

ALASKA MENTAL HEALTH TRUST AUTHORITY

FINANCE COMMITTEE MEETING

Teleconference
January 3, 2014
1:30 p.m.

Taken at:
Alaska Mental Health Trust Authority
3745 Community Park Loop, Suite 200
Anchorage, Alaska 99508

Trustees present:
Laraine Derr, Chair
Paula Easley
Russ Webb
Larry Norene
Mary Jane Michael

Trust staff present:
Jeff Jessee
Nancy Burke
Miri Smith-Coolidge
Kevin Buckland
Steve Williams
Marilyn McMillan
Luke Lind
Katie Baldwin-Johnson
Mike Baldwin
Bill Herman
Amanda Lofgren
Natasha Pineda

TLO staff present:
John Morrison
Sarah Cunningham
Marcie Menefee

Others participating:
Brita Bishop (via telephone); Mindy Pruitt (via telephone); Dr. Robert Land; Sarah Ross (via telephone); David D'Amato; Josh Applebee (via telephone); Karen Heath; Karl Garber; Teresa Holt; Miranda Wang.

PROCEEDINGS

CHAIR DERR calls the Finance Committee meeting to order and does a roll call. She asks the others to identify themselves, and then moves on to announcements. There being no announcements, she asks for any ethics disclosures. She moves on to approving the agenda. She adds the asset allocation RFP at the end.

TRUSTEE NORENE asks why the asset allocation RFP is not with the Full Board.

A discussion ensues.

CHAIR DERR states that she would like it on the agenda for consideration, and then recommend that it goes to the Full Board. She states that the agenda is approved. She moves on to the minutes of November 21, 2013.

TRUSTEE WEBB makes a motion to approve the minutes of November 21, 2013.

CHAIR DERR seconds.

There being no objection, the motion is approved.

CHAIR DERR moves on to the cash management report.

CASH MANAGEMENT REPORT

MR. BUCKLAND states that the cash management report covers through November. He goes through the high points, explaining as he moves along.

A short discussion ensues on unrealized rebalancing and the reserve.

MR. BUCKLAND continues his report. He states that there is a motion for finance consideration to do the FY14 payout.

CHAIR DERR asks for any questions. There being none, she asks for the motions.

TRUSTEE WEBB makes a motion that the Finance Committee recommends the Full Board of Trustees approve the transfer of \$21,992,900 from the Alaska Permanent Fund Budget Reserve account to the Mental Health Settlement Income account, AKSAS fund 34046. The transfer is to finance the FY 2014 base disbursement calculation of \$18,240,500, plus \$3,752,400 to phase in smoothing out all payout components of the current AMPS. The CFO may fulfill this motion with one lump sum or multiple transfers.

CHAIR DERR seconds.

There being no objection, the motion is approved.

CHAIR DERR moves to the 2015 budget update.

MR. JESSEE states that this was discussed at a previous committee meeting and asks if anyone had anything to add.

MR. BUCKLAND asks if the Finance Committee would like to consider a motion relative to rebalancing between the Treasury and the Permanent Fund.

TRUSTEE WEBB makes a motion that the Finance Committee recommends that the Full Board of Trustees approve the transfer of \$3.5 million from budget reserve managed by the Department of Revenue, Treasury Division, to the Alaska Permanent Fund Corporation to rebalance budget reserves between investment managers.

CHAIR DERR seconds.

There being no objection, the motion is approved.

CHAIR DERR moves on to a discussion about inflation-proofing. She states that Mr. Buckland has talked about the fact of having a fiscal responsibility to inflation-proof the principal in the Permanent Fund.

TRUSTEE WEBB states that he has thought long and hard about this, and it seems like it is probably time to begin taking some bites into the gap between what is needed and where we are. He asks Mr. Buckland to run through the three scenarios outlined: one is to do nothing; one is to move the money into the Permanent Fund; and one is to just designate it. He asks for an explanation of the differences.

