310. Government meetings public. (a) All meetings of a governmental body of a public entity of the state are open to the public except as otherwise provided by this section or another provision of law. Attendance and participation at meetings by members of the public or by members of a governmental body may be by teleconferencing. Agency materials that are to be considered at the meeting shall be made available at teleconference locations if practicable. Except when voice votes are authorized, the vote shall be conducted in such a manner that the public may know the vote of each person entitled to vote. The vote at a meeting held by teleconference shall be taken by roll call. This section does not apply to any votes required to be taken to organize a governmental body described in this subsection.

(b) If permitted subjects are to be discussed at a meeting in executive session, the meeting must first be convened as a public meeting and the question of holding an executive session to discuss matters that are listed in (c) of this section shall be determined by a majority vote of the governmental body. The motion to convene in executive session must clearly and with specificity describe the subject of the proposed executive session without defeating the purpose of addressing the subject in private. Subjects may not be considered at the executive session except those mentioned in the motion calling for the executive session unless auxiliary to the main question. Action may not be taken at an executive session, except to give direction to an attorney or labor negotiator regarding the handling of a specific legal matter or pending labor negotiations.

(c) The following subjects may be considered in an executive session:

(1) matters, the immediate knowledge of which would clearly have an adverse effect upon the finances of the public entity;

(2) subjects that tend to prejudice the reputation and character of any person, provided the person may request a public discussion;

(3) matters which by law, municipal charter, or ordinance are required to be confidential;

(4) matters involving consideration of government records that by law are not subject to public disclosure.

(d) This section does not apply to

(1) a governmental body performing a judicial or quasi-judicial function when holding a meeting solely to make a decision in an adjudicatory proceeding;

(2) juries;

(3) parole or pardon boards;

(4) meetings of a hospital medical staff;

(5) meetings of the governmental body or any committee of a hospital when holding a meeting solely to act upon matters of professional qualifications, privileges, or discipline;

(6) staff meetings or other gatherings of the employees of a public entity, including meetings of an employee group established by policy of the Board of Regents of the University of Alaska or held while acting in an advisory capacity to the Board of Regents;

(7) meetings held for the purpose of participating in or attending a gathering of a national, state, or regional organization of which the public entity, governmental body, or member of the governmental body is a member, but only if no action is taken and no business of the governmental body is conducted at the meetings; or

(8) meetings of municipal service area boards established under [AS 29.35.450](#) - 29.35.490 when meeting solely to act on matters that are administrative or managerial in nature.

(e) Reasonable public notice shall be given for all meetings required to be open under this

section. The notice must include the date, time, and place of the meeting and if, the meeting is by teleconference, the location of any teleconferencing facilities that will be used. Subject to posting notice of a meeting on the Alaska Online Public Notice System as required by AS 44.62.175(a), the notice may be given using print or broadcast media. The notice shall be posted at the principal office of the public entity or, if the public entity has no principal office, at a place designated by the governmental body. The governmental body shall provide notice in a consistent fashion for all its meetings.

(f) Action taken contrary to this section is voidable. A lawsuit to void an action taken in violation of this section must be filed in superior court within 180 days after the date of the action. A member of a governmental body may not be named in an action to enforce this section in the member's personal capacity. A governmental body that violates or is alleged to have violated this section may cure the violation or alleged violation by holding another meeting in compliance with notice and other requirements of this section and conducting a substantial and public reconsideration of the matters considered at the original meeting. If the court finds that an action is void, the governmental body may discuss and act on the matter at another meeting held in compliance with this section. A court may hold that an action taken at a meeting held in violation of this section is void only if the court finds that, considering all of the circumstances, the public interest in compliance with this section outweighs the harm that would be caused to the public interest and to the public entity by voiding the action. In making this determination, the court shall consider at least the following:

- (1) the expense that may be incurred by the public entity, other governmental bodies, and individuals if the action is voided;
- (2) the disruption that may be caused to the affairs of the public entity, other governmental bodies, and individuals if the action is voided;
- (3) the degree to which the public entity, other governmental bodies, and individuals may be exposed to additional litigation if the action is voided;
- (4) the extent to which the governing body, in meetings held in compliance with this section, has previously considered the subject;
- (5) the amount of time that has passed since the action was taken;
- (6) the degree to which the public entity, other governmental bodies, or individuals have come to rely on the action;
- (7) whether and to what extent the governmental body has, before or after the lawsuit was filed to void the action, engaged in or attempted to engage in the public reconsideration of matters originally considered in violation of this section;
- (8) the degree to which violations of this section were willful, flagrant, or obvious;
- (9) the degree to which the governing body failed to adhere to the policy under AS 44.62.312(a).

