

ALASKA MENTAL HEALTH TRUST AUTHORITY
FINANCE COMMITTEE MEETING

April 17, 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
John McClellan
Russ Webb

Trust staff present:

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

TLO staff present:

Marcie Menefee
John Morrison
Sarah Cunningham
Leann McGinnis

Others participating:

Janet Rudy; Dr. Stephanie Monahan; James Menaker; Alison Kear (telephonically); Chris Mortenson; Mike Sobocinski; Donna Mong; Dr. Aron Wolf; Melissa Stone.

PROCEEDINGS

CHAIR DERR calls the Finance Committee meeting to order, and states that all the Trustees are present. She asks for any announcements and then ethics disclosures. There being none, she moves on to approval of the agenda. She asks for any additions. There being none, the agenda stands as received. She moves approval for the minutes of January 3, 2014, and she asks for any corrections or additions. There being no objection, the minutes are approved as received. She moves on to staff report items and recognizes Jeff Jessee with a 2015 budget update.

STAFF REPORTS

2015 BUDGET UPDATE

MR. JESSEE states that generally the budget is in good shape. He continues that the coup was getting the Complex Behavior Collaborative fully funded at the \$450,000 level that was recommended by the Trustees, and the project will have an annual cost of \$525,000. He adds that Representative Neuman moved the amendment to add the \$525,000. He states that the big areas of concern on the rest of the budget are in the behavioral health grants where the House has a \$2 million reduction. He continues that the Senate does not have that reduction, which is encouraging. He adds that as far as the budget process, this may be one of the most successful sessions in terms of getting what is being looked for and not having additional reductions over the Governor's recommendation.

CHAIR DERR asks about the \$50,000 in additional advocacy money that was approved in January.

MR. JESSEE replies that some of that has been used to bring on a number of contractors to identify and mobilize local grassroots advocates. He adds that the piece that is still evolving is trying to get some higher-level support from Chambers of Commerce.

CHAIR DERR asks for any questions. There being none, she recognizes Kevin Buckland for the cash management report.

CASH MANAGEMENT REPORT

MR. BUCKLAND states that the cash management report reflects activity through March. He adds that the financials were just received from Permanent Fund. He continues that the report has been modified which was the result of the action taken by the Full Board in setting aside \$5 million in part of the budget reserves at the Permanent Fund and assigning that balance to offset the effects of inflation. He goes through the report, explaining as he goes along.

CHAIR DERR asks about the miscellaneous income.

MR. BUCKLAND explains that is primarily return of unused grant funds.

CHAIR DERR asks for any questions. There being none, she moves on to the grant approvals and begins with the facility maintenance account transfer.

GRANT APPROVALS

FACILITY MAINTENANCE ACCOUNT TRANSFER

MR. BUCKLAND states that the facility maintenance account has become rather dormant other than one appropriation that has some unexpended funds, and there is a balance that may not have a specific need. He continues that the Trustees may want to consider moving those funds over to budget reserve, or just keep them where they are.

CHAIR DERR asks for a motion.

TRUSTEE BARTON makes a motion to recommend to the Full Board of Trustees to authorize the CFO to transfer the residual balance of the facility maintenance account, fund 34048, to budget reserves managed by the Alaska Permanent Fund Corporation and/or the Department of Revenue Treasury Division.

TRUSTEE WEBB seconds.

There being no objection, the motion is approved.

CHAIR DERR recognizes Nancy Burke.

FINANCIAL ASSESSMENT GUIDELINES

MS. BURKE talks about the financial assessment guidelines and the tool, stating that it came out of a couple of different conversations with Trustees related to recent nonprofits struggling and some nonprofit failures. She states that the defining question is to find a way to understand or see some indicators of nonprofits' finances in terms of practices when applying. She continues that this assessment tool is mirrored off the capital tool. She explains the document.

TRUSTEE NORENE asks about Form 990, and if this document is beyond that.

A short discussion ensues on Form 990, when it is used, and then continues into the questionnaire.

MS. BURKE states that she would like to make some minutes based on the conversation today and bring this back and perhaps start using it for the next finance meeting in August.

TRUSTEE WEBB asks if the budget reserves that an agency has would be on the balance sheet.

MR. BUCKLAND replies that it should, and it depends on how things are broken out.

MS. BURKE states that in the discussion there was \$50,000 set aside with the intent to address financial concerns of the nonprofits, and this tool may lead to some questions to ask and may identify some needs. She continues, asking to proceed with authorization to utilize that as a reserve tool to use responsively for grantees that come through and flag things based on this process. She adds that a partnership with ABHA, which is the Behavioral Health Provider Association, is also being explored for training by a consulting group called MTM that will provide financial training specifically to behavioral health organizations around all the aspects of their business.