MR. BUCKLAND explains that moving the money into the Permanent Fund makes it unavailable if ever needed. He continues that the other thing would be to assign a portion of the budget reserves, stating on record that these funds were assigned for the purpose of inflation-proofing. He adds that if circumstances occur in the future giving good reason to reverse or amend that decision, then it could be considered and done by the Board.

TRUSTEE WEBB makes a motion that the Finance Committee recommends the Full Board of Trustees approve the transfer of \$5 million from budget reserves managed by the Permanent Fund Corporation to the Permanent Fund Corporation to principal to inflation-proof the fund.

CHAIR DERR seconds.

There being no objection, the motion is approved.

CHAIR DERR states there are no partnership requests. She moves to designated grants, and begins with APU Doctoral Program in Counseling.

APU DOCTORAL PROGRAM IN COUNSELING

MS. BURKE states that this is a request to support Alaska Pacific University in setting up their internship program, which goes along with their doctoral program in psychology or psych ed. program. She continues that this project is a carryover of some of the work done in the workforce initiative, looking at promoting professionals who provide services to the Beneficiaries. She adds that these positions are critical and end up being one of the key positions where there are vacancies in the state and are important as one of the strategies under the workforce initiative. She states that APU has been working on the issue of children in the mental health system in trying to gear this internship program towards providing services for those children and their families. She adds that a meeting was facilitated with Anchorage Community Mental Health Services and their trauma unit on making connections to better serve those families receiving services in that area.

CHAIR DERR asks how many Beneficiaries will this serve.

DR. LANE replies that they are still having discussions with the Office of Children's Services and Community Mental Health on the exact number that would be worked with in terms of the internship program.

MS. BURKE asks how many students will be in the program.

DR. LANE replies that the hope is to admit 10 students a year, and it is a three-year program. He states that they are graduated with the ability to apply for temporary licensure as a psychologist in the state of Alaska while they fulfill requirements for postgraduate requirements before licensure.

CHAIR DERR asks if the funding is for the program or for the students

DR. LANE replies that the accreditation process is being funded, and that the school and program are already accredited.

MR. JESSEE states that this program is a good example of how to evolve a partnership over time, and we would like to do this type of evolutionary partnership with the University of Alaska more often.

A short discussion on the internships and the partnership ensues.

MS. ROSS states that she is calling from WICHE and explains the problem with not being able to participate in the match. She adds that by having an accredited doctoral program within APU, there is the ability to apply for the match and then be matched to AK-PIC programs and stay within the state, serving the Beneficiaries. She states the hope is for a continued effort to increase the behavioral health workforce.

TRUSTEE EASLEY asks what is actually gotten with the match.

DR. LANE replies, in theory, it takes the skills and interests of the student and matches them into an internship that allows that to come to fruition as much as possible.

TRUSTEE EASLEY asks if it would be in the state or out of the state.

DR. LANE replies that to be an APA-accredited internship, it needs to be part of the national match program.

A discussion ensues on the accreditation process and what it entails.

TRUSTEE WEBB states that he gets the benefits of an accredited program, but adds that it is part of the responsibility of the institution to get that program accredited. He continues that he would be willing to move an amount, but not the full amount.

TRUSTEE WEBB makes a motion that the Finance Committee recommends that the Full Board of Trustees approve a \$75,000 designated grant to Alaska Pacific University for the doctoral program in the counseling and psychology accreditation project.

CHAIR DERR seconds.

There being no objection, the motion is approved.

CHAIR DERR moves on to the Qu yana Clubhouse Expansion.

QUYANA CLUBHOUSE EXPANSION

MS. BALDWIN-JOHNSON states that this request is for \$60,000 to the Southcentral Foundation for the Qu yana Clubhouse community-based program which is currently located on the old Alaska Native Hospital site Downtown. She continues that the request is to contribute a portion of funding to the cost of expanding their space to be able to add primary care and additional space at the program to address other wellness activities. She adds that Qu yana Clubhouse is a psyche rehabilitation program and serves 100 percent Trust Beneficiaries; around 90 people. She continues that this expansion will allow them to serve up to an additional 130 people. She notes that services provided by a tribal entity to Indian Health Services, this year, are Medicaid eligible, and it is 100 percent Medicaid with no State matching.