(g) Subsection (f) of this section does not apply to a governmental body that has only authority to advise or make recommendations to a public entity and has no authority to establish policies or make decisions for the public entity.

(h) In this section,

(1) "governmental body" means an assembly, council, board, commission, committee, or other similar body of a public entity with the authority to establish policies or make decisions for the public entity or with the authority to advise or make recommendations to the public entity; "governmental body" includes the members of a subcommittee or other subordinate unit of a governmental body if the subordinate unit consists of two or more members;

(2) "meeting" means a gathering of members of a governmental body when

(A) more than three members or a majority of the members, whichever is less, are present, a matter upon which the governmental body is empowered to act is considered by the members collectively, and the governmental body has the authority to establish policies or make decisions for a public entity; or

(B) more than three members or a majority of the members, whichever is less, are present, the gathering is prearranged for the purpose of considering a matter upon which the governmental body is empowered to act, and the governmental body has only authority to advise or make recommendations for a public entity but has no authority to establish policies or make decisions for the public entity;

(3) "public entity" means an entity of the state or of a political subdivision of the state including an agency, a board or commission, the University of Alaska, a public authority or corporation, a municipality, a school district, and other governmental units of the state or a political subdivision of the state; it does not include the court system or the legislative branch of state government.

AS 44.62.312. State policy regarding meetings. (a) It is the policy of the state that

(1) the governmental units mentioned in AS 44.62.310(a) exist to aid in the conduct of the people's business;

(2) it is the intent of the law that actions of those units be taken openly and that their deliberations be conducted openly;

(3) the people of this state do not yield their sovereignty to the agencies that serve them;

(4) the people, in delegating authority, do not give their public servants the right to decide what is good for the people to know and what is not good for them to know;

(5) the people's right to remain informed shall be protected so that they may retain control over the instruments they have created;

(6) the use of teleconferencing under this chapter is for the convenience of the parties, the public, and the governmental units conducting the meetings.

(b) AS 44.62.310(c) and (d) shall be construed narrowly in order to effectuate the policy stated in (a) of this section and to avoid exemptions from open meeting requirements and unnecessary executive sessions.

AS 44.62.319. Short title. AS 44.62.310 - 44.62.319 may be cited as the Open Meetings Act.

Alaska Statutes Related to the Alaska Mental Health Trust Authority

Sec. 37.14.001. Mental health trust. In carrying out its trust obligations under the Mental Health Enabling Act of 1956, the state acts through the governor, the legislature, and the Alaska Mental Health Trust Authority (AS 47.30.011).

Sec. 37.14.003. Responsibilities of the governor. (a) At the time the governor submits the report under AS 37.07.060(b), the governor shall submit to the legislature a separate appropriation bill limited to appropriations for the state's integrated comprehensive mental health program.

(b) If the appropriations in the bill submitted by the governor under (a) of this section differ from those proposed by the authority, the bill must be accompanied by a report explaining the reasons for the differences between the proposed appropriations in the governor's bill and the authority's recommendations for expenditures from the general fund for the state's integrated comprehensive mental health program.

(c) If the governor vetoes all or a part of an appropriation for the integrated comprehensive mental health program, the governor's veto message must explain the vetoes in light of the authority's recommendations for expenditures from the general fund for the state's integrated comprehensive mental health program.

Sec. 37.14.005. Responsibilities of the legislature. (a) The legislature shall annually pass and transmit to the governor a bill making appropriations of money for the state's integrated comprehensive mental health program.

(b) The legislature shall make appropriations for the state's integrated comprehensive mental health program in a separate appropriation bill limited to appropriations for the state's integrated comprehensive mental health program.

(c) If the appropriations in the bill passed by the legislature differ from those proposed by the authority, the bill must be accompanied by a report explaining the reasons for the differences between the appropriations in the bill and the authority's recommendations for expenditures from the general fund for the state's integrated comprehensive mental health program.

Sec. 37.14.007. Authority as trustee. (a) The Alaska Mental Health Trust Authority, established by AS 47.30.011, is the trustee of the trust established under the Alaska Mental Health Enabling Act of 1956, P.L. 84-830, 70 Stat. 709.

