

ALASKA MENTAL HEALTH TRUST AUTHORITY

BOARD OF TRUSTEES MEETING

September 8, 2016

8:30 a.m.

Taken at:

Alaska Mental Health Trust Authority
3745 Community Park Loop, Suite 120
Anchorage, Alaska

OFFICIAL MINUTES

Trustees present:

Russ Webb, Chair
Mary Jane Michael
Carlton Smith
Laraine Derr
Larry Norene
Paula Easley
Jerome Selby

Trust staff present:

Jeff Jessee
Steve Williams
Heidi Wailand
Carley Lawrence
Michael Baldwin
Miri Smith-Coolidge
Kevin Buckland
Katie Baldwin
Amanda Lofgren
Carrie Predeger
Valette Keller
Lucas Lind
Kat Roch

Trust Land Office:

John Morrison
Wyn Menefee

Others Participating:

Nelson Page; Kathy Craft; Kate Burkhart; Patrick Reinhart; Randall Burns; Lisa Cauble; Dave Branding; Denise Daniello.

PROCEEDINGS

CHAIR WEBB calls the meeting to order and asks for any announcements. He states that with us today is Nelson Page, who, in addition to being the Trust general counsel, is a former trustee and former Chair of the Board and has an enormous amount of experience and knowledge working with and for the Trust. He continues that Mr. Page is here today to help walk through the budget process. He asks Mr. Page to get started.

MR. PAGE states that he will not be going through and discussing each line item. He continues that the intention is to go through the spreadsheets in general categories, ask for motions to approve the general categories' amounts, and then give trustees the opportunity to go back through a particular category, ask any questions, and make proposed amendments or do whatever they choose to do with that particular category. He adds that Mr. Buckland will take care of making sure that the spreadsheet is accurate. If there are any changes, those changes will be reflected down the line through the spreadsheet. This is the opportunity to ask staff any questions, make any changes, or make any amendments as we go through.

MR. JESSEE states that as Mr. Page goes through the categories, staff will identify any changes that have been made and answer any questions.

MR. PAGE states that the format of the spreadsheet is different and explains in detail. He makes the point that the line items are still part of the focus area, but they have been changed into a different format and presentation.

MR. WILLIAMS states that a lot of acronyms are used and the line items that are associated with a focus area, in parentheses, will have the acronym for that focus area.

MR. PAGE begins with the summary page, which is the summary of what money the Trust has or expects to have.

TRUSTEE SELBY makes a motion that, for FY2018 planning purposes, the Full Board budget \$29,026,600 as available funding, excluding unobligated carryover, for FY2018 MHTAAR and Authority Grants.

TRUSTEE DERR seconds.

MR. PAGE asks Mr. Buckland for any additional explanation of the funds and how they got there.

MR. BUCKLAND replies that during the Finance Committee report, some updated projections, based primarily on return expectations of what is expected from Permanent Fund and Treasury of the annual payout, were provided. He states that there is also the TLO spendable income, the lapsed appropriations, and some miscellaneous other income.

MR. PAGE asks for any other questions before moving into the budget line items. There being none, he states that the first section is Nonfocus Area Allocations. He continues that it is his understanding that the line items on this section of the budget have already been approved. The summary of the total is \$8,372,800, and no further action needs to be taken. He moves to Other Nonfocus Area Allocations and asks for a motion to approve the total Nonfocus Area Allocations.

TRUSTEE SELBY makes a motion to postpone the action on the first motion that is on the floor until the last action by the board on the budget just in case any other changes are made along the way. The motion is to postpone until after the rest of the budget discussion.

TRUSTEE DERR seconds.

There being no objection, the motion is approved.

TRUSTEE SELBY makes a motion that the Full Board of Trustees appropriate \$5,952,000 in MHTAAR and Authority Grants for other nonfocus area projects during FY2018, consisting of \$887,000 MHTAAR and \$5,065,000 Authority Grants. He further moves that the Full Board of Trustees recommend zero dollars of other funds for other Nonfocus Area Allocations for FY2018.

TRUSTEE EASLEY seconds.

TRUSTEE SELBY asks staff to explain the changes on lines 22 and 23, and why they were made.

MS. LOFGREN replies that lines 23 and 23 reflect increases of \$40,000 to both the Anchorage and Fairbanks Dental Programs. She continues that the grant that was received over the last three years were expended in the first three quarters. She adds that this provides dental services to beneficiaries. She states that there is a very specific criteria and referral process on whom they serve and how they serve beneficiaries. The increase in the funds will allow services to be provided to all four quarters, and staff recommended an increase. She explains further.

TRUSTEE MICHAEL asks about the mini grants on 29, 30 and 31, and if the Alzheimer's Resource Agency is one of the organizations that administers them.

MS. LOFGREN replies that it is contracted directly with Information Insights out of Fairbanks to manage those two programs. She states that the DD mini grant and the behavioral health mini grants will run the same way.

TRUSTEE SELBY states that the next change is on lines 41 and 42, and asks staff to address that.

MS. LOFGREN replies that, to her knowledge, there was no change from what was presented at the Planning Committee; however, there was a reduction from FY17 to FY18 for this item.

CHAIR WEBB asks about the dental and if, in making the determination to increase to the neighborhood health centers funding for dental services, any analysis of what the potential impact is of granting that money versus making it available through mini grants where people can access it directly and quickly.

