

ALASKA MENTAL HEALTH TRUST AUTHORITY

FINANCE COMMITTEE

April 16, 2015

2:34 p.m.

Taken at:

Alaska Mental Health Authority
3745 Community Park Loop, Suite 200
Anchorage, Alaska 99508

OFFICIAL MINUTES

Trustees present:

Russ Webb, Chair
Mary Jane Michael
Paula Easley
John McClellan
Larry Norene

Trust staff present:

Jeff Jessee
Steve Williams
Miri Smith-Coolidge
Kevin Buckland
Marilyn McMillan
Valette Keller
Carrie Predeger
Carley Lawrence
Amanda Lofgren
Natasha Pineda
Mike Baldwin
Luke Lind
Katie Baldwin-Johnson
Kat Roch

TLO staff present:

Marcie Menefee
John Morrison
Leann McGinnis

Also participating:

Carlton Smith; Christopher Cook; Alison Kear, Covenant House; Commissioner Ron Taylor, Department of Corrections (via telephone); Rich Sanders, Governor's Council of Disabilities and Special Education.

PROCEEDINGS

CHAIR WEBB calls the Finance Committee meeting to order and does a roll call. He states Carlton Smith and Chris Cook, the two appointees, are sitting as observers and not participants as committee members. He asks for any announcements. Hearing none, he asks for any ethics disclosures. There being none, he asks for a motion to approve the agenda.

TRUSTEE MICHAEL makes a motion to approve the agenda.

TRUSTEE McCLELLAN seconds.

There being no objection, the motion is approved.

CHAIR WEBB moves on to the minutes of January 27, 2015.

TRUSTEE McCLELLAN makes a motion to approve the minutes of January 27, 2015.

TRUSTEE MICHAEL seconds.

There being no objection, the motion is approved.

CHAIR WEBB moves on to staff reports, beginning with the Cash Management Report.

CASH MANAGEMENT REPORT

MR. BUCKLAND states that the Cash Management Report was handed out and, for the benefit of the new Trustees, he goes over some points in greater detail, explaining as he goes along.

TRUSTEE NORENE asks about how the income that comes in from the Permanent Fund is invested and if it is commingled.

MR. BUCKLAND explains that right now every stock or bond, every real estate, every alternative investment that is held in the Permanent Fund the Trust owns approximately 85/100ths of 1 percent.

TRUSTEE NORENE asks how it is handled when the Permanent Fund is diminished because of the dividends and how it affects the percentage interest.

MR. BUCKLAND replies that it does not affect the Trust because that is done throughout the year. He states that the Trust earnings from month to month are based on the equity level. He

continues that the books are closed on a monthly basis and then the total results, realized and unrealized, are distributed proportionately based on the relative equity value.

MR. COOK asks about the gains and reinvestment of the Permanent Fund.

MR. BUCKLAND explains that there is inflation-proofing based on value and moving money from the earning reserve over to principal. He continues going through the Cash Management Report, explaining as he goes along.

TRUSTEE EASLEY asks if the expenditures details are included.

MR. COOK states that he would rather have an attachment with expenditure details and this sort of summary.

CHAIR WEBB asks what the Trustees prefer.

A short discussion ensues.

CHAIR WEBB asks Mr. Buckland to continue.

MR. BUCKLAND continues his report, explaining in greater detail as he goes along.

MR. SMITH asks what the allocation to private equity is.

MR. BUCKLAND replies that he believes that the allocation to private equity is 5 percent. He states that the issue with private equity is the tendency to overcommit because there is such a long drawdown period. He explains this more fully. He continues with his report.

CHAIR WEBB asks for any further questions about the Cash Management Report.

A short question-and-answer session ensues.

CHAIR WEBB states that the next item is the follow-up from the discussion in the Resource Management Committee about Real Estate Audit Policy. He continues that this was discussed thoroughly and, since there is no formal motion or action for the Finance Committee to take, his intent is to set up a work group to take into consideration the issues presented by Mr. Buckland, the policy recommendation, and to work with Mr. Buckland, staff from the TLO, and Trustees who are interested, to develop something that would be satisfactory. He moves on to the next item on the agenda, the Trust Land Office items for approval, the real estate budgets for FY16. He asks for a motion.

TRUSTEE McCLELLAN makes a motion that the Finance Committee recommends that the Board of Trustees concur with the recommendation to approve the incremental building expenditures totaling \$4,774,400 budgeted for FY16 to be paid by the property manager from rents and other income collected from the properties.

TRUSTEE NORENE seconds.

There being no objection, the motion is approved.

CHAIR WEBB states that the next item is partnerships, unobligated funds.

MR. JESSEE states that there are no requests to expend anymore of that \$32,792.

CHAIR WEBB moves into designated grants and a proposal for Covenant House of \$83,700. He recognizes Ms. Pineda.