(b) In exercising the powers, duties, and responsibilities as trustee, the authority is under a duty to the public and the trust beneficiaries to

- (1) administer the trust consistent with AS 37.14.009 in the interest of the beneficiaries;
- (2) keep and render clear and accurate accounts with respect to the administration of the trust;
- (3) make public and available complete and accurate information as to the nature and amount of the trust property;
- (4) exercise a high degree of care in administering the trust;
- (5) take reasonable steps to take and keep control of the trust property;
- (6) use care and skill to preserve the trust property;
- (7) take reasonable steps to realize on claims that are held in trust;
- (8) defend against actions that may result in a loss to the trust estate, unless under all the

circumstances, considering the other duties owed to the trust, it is reasonable not to make the defense;

- (9) separately account for trust property;
- (10) ensure that trust property is designated as property of the trust;
- (11) use care and skill to make the trust property productive; however, nothing in this paragraph shall prevent the state from using trust property directly or indirectly, by contractual stipulation or otherwise, as a component of the state's mental health trust program; and
- (12) deal impartially with the different trust beneficiaries as provided in AS 47.30.056.

Sec. 37.14.009. Trust management. (a) The Alaska Mental Health Trust Authority

(1) has a fiduciary obligation to ensure that the assets of the trust are managed consistent with the requirements of the Alaska Mental Health Enabling Act, P.L. 84-830, 70 Stat. 709 (1956);

(2) shall contract with the Department of Natural Resources to manage the land assets of the trust; the contract must provide for the recording of at least one conveyance to the authority by quitclaim deed of mental health trust land in each recording district in the state in which mental health trust land is located; a conveyance to the authority is exempt from the platting and surveying requirements of AS 38.04.045(b) and municipal ordinances adopted under AS 29.40; when the Department of Natural Resources manages land assets of the trust under a contract entered into under this paragraph, the department shall

- (A) manage in conformity with AS 38.05.801;
 - (B) consult with the authority before adopting regulations under AS 38.05.801(c);
 - (C) provide notice to, and consult with, the authority regarding all proposed actions subject to public notice under AS 38.05.945 before giving that public notice;
 - (D) annually provide the authority with a report including
 - (i) a description of all land management activities undertaken under this section during the prior year;
 - (ii) an accounting of all income and proceeds generated from mental health trust land;
 - (iii) an explanation of the manner in which the income and proceeds were allocated between the mental health trust fund and the mental health trust settlement income account; and
 - (E) obtain the approval of the authority before exchanging mental health trust land under AS 38.05.801(b)(2); and
- (3) shall contract with Alaska Permanent Fund Corporation for management of the mental health trust fund.

Sec. 37.14.031. Trust fund established. (a) The mental health trust fund is established as a separate fund of the Alaska Mental Health Trust Authority.

- (b) The fund consists of the cash assets of the principal of the trust, and includes
- (1) money appropriated to the fund;
 - (2) the proceeds of sale or other disposals of mental health trust land, and the fees, charges, income earned, royalty proceeds, and other money received from the management of mental health trust land attributable to principal; and
 - (3) gifts, bequests, and contributions from other sources.

(c) The net income of the fund shall be determined by the Alaska Permanent Fund Corporation in the same manner the corporation determines the net income of the Alaska permanent fund under AS 37.13.140.

(d) The authority shall adopt regulations providing for the determination of amounts attributable to principal under (b)(2) of this section. The regulations must provide for the allocation between principal and income of money received from the management of mental health trust land, and the manner of allocation must be in the long-term best interest of the trust and its beneficiaries.

Sec. 37.14.033. Management of trust fund. The mental health trust fund shall be managed by the Alaska Permanent Fund Corporation under AS 37.13.300.

Sec. 37.14.035. Trust fund utilization. (a) The cash principal of the mental health trust fund shall be retained perpetually in the fund for investment by the Alaska Permanent Fund Corporation, as specified in AS 37.13.300.

(b) The net income of the fund shall be transferred by the corporation to the mental health trust settlement income account at the end of each fiscal year.

(c) The net income of the fund may only be utilized by the Alaska Mental Health Trust Authority for the purposes listed in AS 37.14.041.

Sec. 37.14.036. Trust settlement income account established. (a) The mental health trust settlement income account is established as a separate account of the Alaska Mental Health Trust Authority. The mental health trust settlement income account consists of

(1) fees, charges, income earned on assets, and other money received by the trust that is not attributable to the principal of the trust under AS 37.14.031(d); and

(2) money deposited in the account in accordance with appropriations or allocations made by law.

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

Sec. 37.14.039. Trust settlement income account administration. (a) The mental health trust settlement income account shall be administered by the Alaska Mental Health Trust Authority.

(b) If the authority determines that there is a surplus of money in the account above the amount sufficient to meet current and projected cash expenditure needs of the authority, the surplus shall be invested by the authority as provided in AS 37.10.071 for the making of investments by the fiduciary of a state fund. Income earned on investments made under this subsection may be retained by the authority and expended under AS 37.14.041.