TRUSTEE NORENE asks about only 600 square feet.

MS. WANG replies that the 600 is the additional space that is being added. She continues that they cannot build any permanent structure on the land because it is federally owned. She adds that it is a trailer, a module unit that will be put on site. She states that in order to put that on site, a proper foundation for earthquake-zoned land had to be built, which was \$200,000.

TRUSTEE NORENE asks why a foundation was needed if this cannot be a permanent structure.

MS. WANG replies that it is the licensing rules requirements that must be followed.

TRUSTEE WEBB states that is a good chunk of money into a place that is not permanent, and asks about the long-term outlook.

MS. WANG replies that the location is permanent. It is a building owned by the Federal Government, and there is a permanent lease. She states that they are allowed to use the existing building and land, but are not allowed to build on it or expand the existing building. She adds that if they ever move, the trailer would come with them, but not the building.

MS. BALDWIN-JOHNSON adds that there is no other place in the community to locate this program. She states that these are chronically, mentally ill adults, and is just not the kind of program that would be well received anywhere else.

TRUSTEE NORENE states that he does not understand the money investment in a building like that.

MS. BURKE asks about the restrictions on the building.

MS. WANG replies that it is in an earthquake zone, and building something new is not allowed; plus the land is owned by the Federal Government. She explains that they have looked at this from every angle, and the best solution was to add a modular to the property. She states that the true vision is to expand services beyond this and look for other possible sites, second sites. We want to maintain the current site, because it has served the population so well. She further explains the reasoning behind this request.

MS. MICHAEL states that more explanation is needed.

CHAIR DERR recommends bringing this back to the January board meeting. She moves to the next item on the agenda.

ALASKA PATIENT-CENTERED MEDICAL HOME

MS. BALDWIN-JOHNSON states that back in April, 2013, the Department of Health and Social Services presented a request to carry over unexpended MHTAAR funds in the amount of \$500,000 toward the Patient-Centered Medical Home project. She continues that at that time the Trustees opted not to approve that carryover with the recommendation that there needed to be a better plan for the use of those funds. She states that since that time, the Trust, Department of Health and Social Services, Primary Care Association, and a number of other stakeholders, have moved forward with developing some infrastructure to manage and oversee that project and implement some better planning towards that effort. She continues that the intent is that over the next three to four years, the \$500,000 would be combined with the other project funds that were previously allocated through the Legislature to support a number of pilots, yet to be determined. She adds that the selection criteria would be based on readiness to move forward, how far along

their electronic health record is, and the capacity to implement behavioral health integration into the services and to fully address the needs of Trust Beneficiaries. She goes through a list of activities that have happened to move integration efforts forward.

MR. D'AMATO states that he is the senior director of health policy for the Alaska Primary Care Association. He explains more fully what the steering committee has put forth.

TRUSTEE WEBB asks about the \$774,000 funding that was received.

MR. D'AMATO explains that \$437,000 was received from a legislative appropriation in 2011.

A discussion ensues on the amount of funding and what is available.

MR. D'AMATO explains that the original money was taken to three sites and brought them to PCMA certification.

The discussion continues.

TRUSTEE WEBB makes a motion that the Finance Committee recommends that the Full Board of Trustees authorize the CFO to increase existing FY14 Authority fund expenditure authorization for designated grants, AKSAS AR NO. 16865-17, by \$500,000, and approve these funds to be awarded in a new designated grant to the Alaska Primary Care Association for the Primary Care Medical Home Project.

CHAIR DERR seconds.

There being no objection, the motion is approved.

CHAIR DERR calls a ten-minute break.

(Break.)

CHAIR DERR calls the meeting back to order. She begins with the designated grant to the University of Alaska Anchorage for the Brainworks for Self-Employment Project, and recognizes Amanda Lofgren.