CHAIR DERR asks if that would be in conflict with Foraker.

MS. BURKE replies that there had been an ongoing discussion with Foraker, and that consulting group would pair with Foraker to do the generic nonprofit division. She states that a behavioral health organization is a very specific model, has a very different Medicaid delivery system, and has structures in place that require certain professionals in certain mixes.

TRUSTEE WEBB states that instructions to go forth were given in September to develop a plan for \$50,000 and come back, and it looks like that has been done. He suggests fleshing out the plan and bringing it back.

CHAIR DERR asks for a more specific budget. She asks for any further questions. There being none, she moves on to the grant proposals. She states that the first one is from the Resource Committee in regard to the building expenses.

GRANT PROPOSALS

TRUSTEE WEBB makes a motion that the Resource Committee recommends that the Full Board of Trustees concur with the recommendations to approve the incremental building expenditures totaling \$3,287,000 budgeted for FY15 to be paid by the property management from rents and other income collected from the properties.

There being no objection, the motion is approved.

CHAIR DERR moves to the designated grant to Agnew::Beck, and recognizes Kevin Buckland.

MR. BUCKLAND states that it is necessary to get the authority to expend funds from partners on the books. He continues that this project was already approved by Trustees -- although there was nothing officially in the record -- that the OMB could be provided with and receive authorization to get the expenditure authority on the books for the \$65,000 that was received from partners for this project. He asks that this request be approved today.

TRUSTEE WEBB makes a motion to recommend that the Full Board of Trustees approve an additional \$65,000 in Trust Authority expenditure authorization to FY14 designated grants, AR 16865-17, for the Behavioral Health Systems Assessment Contract to enable expenditure of partner contributions.

TRUSTEE BARTON seconds.

There being no objection, the motion is approved.

CHAIR DERR moves on to the Front Street Community Health Center, and recognizes Nancy Burke.

FRONT STREET COMMUNITY HEALTH CENTER

MS. BURKE states that this potential grantee is in Juneau, and the background is that the Front Street Clinic has been a long-standing clinic available for the homeless and has been a key piece of the service delivery system for those folks. She continues that SEARHC made the decision that they could no longer afford to host this clinic and sent this to the community to determine a new nonprofit home and a new structure for the Front Street Clinic. She adds that the community rose to the occasion, gathered and talked about the needs and the efforts to reconstruct this clinic. She states that the community has worked on transitional fund sources, and this request is a gap request to keep services going until some of the new resources can take place. She notes that this request is two pieces: One is dental services, and the other is about the medical and the primary care services. She adds that the community is very concerned about both.

TRUSTEE BARTON makes a motion that the Finance Committee recommends approval to the Full Board of Trustees for \$120,952 fiscal '14 designated grant to the Front Street Community Health Center for the Front Street Community Health Center Project.

TRUSTEE WEBB seconds.

There being no objection, the motion is approved.

CHAIR DERR asks if anyone is on line or here from Front Street.

MS. RUDY replies yes.

CHAIR DERR thanks for the interest in coming to the Trust to obtain money, and congratulates them on getting it.

MS. RUDY thanks all from the bottom of all their hearts and from the patients that are served.

CHAIR DERR moves on to Southcentral Foundation, and recognizes Katie Baldwin-Johnson.

SOUTHCENTRAL FOUNDATION

MS. BALDWIN-JOHNSON invites Dr. Stephanie Monahan to the microphone, stating that she is with the All Alaska Pediatric Partnership and is able to provide additional information or answer questions. She states that the pediatric partnership has been around since about 1995 and is currently working toward its own nonprofit status. She continues that Southcentral Foundation

has been serving as the fiscal agent which allows them to receive funds. She adds that it funnels the grant money to the Pediatric Partnership so they can work on their goals as an organization. She states that the primary emphasis of the organization is to reduce the rates of child maltreatment and focus their strategies around primary prevention, education and training for medical providers around identification of children that may have been exposed to trauma. She continues that the Alaska Positive Parenting Program, also referred to as Triple P, is one of the evidence-based parental education models. She asks Dr. Monahan to talk about some of the goals of the project.