Sec. 37.14.041. Use of trust settlement income account. (a) Money in the mental health trust settlement income account may only be used for the following purposes:

(1) the awarding of grants and contracts in fulfillment of the authority's purpose to ensure an integrated comprehensive mental health program for the state;

(2) obtaining private and federal grants for a purpose described in (1) of this subsection;

(3) soliciting gifts, bequests, and contributions for a purpose described in (1) of this subsection;

(4) reimbursement to

(A) the Alaska Permanent Fund Corporation for the costs of managing the principal of the mental health trust fund; and

(B) the Department of Natural Resources for the cost of managing mental health trust

land;

(5) offsetting the effect of inflation on the value of the principal of the mental health trust fund; and

(6) subject to AS 37.07 (Executive Budget Act), meeting the necessary administrative expenses of the authority that are required for it to properly discharge its responsibilities.

(b) If money in the mental health trust settlement income account is not needed to meet the necessary expenses of the state's integrated comprehensive mental health program, the authority shall transfer the money to the unrestricted general fund for expenditure through legislative appropriation for other public purposes.

Sec. 37.14.045. Limitation on grants and contracts paid for from mental health trust settlement income account. (a) The authority may award grants and contracts that are paid for from money in the mental health trust settlement income account only in furtherance of its purpose to ensure an integrated comprehensive mental health program.

(b) In awarding grants and contracts that are paid for from money in the mental health trust settlement income account, the authority shall consider proposals only from applicants submitting a detailed proposal in the form prescribed by the authority.

(c) The authority may not award a grant or contract that is to be paid for from money in the mental health trust settlement income account unless the authority makes written findings explaining that

(1) the grant or contract awarded will further the authority's purpose to ensure an integrated comprehensive mental health program;

(2) the applicant has submitted an adequate plan for project implementation, including both financial feasibility and project effectiveness;

(3) the applicant has demonstrated that sufficient expertise is available to accomplish the objectives of the proposed program or project; and

(4) the applicant has identified operating, maintenance, and other costs associated with the project, including those ancillary to the project, and future obligations associated with the project.

(d) The authority may establish other requirements for the award of grants and contracts under this section to ensure an integrated comprehensive mental health program.

(e) The authority shall award grants and contracts that are paid for from money in the mental health trust settlement income account in amounts that

(1) are appropriate to the conditions of the applicant and the proposed program or project; and

(2) will make the most effective use of the funds in the mental health trust settlement income account that are available for expenditure.

Sec. 37.14.099. Definitions. In AS 37.14.001 - 37.14.099,

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

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

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

Sec. 47.30.011. Alaska Mental Health Trust Authority. (a) The Alaska Mental Health Trust Authority is established as a public corporation of the state within the Department of Revenue.

(b) The purpose of the authority is to ensure an integrated comprehensive mental health program and to administer the office of the long term care ombudsman established in AS 47.62.010.

(c) The authority

(1) shall, as provided in AS 37.14.009, administer the trust established under the Alaska Mental Health Enabling Act of 1956;

(2) may sue and be sued;

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

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

(5) shall exercise the powers granted to it under AS 37.14.041, subject to the limitations imposed by AS 37.14.045; and

(6) shall administer the office of the long term care ombudsman established in AS 47.62.010.

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

Sec. 47.30.016. Board establishment, membership, quorum, fees, and expenses. (a) The authority shall be governed by its board of trustees.

(b) The board consists of seven members appointed by the governor and confirmed by the legislature. The members appointed under this subsection shall be appointed

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

(2) after the governor has considered a list of persons prepared by a panel of six persons who are beneficiaries, or who are the guardians, family members, or representatives of beneficiaries; the panel shall consist of

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

(B) one person selected by the Governor's Council on Disabilities and Special Education;

(C) one person selected by the Advisory Board on Alcoholism and Drug Abuse established by AS 44.29.100;

(D) one person selected by the Alaska Commission on Aging established by AS 47.45.200;

(E) one person selected by the Alaska Native Health Board; and

(F) one person selected by the authority.

(c) A member of the board appointed by the governor under (b) of this section may not

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

(2) within the preceding two years or during the member's term of office have an interest in,

served on the governing board of, or been employed by an organization that has received, during that same period, money from the mental health trust settlement income account under a grant or contract for services.

(d) A quorum of the board is four members.

(e) A member of the board is entitled to

(1) an honorarium of \$200 for each day or any part of a day spent at a meeting of the board, at a meeting of a subcommittee of the board, or as a representative of the board; and

(2) per diem and travel expenses authorized for boards and commissions under AS 39.20.180.