BRAINWORKS FOR SELF-EMPLOYMENT PROJECT

MS. LOFGREN states that Brainworks is a customized self-employment pilot project to assist individuals with traumatic brain injuries to start up their own businesses. She adds that about 66 to 68 percent of individuals with traumatic brain injury are currently unemployed. She continues that these funds will be used to assist 15 Beneficiaries to complete the project through extensive support from a contracted facilitator who spends a significant amount of time to work with the individual. She states that Brainworks will continue to work with the Division of Vocational Rehab and Tribal Vocational Rehab Services to expand and sustain the program, to

be sure that it is reimbursable for those individuals that qualify for services. She adds that this will be an opportunity to incorporate the components to look at how it fits with the microenterprise grants. She introduces Karen Heath with the Center for Human Development who will answer any questions.

CHAIR DERR recognizes Trustee Webb.

TRUSTEE WEBB states that he has no questions.

TRUSTEE WEBB makes a motion to approve the \$29,814 FY14 designated grant to the University of Alaska Anchorage, Center for Human Development, for the Brainworks for Self-Employment Project.

CHAIR DERR seconds.

There being no objection, the motion is approved.

CHAIR DERR moves on to “Backing Out of Time,” Affinityfilms, Inc., and recognizes Amanda Lofgren.

“BACKING OUT OF TIME,” AFFINITYFILMS, INC.

MS. LOFGREN states that “Backing Out of Time” is a documentary film that followed four Alaskan families over the last two years that are family caregivers for individuals with Alzheimer’s disease and related dementia. She adds that the goal of this documentary is to provide awareness, education and comfort and support to family caregivers in Alaska. She continues that the goal is to premier the film in November in conjunction with Alzheimer’s Awareness Month. She states that Denise Daniello, from the Alaska Commission on Aging, has submitted a letter of support. She introduces Karl Garber, who is with the Alzheimer’s Resource of Alaska.

MR. GARBER speaks briefly about the organization, and expresses support for the Affinityfilm documentary. He states that one of their main goals is to provide information that empowers family caregivers to provide effective and compassionate care, and this film will help achieve that goal. He adds that he will email the trailer so everyone can see it.

TRUSTEE EASLEY asks if the finished product will be presented to the Legislature.

MR. GARBER replies that the strategy was to two audiences: The family caregivers, and the general population at large.

TRUSTEE WEBB makes a motion that the Finance Committee approve a \$40,000 FY14 designated grant to Affinityfilms, Inc. for the “Backing Out of Time” documentary outreach efforts, including promotional items, public screenings, and Web site development.

CHAIR DERR seconds the motion for discussion.

A discussion ensues.

There being no objection, the motion is approved.

CHAIR DERR thanks Mr. Garber, and moves on to the Shishmaref Clinic Renovation Project.

SHISHMAREF CLINIC RENOVATION PROJECT

MS. BURKE states that this is a request of \$25,000 by Norton Sound Health Corporation to assist with the renovation of the clinic in Shishmaref, and to provide for behavioral health space within the newly remodeled clinic.

TRUSTEE WEBB states that he has no questions.

TRUSTEE WEBB makes a motion that the Finance Committee approves a \$25,000 FY14 designated grant to the Norton Sound Health Corporation for the Shishmaref Clinic renovation project.

CHAIR DERR seconds.

There being no objection, the motion is approved.

MENTASTA NEW HEALTH CLINIC PROJECT

MS. BURKE states that this is a request from Mentasta to increase access to behavioral health services through their clinic by making it more integrated. She continues that currently it is in two locations, and this will combine behavioral health into the space.

TRUSTEE WEBB makes a motion that the Finance Committee approves a \$25,000 FY14 designated grant to the Mentasta Traditional Council for the new health clinic project.

CHAIR DERR seconds.

There being no objection, the motion is approved.