DR. MONAHAN states that the Triple P is the only evidence-based positive parenting program in the world and has been studied in lots of different countries focusing on building resiliencies, reducing developmental problems and increasing positive parenting relationships. She continues that there is a lot of excitement in bringing it to Alaska and trying it in one community that has existing infrastructure to support it so that it can really serve as a partnership with current activities, and possibly strengthening families. She adds that it allows those who come in contact with children, parents and/or caregivers 15 minutes' worth of an evidence-based intervention to make a difference for a family. She states that it has been shown to have a huge impact on strengthening families and building resiliencies for children, which is the ultimate goal. She thanks the Trustees for the opportunity.

A short question-and-answer period ensues.

CHAIR DERR asks for a motion.

TRUSTEE WEBB recommends that the Finance Committee approve a \$50,000 FY14 designated grant to the Southcentral Foundation, fiscal agent for the All Alaska Pediatric Partnership, for Alaska's Positive Parenting Program community launch.

TRUSTEE BARTON seconds.

There being no objection, the motion is approved.

DR. MONAHAN thanks the Trustees for the opportunity and states her excitement to launch and bring information back, and to continue this important work for Alaska.

CHAIR DERR moves on to the Joel's Place property grant, and recognizes Nancy Burke.

JOEL'S PLACE PROPERTY GRANT

MS. BURKE states that this is a request from Wellspring Revival Ministries, which is the organization, and Joel's Place is located in Fairbanks. She continues that this is a previous grantee that hosts a youth drop-in center with recreational activities for youth in Fairbanks. She adds that a prevention model is practiced; they work with youth and offer a safe place for them to be. She states that currently they have a lease that allows for a purchase, and they are pursuing the purchase of that property.

CHAIR DERR asks for a motion.

TRUSTEE WEBB makes a motion that the Finance Committee approve a \$50,000 FY14 partnership to Wellspring Revival Ministries for the Joel's Place property purchase.

TRUSTEE BARTON seconds.

TRUSTEE MICHAEL asks if there is a purchase and sale agreement.

MR. MENAKER, the executive director, replies that Dennis Wise has the note on the building, and there is a seven-year agreement with him. He explains that seven years ago the Ministries were not in a position to either own or maintain the building, and they were given a seven-year window to build capacity to do that. He states that the end of those seven years is coming up in September, and adds that there is an agreement with him. He continues that the original loan was 311 and currently is down to 285; and the hope is to have that down to 250 by September.

There being no objection, the motion is approved.

MR. MENAKER thanks the Trustees.

MS. BURKE states that the board is traveling to Fairbanks in May and hopes for an opportunity to meet with Mr. Menaker and maybe see the property.

MR. MENAKER replies that would be outstanding.

CHAIR DERR moves on to the partnership grant to Covenant House.

COVENANT HOUSE

MS. PINEDA asks if she could present Covenant House and Alaska Youth Advocates together.

CHAIR DERR agrees.

MS. PINEDA explains that the Covenant House is a shelter that provides a continuum of services, emergency shelter, vocational and educational supports, and transitional living programs. She states that Anchorage Youth Advocates provides support through their drop-in center, their health clinic and outreach services. She continues that together they work in close collaboration in very creative and innovative ways to provide services to the Beneficiaries on the streets in Anchorage. She adds that they partner with local law enforcement, business operators, employers, and they do a great job in the community. She continues that they have provided for about 469 unduplicated Beneficiaries between the two services. She states that the reason for the funding request is also due to federal sequestration loss of funds. She continues that the sequestration is over and in federal FY15 they anticipate their funding being fully restored. She adds that they are asking for bridge gap funding for the Street Outreach Program.

CHAIR DERR asks for a motion.

TRUSTEE WEBB makes a motion that the Finance Committee approve a \$40,000 FY14 partnership grant to Covenant House Alaska for the Better Together Covenant House Alaska and Alaska Youth Advocates project.

TRUSTEE BARTON seconds.

There being no objection, the motion is approved.

TRUSTEE WEBB makes a motion that the Finance Committee approve a \$40,000 FY14 partnership grant to Alaska Youth Advocates for the Better Together Covenant House Alaska and Alaska Youth Advocates project.

TRUSTEE BARTON seconds.

There being no objection, the motion is approved.

MS. KEAR states that she is Alison Kear from Covenant House and appreciates this funding. She continues that this will allow uninterrupted of the outreach program and states confidence of getting funding back in FY15.

CHAIR DERR states that there is no one Trustee that does not appreciate what has been done for Anchorage and the state as a whole.

TRUSTEE EASLEY asks if there is time for an update.

MS. KEAR replies that the other building is owned, and we are in due diligence on a purchase/sale agreement for it. She states that this building was designed with community spirit and a lot of great things are happening. She adds that the Trust supported in capital the operations of the wellness center and clinic and is acknowledged with a nice sign.