Sec. 47.30.021. Term of office, vacancies, removal, and reappointment. (a) The members of the board serve staggered five-year terms. A member shall continue to serve until the member's successor is appointed and confirmed.

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

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

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

Sec. 47.30.026. Officers and staff. (a) The board shall annually elect a presiding officer and other officers it considers necessary from among its membership.

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

(1) hire additional employees;

(2) appoint hearing officers to perform the responsibilities set out in AS 47.30.031(b)(4);
and

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

(c) The chief executive officer is directly responsible to the board.

(d) The chief executive officer and employees hired under this section are in the exempt service under AS 39.25.110.

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

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

- (1) the requirements of AS 47.30.056(h) and (j);
- (2) procedures by which an aggrieved person or group who believe they have not received services that should be provided from the trust may apply to the authority for redress;
- (3) provisions that allow and encourage entities providing trust funded services to integrate those services with other community human services funded by other sources;
- (4) administrative adjudication procedures, including but not limited to
 - (A) the acceptance of applications under (3) of this subsection;
 - (B) investigations;
 - (C) hearings; and
 - (D) the issuance of administrative orders, as necessary;
- (5) provisions that establish a process for long-range planning for expenditures from the mental health trust settlement income account; and
- (6) criteria for determining the nature and extent of necessary services and related expenses to be funded by the trust.

Sec. 47.30.036. Duties of the board. The board shall

- (1) preserve and protect the trust corpus under AS 37.14.009;
- (2) coordinate with other state agencies involved with programs affecting persons in need of mental health services;
- (3) review and consider the recommendations submitted under AS 44.29.140(2), AS 47.30.666(6), AS 47.45.240(a)(8), and AS 47.80.090(13);
- (4) adopt bylaws governing its meetings, selection of officers, proceedings, and other aspects of board procedure;
- (5) make an annual written report of its activities to the governor and the public and notify the legislature that the report is available; and
- (6) fulfill its obligations under AS 47.30.046.

Sec. 47.30.041. Board advisors. The commissioners of health and social services, natural resources, and revenue, or their respective designees, are advisors to the board.

Sec. 47.30.046. Budget recommendations; reports. (a) The board shall annually, not later than September 15, submit to the governor and the Legislative Budget and Audit Committee a budget for the next fiscal year and a proposed plan of implementation based on the integrated comprehensive mental health program plan prepared under AS 47.30.660(a)(1). The budget must include the authority's determination of the amount

- (1) recommended for expenditure from the general fund during the next fiscal year to meet the operating and capital expenses of the integrated comprehensive mental health program;
- (2) in the mental health trust settlement income account, if any, that is not reasonably necessary to meet the projected operating and capital expenses of the integrated comprehensive mental health program that may be transferred into the general fund; and
- (3) of the expenditures the authority intends to make under AS 37.14.041 and 37.14.045, including the specific purposes and amounts of any grants or contracts as part of the state's integrated comprehensive mental health program.

(b) When the authority submits its proposed budget under (a) of this section, the authority shall also provide a report to the Legislative Budget and Audit Committee, the governor, the Office of Management and Budget, the commissioner of health and social services, and all entities

providing services with money in the mental health trust settlement income account, and shall make it available to the public. The report must describe at least the following:

- (1) the assets, earnings, and expenditures of the trust as of the end of the preceding fiscal year;
- (2) comparisons of the trust's assets, earnings, and expenditures with the prior five fiscal years;
- (3) projections of the trust's assets, earnings, and expenditures for the next five fiscal years;
- (4) the authority's budget recommendations submitted under (a) of this section, and its reasons for making those recommendations;
- (5) the authority's guidelines for the establishment of services; the provision of services shall be based on the principle that services paid for from the trust are provided to recipients as close to the recipient's home and family as practical with due consideration of demographics, mental health service requirements, use of mental health services, economic feasibility, and capital expenditures required for provision of minimum levels of service;
- (6) forecasts of the number of persons needing services;
- (7) projections of the resources required to provide the necessary services and facilities; and
- (8) reviews of the status of the integrated comprehensive mental health program, including evaluation of program goals, objectives, targets and timelines, and overall effectiveness.

Sec. 47.30.051. Submissions requiring use of trust money. An agency or entity proposing an expenditure of money by the trust shall present its proposal to the authority under regulations adopted under AS 47.30.031.