KODIAK ISLAND HOUSING AUTHORITY SCHOOL BUS DESIGNATED GRANT

MS. LOFGREN states that the Kodiak Island Housing Authority is one of the projects visited on the rural outreach trip. She continues that they are requesting funds to purchase a 28-passenger bus. She explains that this will replace their existing bus, which has been operating and maintained for the last 14 years. She adds that the undercarriage is rusting to where it will not pass the inspection from the school district this coming year. She states that the bus is used to transport children, and also to transport adults to get to community appointments, go to the Food

Bank, get them to their medical appointments, participate in their AA meetings, and other programs in the community.

CHAIR DERR states that the concern is the number of Beneficiaries. She continues that there are 25 substance abusers, 25 with traumatic brain injury, and then 40 non-Beneficiaries.

MS. PRUITT states that there are 83 units that are completed that have low-income housing participants in it.

MR. JESSEE asks how the number of Beneficiaries was determined.

MS. PRUITT replies that she went through the current rentals, and knowing the families and their needs resulted in the numbers.

MS. BURKE asks if in the funding there is a priority for individuals who have a disability.

MS. PRUITT agrees, adding that there is also a Native American Indian preference.

A short discussion ensues.

CHAIR DERR asks if a used bus could be found.

MS. PRUITT replies that they have been working with the State of Alaska school bus inspector, Danny Allen, and he has been watching out for a used bus for over a year.

TRUSTEE WEBB makes a motion that the Finance Committee approve \$22,750 FY14 designated grant to Kodiak Island Housing Authority for the new school bus.

CHAIR DERR seconds.

There being no objection, the motion is approved.

EMPLOYMENT INITIATIVE PLANNING

MS. LOFGREN states that in September \$188,000 was allocated for planning for the new emphasis on employment. She continues that they would like to allocate some of those funds for the Employment Summit that has been discussed. She adds that it would be a two-day summit in Anchorage with approximately 50 to 60 people. She states that some of the funding would be to procure a space, provide meals, and transportation for some of those outside of Anchorage to come in to participate.

CHAIR DERR asks about the value of the travel.

MS. LOFGREN replies that the value of the travel would be to learn more about Employment First, the philosophies, best practices; and also to have a good understanding of the value of an Alaska association chapter.

A short discussion ensues.

TRUSTEE WEBB makes a motion that the Finance Committee approves \$188,000 FY14 Authority Grant funds for Beneficiary Employment Focus Area Planning and Activities.

CHAIR DERR seconds.

There being no objection, the motion is approved.

MR. JESSEE asks to pull back item 11. He states that there are a number of conversations and discussions on how to put this together, and he would like to bring this to the January meeting.

CHAIR DERR asks Mr. Buckland to go over the memo.

MR. BUCKLAND states that the memo is a brief history of a portion of the information regarding going out for an RFP for asset allocation. He continues that it was brought up to Trustees at the Full Board in November 2012, and also the Finance Committee in January 2013. He adds that it was approved and is in the operating budget. He explains that it is not approving new money; it already has been budgeted forward in the Trust's operating budget.

A short discussion ensues.

CHAIR DERR states that it was referred back to the Finance Committee and would like to reaffirm that it is the best way to go. She asks for a motion.

TRUSTEE WEBB makes a motion that the Finance Committee reaffirms what was done and, in deference to Chair Barton's request, to take it back to the Full Board of Trustees.

CHAIR DERR seconds.

There being no objection, the motion is approved.

TRUSTEE WEBB states, as a followup to the last item, that some objectives for generating some certain returns from the resources are needed.

A short discussion ensues.

TRUSTEE NORENE states that he would like a total redraft of the proposal to be specifically targeted at what needs to be known: The reserves, the Treasury versus Permanent Fund, and the things with the cash assets. He continues that the resource development policy is up to the Board

and Trustees. He adds that the whole thing needs to be very specific and needs to be worked out. A committee needs to work out specifically what is wanted.

CHAIR DERR states that she has not seen a redraft.

MR. BUCKLAND states that he can provide an updated redraft.

A discussion continues.

CHAIR DERR asks for anything else to come before the Finance Committee. She adjourns the meeting.

(Finance Committee adjourned at 4:15 p.m.)