DESIGNATED GRANTS: COVENANT HOUSE

MS. PINEDA states that there is a request for \$75,000 of designated grants for the Street Outreach Program for Covenant House. She introduces Alison Kear, the executive director of Covenant House, who can answer any questions. She continues that this request is primarily for street outreach in Anchorage and the Mat-Su. She states that they were very confident of being successful with their federal application, but because of lack of federal resources to fund all of the high-reaching applications, they were not funded. She explains that the team started discussions with Covenant House to look at ways to support this really important safety-net service. She states that the Covenant House and their partners in the community provide emergency shelter, vocational and educational support, transitional living, as well as street outreach, which is their avenue to engaging youth that are vulnerable to getting into those services. She continues that, based on the evolving nature of funding, they need to support each other and develop a comprehensive community plan and address sustainability. She adds that Covenant House has begun the process of partnering with their other community partners, including Youth Alaska, Parachutes, Identity, Inc., and My House to insure that street outreach teams are available seven days a week. These funds are going to support the outreach, as well as developing a comprehensive plan to work together.

CHAIR WEBB asks for any questions.

TRUSTEE NORENE asks how the number of Beneficiaries was obtained.

MS. KEAR replies that it is a much documented number and comes in from the information provided from outreach.

MR. COOK asks how the numbers were complied.

MS. KEAR replies that this information is collected on the streets with assistance that is being offered. Whenever the young person comes into the facility, there is a drop-in center with a nurse practitioner. She adds that the profile of this young person is documented so that the profile is documented and the path of resources being received can be followed. She continues that over the past two years, Covenant House has really evolved with the collaborations and the partners. There is a full-time mental health counselor from Anchorage Community Mental Health; a full-time substance abuse counselor from Volunteers of America; a psychiatrist from Providence; and a behavioral health specialist Ph.D. from Southcentral Foundation. She states

that all of these services have allowed a clear documental of the young person that is being served and how to better serve and be a path into a connection into the community.

TRUSTEE MICHAEL makes a motion that the Finance Committee recommends approval to the Full Board of Trustees of \$75,000 FY15 designated grant to Covenant House Alaska for the Youth Engagement and Enrichment: Street Outreach Program to Prevent Adult Homelessness Project.

TRUSTEE EASLEY seconds.

There being no objection, the motion is approved.

MS. KEAR states appreciation for the partnership with the Mental Health Trust which has helped Covenant House evolve into an organization to better meet the needs of the population. She thanks all.

CHAIR WEBB states that the next item is unobligated funds, Recidivism Reduction Plan Implementation.

UNOBLIGATED FUNDS

RECIDIVISM REDUCTION PLAN IMPLEMENTATION

MR. WILLIAMS states that at the last legislative session there was intent language that directed certain state agencies to develop a recidivism reduction plan. In order to help facilitate that process, the Trustees authorized money to procure a contract to assist in the facilitation of that group to develop the plan to gather the information and that data that was directed in the intent language, to pull it all together, and then create the final report, which then got presented to the Legislature this past February. He continues that the money requested from the Trust will procure a contract that will pool the named entities with identified directors outlined in the intent language to produce this implementation plan. He gives a few examples and then asks for any questions

A short question-and-answer session ensues.

TRUSTEE MICHAEL makes a motion that the Finance Committee recommends that the Full Board of Trustees approve a \$100,000 expenditure authorization increase to FY15 Disability Justice, AR 16874-18, to fund a contract to facilitate the implementation of a 2015 Recidivism Reduction Plan and other efforts identified by the Trust at reducing criminal recidivism of Trust Beneficiaries.

TRUSTEE McCLELLAN seconds.

There being no objection, the motion is approved.

CHAIR WEBB moves on to the Focus Area Reallocations.

FOCUS AREA REALLOCATIONS

MS. PINEDA states that this request is for the Prisoner Reentry Initiative, Reentry Coalition Capacity Development. She continues that the commissioner of the Department of Corrections, Ron Taylor, is available to answer any questions. She states that this is a reallocation of funds from the Disability Justice Focus Area, as well as the Substance Prevention and Treatment Focus Area. She continues that the intention of it is to fund coalition coordinators for the five reentry coalitions in Anchorage, Juneau, Dillingham, Fairbanks, and Mat-Su. She adds that providing these two years of startup funds would provide the current grassroots coalitions and volunteer coalitions with the opportunity to complete the necessary steps to better serve returning citizens and the Beneficiaries.

CHAIR WEBB recognizes Commissioner Taylor.

COMMISSIONER TAYLOR thanks all and appreciates the opportunity to speak today. He states that formalizing the coordinators in the community is going to be one of the most critical steps in terms of allowing the community to start accessing the returning citizens. He continues that having a point person in each of these communities will not only formalize what is being done with those community coalitions, but give greater access to the services and resources, as well as great access to what is being done inside of the institutions. He adds that it will be a great path to a point in terms of data, in terms of allowing them to know who is returning and to do a better job of providing services.

CHAIR WEBB thanks the Commissioner.

A short question-and-answer session ensues.

TRUSTEE MICHAEL makes a motion that the Finance Committee recommends to the Full Board of Trustees for \$500,000 FY16 to support local Reentry Coalition Capacity Development in targeted communities.

TRUSTEE EASLEY seconds.

There being no objection, the motion is approved.

CHAIR WEBB recognizes Carlton Smith.

MR. SMITH recommends that somewhere there be an emphasis on engaging community leadership.