Sec. 47.30.056. Use of money in the mental health trust settlement income account. (a) The money in the mental health trust settlement income account established in AS 37.14.036 shall be used as provided in AS 37.14.041, including to

- (1) provide an integrated comprehensive mental health program as required by this section;
 - (2) meet the authority's annual administrative expenses; and
 - (3) offset the effect of inflation on the mental health trust fund.
- (b) Expenditures under (a)(1) of this section must provide for a reasonable level of necessary services to persons who
- (1) are mentally ill;
 - (2) have an intellectual disability, a developmental disability, or both;
 - (3) are chronic alcoholics suffering from psychoses;
 - (4) as a result of senility, suffer major mental illness; and
 - (5) need mental health services, as the legislature may determine.
- (c) The integrated comprehensive mental health program for which expenditures are made under this section
- (1) must give priority in service delivery to persons who, as a result of a mental disorder or of a disorder identified in (b) of this section.
 - (A) may require or are at risk of hospitalization; or
 - (B) experience such major impairment of self-care, self-direction, or social and economic functioning that they require continuing or intensive services;
 - (2) may, at the discretion of the board, include services to persons who are not included under (b) or (c)(1) of this section.
- (d) In (b)(1) of this section, "the mentally ill" includes persons with the following mental

disorders:

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

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

(e) In (b)(2) of this section, "persons who have an intellectual disability, developmental disability, or both" includes persons with the following neurologic or mental disorders:

- (1) cerebral palsy;
- (2) epilepsy;
- (3) autistic disorder;
- (4) severe organic brain impairment;
- (5) significant developmental delay during early childhood indicating risk of developing a disorder listed in this subsection;

(6) other severe and persistent intellectual disability or developmental disability manifested by behaviors and symptoms similar to those manifested by persons with disorders listed in this subsection.

(f) In (b)(3) of this section, "chronic alcoholics suffering from psychoses" includes persons with the following disorders:

- (1) alcohol withdrawal delirium (delirium tremens);
- (2) alcohol hallucinosis;
- (3) alcohol amnestic disorder;
- (4) dementia associated with alcoholism;
- (5) alcohol-induced organic mental disorder;
- (6) alcoholic depressive disorder;

(7) other severe and persistent disorders associated with a history of prolonged or excessive drinking or episodes of drinking out of control and manifested by behavioral changes and symptoms similar to those manifested by persons with disorders listed in this subsection.

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

- (1) primary degenerative dementia of the Alzheimer type;
- (2) multi-infarct dementia;
- (3) senile dementia;
- (4) presenile dementia;

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

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

(i) In this section, "an integrated comprehensive mental health program"

(1) means public health programs and services that, on December 16, 1994, are separately recognizable and administered, without regard to the administrative unit directly responsible for the delivery of the service; among the services included are services for the mentally ill, community mental health services, services for the developmentally disabled, alcoholism services, and services for children, youth, adults, and seniors with mental disorders;

(2) includes, at a minimum, each of the following services as appropriate:

(A) emergency services on a 24-hour basis;

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

(C) inpatient care;

(D) crisis stabilization services, which may include

(i) active community outreach;

(ii) in-hospital contact;

(iii) mobile crisis teams of mental health professionals;

(iv) crisis beds to provide a short term residential program for persons experiencing an acute episode of mental illness that requires temporary removal from a home environment;

(E) treatment services, which may include

(i) diagnosis, testing, and evaluation of medical needs;

(ii) medication monitoring;

(iii) physical examinations;

(iv) dispensing psychotropic and other medication;

(v) detoxification;

(vi) individual or group therapy;

(vii) aftercare;

(F) case management, which may include

(i) evaluation of needs;

(ii) development of individualized treatment plans;

(iii) enhancement of access to available resources and programs;

(iv) development of interagency contacts and family involvement;

(v) advocacy;

(G) daily structure and support, which may include

(i) daily living skills training;

(ii) socialization activities;

(iii) recreation;

(iv) transportation;

(v) day care services;

(vi) client and care provider education and support services;

(H) residential services, which may include

(i) crisis or respite care;

(ii) board and care;