MR. ANDERSON states that he is Gary Anderson, the clinical director of Family Services of Anchorage Community Mental Health and oversees the main outpatient clinic for severely emotionally disturbed youth in the community. He continues that this opportunity with AYA was a natural merger, and the integration is a nice connection point.

MR. MORTENSON states that he is Chris Mortenson, a clinician and is also an active manager at AYA.

MR. ANDERSON explains that AYA is their own entity until June 30, and as of July 1 they will become a part of the company.

MR. SOBOCINSKI states that he is the chief operating office and appreciates the chance to be here.

CHAIR DERR thanks all and states appreciation for what is being done for the Beneficiaries.

She moves on to the Beneficiary Projects Grant Allocations and recognizes Katie Baldwin-Johnson.

BENEFICIARY PROJECTS GRANT ALLOCATIONS

MS. BALDWIN-JOHNSON states that the next two requests are about the Beneficiary focus area projects. She notes that Dr. Aron Wolf, who has been a part of the Beneficiary Initiative in Alaska for years, is here. She adds that Melissa Stone is here to answer any questions in her capacity as interim executive director for CHOICES. She states that the first request is seeking approval for the attached FY15 BPI authority grant allocation for the projects within the focus area. The amount requested is \$1,356,400. She adds that there is an attached spreadsheet that shows the recommended funding allocation by program.

A short discussion ensues on the grant dollars.

TRUSTEE WEBB makes a motion that the Finance Committee approve the FY15 BPI focus area allocation in the amount of \$1,356,400 for the purpose of the FY15 BPI grant funding.

TRUSTEE BARTON seconds.

A discussion ensues.

MS. BALDWIN-JOHNSON states that the first point was what makes the programs essential to continue. She continues that the Soteria model is essential because it is providing that prevention piece for young adults, adults experiencing their first break with schizophrenia. She explains that the model is a home-like environment that works with the individual and provides a tremendous amount of support. She continues explaining, and Dr. Wolf also joins in. She moves to the CHOICES model, which is more of a community-based engagement, intentional case management program, working with individuals that are difficult to engage.

The discussion continues on the subject in more explicit detail, explaining the needs and the reasons behind them.

CHAIR DERR states that the motion is on the floor.

There being no objection, the motion is approved.

CHAIR DERR moves to the motion for the reallocation for FY14.

TRUSTEE WEBB makes a motion that the Finance Committee approve the reallocation of unexpended FY13 Beneficiary Projects Initiative administration funds to CHOICES, Incorporated, to increase the FY14 CHOICES community option program grant by \$70,000 to a total of \$260,400.

TRUSTEE BARTON seconds.

TRUSTEE MICHAEL states that work has to be done on how to make the program sustainable because the Trust is not going to be the permanent funding source. She adds that the Trust will support as long as possible, but not permanently.

DR. WOLF states that the planning of the consolidation of the three programs is exciting and has to be sustainable in moving forward. He states appreciation for what the Trust has done over the years, and understands that it is not forever.

There being no objection, the motion is approved.

CHAIR DERR thanks Katie, Melissa and Dr. Wolf, and asks for anything else to come before the committee.

TRUSTEE WEBB comments that for the long-term planning the Trust needs to be working on a way to work with the Department and others, primarily with State government, to figure out a way to go beyond the limitations of the Medicaid-funded system of care so that people that are not Medicaid-eligible can get care.

CHAIR DERR thanks Trustee Webb, and recognizes Jeff Jessee.

MR. JESSE states that this is the last time that Bill Herman will be before the entire board of Trustees and wants them to recognize that fact. He adds that he did not want the Full Board to leave without letting Bill know.

(Applause.)

CHAIR DERR recognizes Trustee Webb.

TRUSTEE WEBB asks if Mr. Herman would like to say anything.

MR. HERMAN states that it has been great and that he always wanted to be involved in an agency that had really good leverage to make positive change for people, always improving and always trying to get better. He continues that it has been an honor to work here, do this, and to be a part of it. He states that he has met a lot of wonderful Trustees, just like the group that is here, and has learned a lot from them all. He continues that he is honored to have the opportunity to work for Jeff all these years, adding that he has provided a lot of great leadership. He adds that this is a great organization with a great staff and is proud to have been a part of it.

CHAIR DERR thanks all and adjourns the Finance Committee. She thanks Mr. Herman for coming.

(Finance Committee adjourned at 3:28 p.m.)