CHAIR WEBB thanks Commissioner Taylor for speaking today. He recognizes Mr. Buckland.

MR. BUCKLAND reads into the record: "As reflected on page 34 of the memo, the funding source for the approval of the \$500,000: \$200,000 is coming from FY14 Disability Justice Appropriation 16867; \$200,000 is coming from FY15 Disability Justice Appropriation 16874; and \$100,000 is coming from FY15 Substance Abuse Prevention and Treatment Appropriation No. 16874."

CHAIR WEBB moves on to Alaska Justice Information Center.

ALASKA JUSTICE INFORMATION CENTER

MR. JESSEE states that there are multiple efforts ongoing around disability justice and the criminal justice system within the State. He continues that there are two Pew efforts coming up, the Results First and the Justice Reinvestment Act activities. One of the requirements to participate in the Pew initiative is having the capacity to develop a database that can be analyzed over time to provide concrete information upon which strategies and recommendations can be made. In addition, there is a need, on an ongoing basis, to be able to collect that data and do the analysis that provides feedback on the involvement. He states that Representative Neuman, co-chair of the House Finance Committee, is willing to look into the creation of an Alaska Justice Information Center. He continues that this is built off of a proposal that Andre Rosay at the Justice Center at University of Alaska Anchorage has developed for the Criminal Justice Working Group. He adds that this would fulfill the need to gather the data, analyze it, and be able to answer questions that the system would have. In negotiating with Representative Neuman, he is open to creating this information center and is looking for a Trust Authority match. He explains more fully.

A question-and-answer session ensues.

TRUSTEE McCLELLAN makes a motion that the Finance Committee recommends approval to the Full Board of Trustees for a \$125,000 FY16 MHTAAR allocation to the University of Alaska Anchorage for the Alaska Justice Information Center.

TRUSTEE NORENE seconds.

There being no objection, the motion is approved.

CHAIR WEBB moves to Beneficiary Employment and Engagement, Beneficiary Project Initiative Grants.

BENEFICIARY EMPLOYMENT AND ENGAGEMENT, BENEFICIARY PROJECT INITIATIVE GRANTS

MS. BALDWIN-JOHNSON brings forward the recommended grant allocation levels for programs that the Trust has been supporting through the Beneficiary Projects Initiative. She states that this focus area has transitioned into adding additional emphasis and strategies around Beneficiary employment and engagement. She provides some context and goes through the investments into the range of programs. She also reports on some of the exciting things that are happening with these organizations.

TRUSTEE McCLELLAN comments that in his short time with the Trust he has been impressed by the ability to give seed money to these new organizations or growing organizations and watch them become independent and successful.

TRUSTEE McCLELLAN makes a motion to approve FY16 Beneficiary Employment and Engagement Focus Area allocations in the amount of \$1,380,100 for the purpose of FY16 Beneficiary Project Initiative grant funding.

TRUSTEE EASLEY seconds.

There being no objection, the motion is approved.

CHAIR WEBB moves on to the next item, the Beneficiary Employment and Engagement Alaska DB 101 website and on-line benefits calculator.

MS. LOFGREN states that this project is one of the things that has been really important with the employment initiative and is coordinating with some of the other projects, particularly with the Governor's Council on Disabilities and Special Education. The Council has a project called the Alaska Integrated Initiative that is focused on Beneficiaries with intellectual and developmental disabilities who are transition-aged youth. She states that Rich Sanders is a planning partner at the Governor's Council, who is primarily focused on partnering on this employment initiative. She emphasizes that the feedback received is that Beneficiaries have access to accurate information about how employment wages will impact their benefits.

TRUSTEE EASLEY makes a motion to recommend approval to the Full Board of Trustees for \$146,000 Beneficiary Employment Focus Area funding allocation to the Statewide Independent Living Council for the Alaska DB101 website and on-line benefits calculator project.

CHAIR WEBB states that is an FY15 allocation.

TRUSTEE McCLELLAN seconds.

There being no objection, the motion is approved.

CHAIR WEBB recognizes Mr. Jessee.

MR. JESSEE states that he has a point of information. He continues that the capital budget now contains a provision that would prohibit the Trust from expending funds to implement expansion without legislative approval. He states that he will look at whether that language would be vetoable by the Governor. In the event that it is not, the Legislature does not appropriate Trust funds. He explains that the funds are like federal funds in that the Legislature authorizes state agencies to receive and expend those funds.

A short discussion ensues.

CHAIR WEBB recognizes Trustee Easley.

TRUSTEE EASLEY states that there have been a couple of examples of projects that are losing funding and wonders if staff has some sort of triage system developed for addressing those. She asks that, at the May meeting, to have some explanation on how the triage system is determining whether that particular project should be funded.

MS. BURKE replies that they will work with the agenda for May and carve out some time to have some of these conversations.

CHAIR WEBB asks for a motion for adjournment.

TRUSTEE MCCLELLAN makes a motion to adjourn the Finance Committee meeting.

TRUSTEE EASLEY seconds.

There being no objection, the motion is approved.

(Finance Committee meeting adjourned at 4:30 p.m.)