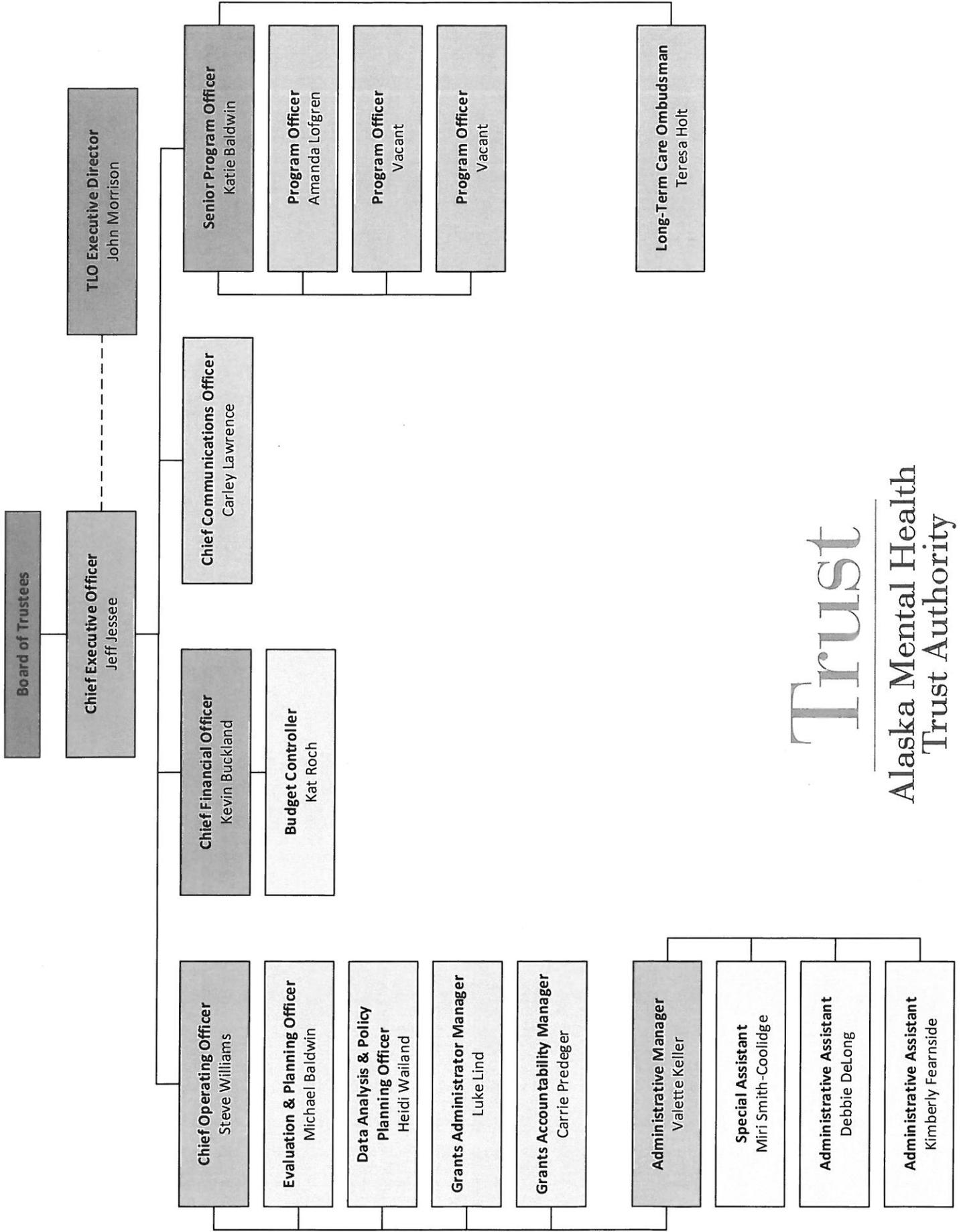
- (iii) foster care, group homes, halfway houses, or supervised apartments;
 - (iv) intermediate care facilities;
 - (v) long-term care facilities;
 - (vi) in-home care;
 - (I) vocational services, which may include
 - (i) prevocational services;
 - (ii) work adjustment;
 - (iii) supported work;
 - (iv) sheltered work;
 - (v) training in which participants achieve useful work experience;
 - (J) outpatient screening, diagnosis, and treatment services, including individual, family, and group psychotherapy, counseling, and referral;
 - (K) prevention and education services, including consultation with organizations, providers, and the public; and
 - (L) administrative services, including appropriate operating expenses of state agencies and other service providers.
- (j) The authority shall adopt regulations regarding the services described in (i) of this section to reflect advances in the appropriate professions. The authority shall review and revise the regulations as necessary. Regulations adopted under this subsection must be in the long term best interest of the mental health trust.

Sec. 47.30.061. Definitions. In AS 47.30.011 - 47.30.061,

- (1) "authority" means the Alaska Mental Health Trust Authority established by AS 47.30.011;
- (2) "board" means the board of trustees of the authority;
- (3) "trust" means the trust established by the Alaska Mental Health Enabling Act of 1956, P.L.84-830, 70 Stat. 709.

Sec. 38.05.801. Management of Mental Health Trust Land.

- (a) Mental health trust land shall be managed consistent with the trust principles imposed on the state by the Alaska Mental Health Enabling Act, P.L. 84-830, 70 Stat. 709 (1956).
- (b) Subject to (a) of this section, the department
 - (1) shall manage mental health trust land under those provisions of law applicable to other state land;
 - (2) may exchange other state land for mental health trust land under the procedures set out in AS 38.50; and
 - (3) may correct errors or omissions in the legal descriptions of mental health trust land.
- (c) The commissioner shall adopt regulations under AS 44.62 (Administrative Procedure Act) to implement this section. The regulations adopted under this subsection must, at a minimum, address
 - (1) maintenance of the trust land base;
 - (2) management for the benefit of the trust;
 - (3) management for long-term sustained yield of products from the land; and
 - (4) management for multiple use of trust land.



Trust

Alaska Mental Health
Trust Authority

401 F Street
Douglas, Alaska 99824

October 22, 2016

Representative Mike Hawker, Chair
Legislative Budget and Audit Committee
716 W 4th Ave #610
Anchorage, AK 99501

Dear Representative Hawker:

We urge the Legislative Budget and Audit Committee to direct the Division of Legislative Audit to conduct a special audit of the Alaska Mental Health Trust Authority (Trust) board of trustees and its circumvention of AS 37.14.033 which provides that "the mental health trust fund shall be managed by the Alaska Permanent Fund Corporation". Specific authority for such an audit is found at AS 24.20.271(3) which authorizes the division, "at the direction of the Legislative Budget and Audit Committee, [to] conduct performance post-audits on any agency of state government."

Our interest in writing you stems from our leading roles in creating the Trust in 1994. Both of us were extensively involved in the negotiations with the parties and the legislature during both regular and special sessions convened to bring the then-longstanding litigation to a successful conclusion. Harry served as commissioner of natural resources and Bruce as attorney general at the time. Between 2007 and 2010 Harry served as the Executive Director of the Trust Land Office (TLO).

There are three concerns that cause us to make this extraordinary request:

I. Use of principal funds.

The Mental Health Trust settlement legislation specifically required the cash assets of the trust, including principal derived from revenues generated by the Trust land base, be managed by contracting with the Alaska Permanent Fund Corporation (APFC). This provision was specifically placed in the legislation to guard how the funds were to be managed.

In the last two years the Trust board has taken \$ 32.5 million of principal funds and diverted that money away from the APFC and instead purchased real estate mainly outside of Alaska. Further, the board has encumbered the Trust with \$35 million dollars of debt by mortgaging many of those properties. . The Trust is investing in commercial real estate parallel to the APFC and is simply duplicating what the APFC is doing without the same level of expertise.

To our knowledge the Trust board has not provided for any external or internal audit of these purchases and it is extremely hard, from the public record, to determine the actual income and risk associated with these purchases

2. Mine Exploration.

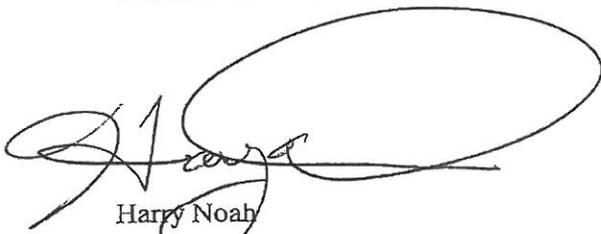
The TLO is apparently in the process of requesting that the board of trustees invest principal funds in an advanced mine exploration program at Icy Cape with little or no understanding of what is involved in development of a mine. Again, if these principal funds are spent on such a high risk program there is a high likelihood that the money will never be recovered and the Trust will lose the long term revenue that could be derived from those funds. The amount that is being discussed is \$2.0 million.

3. Arm's Length Transactions.

Because of the unusual nature of the real estate transactions and little transparency in what has taken place, it is difficult to determine whether each of the purchases have been arm's length in nature.

These actions highlight the fact that significant monetary resources are tied up in state-created corporations and those corporations each have boards that decide how large sums of money can be spent, without effective oversight by the legislature. This means that at times, using the Mental Health Trust Authority board as an example, four board members can decide how significant public funds are spent without independent review.

If, after the audit is completed, the conclusion is that the board should be free to make its own investment decisions—a dubious proposition in our view—then the authorizing legislation should be amended accordingly. For our part, we believe that the statutory framework that relies on the investment expertise of the Permanent Fund Corporation is in the state's and the beneficiaries' best interest.



Harry Noah
copies to:



Bruce Botelho

Jim Whitaker, Chief of Staff
Alaska Office of the Governor

Andy Mack, Commissioner
Alaska Department of Natural Resources

Russ Webb, Chair, Board of Trustees
Alaska Mental Health Trust Authority

Jeff Jessee, Chief Executive Officer
Alaska Mental Health Trust Authority