MS. LOGREN replies yes and no, explaining that those conversations have taken place internally. She states that, in November, a dentist will come and talk about impacts and the changes. She continues that the guidelines to the mini grants were changed to make it more readily accessible to get dental services. She adds that some individuals who have an established provider are better served through the mini grant. Some individuals do not have providers, and the neighborhood centers or the FQHCs are the best option for them. She states, from her perspective, having access through both programs is the best option for beneficiaries, depending on their circumstances and situations.

MR. JESSEE explains in more detail and wants to come back in November with a better description of what this dental looks like for beneficiaries and what the ultimate mix should be.

A short discussion ensues, and Mr. Jessee gives a short history of the dental situation.

CHAIR WEBB asks if there is a gap between the number of applications that would be approved if there was money versus those that are approved within the money we have.

MR. LIND explains that for behavioral health there is not, but there is the ability to fund all the applications that come in that are eligible.

MS. PREDEGER replies that there is a large gap. She states that for DD, 138 mini grants were left unfunded, and for Alzheimer's, 34 were unable to be funded. She continues that from Alzheimer's, usually funds come back; but for DD, all funds every fiscal year are expended.

CHAIR WEBB asks how much more money is needed to fund all of the applicants.

MS. PREDEGER replies that it would be about \$56,000 for ADRD. That number is mainly because they were not within the funding categories for ADRD. She continues that for DD the amount of grant requests that were unfunded were \$296,000. She talks about the criteria for the DD mini grants.

TRUSTEE SELBY proposes, since staff is bringing an analysis in November that looks at the whole dental picture, that a recommendation be brought forward at that time about what an appropriate amount of money is to add where there is a shortfall, and where to find the money to fund it.

A short discussion ensues.

TRUSTEE SELBY asks about the changes within the section of lines 56 through 60.

MS. BALDWIN explains that on line 59, \$10,000, which was formerly in the Substance Abuse and Prevention Treatment Focus Area under data, and those funds are contributing to the cost of the adverse childhood experiences BRFSS module. It was just moved.

TRUSTEE SELBY then asks, on line 66, that was \$146,000 and is now \$100,000.

MS. LOGREN replies that the Autism Resource Center dollar amount did not change. It was \$75,000 in FY17 and was reduced to \$50,000 for FY18. She states that because of conversations with the Department of Education, that decrement of Trust funds for FY18 will be picked up by them.

MR. PAGE asks for any other comments, questions or requests for clarification regarding the Nonfocus Area Allocations.

TRUSTEE SELBY calls the question on the motion.

There being no objection, the motion is approved.

MR. PAGE moves to Implementation Investments.

TRUSTEE SELBY makes a motion that the Full Board of Trustees appropriate \$2,527,800 in MHTAAR and Authority Grants for the Alaska Systems Reform/Medicaid Reform and Redesign SB 74 implementation investments during FY 2018 consisting of \$2,352,800 MHTAAR and \$175,000 Authority Grants.

TRUSTEE DERR seconds.

CHAIR WEBB asks for discussion.

MR. PAGE asks for any questions, comments or requests for clarification on SB 74 implementation investments. There being none, he states that all are prepared to vote on the motion.

There being no objection, the motion is approved.

MR. PAGE moves on to Trust-Related Investments.

TRUSTEE SELBY makes a motion that the Full Board of Trustees appropriate \$3,068,100 in MHTAAR and Authority Grants for the Alaska Systems Reform/Medicaid Reform and Redesign Trust-Related Investments during FY2018 consisting of \$2,235,100 MHTAAR and \$833,000 Authority Grants. He further moves the Full Board of Trustees recommend the appropriation of \$100,000 GF/MH funding for FY2018.

TRUSTEE DERR seconds.

MR. PAGE goes through the list and asks for any questions, comments or amendments.

CHAIR WEBB asks for any objections.

There being no objection, the motion is approved.

TRUSTEE SELBY makes a motion that the Full Board of Trustees appropriate \$3,905,300 in MHTAAR and Authority Grants for the Alaska Systems Reform/Criminal Justice Reform and Redesign Trust-Related Investments during FY2018 consisting of \$2,470,300 MHTAAR and \$1,435,000 Authority Grants. He further moves the Full Board of Trustees recommend the appropriation of \$150,000 of GF/MH funding for FY2018.

TRUSTEE MICHAEL seconds.

MR. PAGE states that the first subcategory is Systems and Policy Development. There being no questions or comments, he moves to Increased Capacity, Training and Competencies.

CHAIR WEBB asks Mr. Williams if the money is going into CIT training.

MR. WILLIAMS states that CIT is current and historically have been funding through APD, which has transitioned into the academy. He continues that there are discussions now with APD on whether or not additional or continued funding would be needed to provide any sort of CIT training outside of the academy to current APD officers and other law enforcement folks.

MR. PAGE asks for any other questions.

TRUSTEE SELBY states that there is some red on line 50, and asks if that means there was a change made, or is that emphasized for a reason.

MR. WILLIAMS replies that is to show that \$100,000 came from SAPT to Disability Justice in a sort of reallocation on the cross-focus areas.

TRUSTEE NORENE asks about Self-Sufficiency Training through the YWCA on line 24.

MS. LOFGREN explains that the Self-Sufficiency Training is actually an economic literacy training program for beneficiaries, once they are employed and need to begin to understand how to put together a budget that includes multiple different things for housing, how to include things they needed for their jobs. She states that there are training classes for beneficiaries that are held at Bean's Café, Brother Francis, RurAL CAP, and a program is being started in Bethel to work with the shelter out there. She adds that it is a direct training to beneficiaries on budgeting.

TRUSTEE NORENE asks how the YWCA is involved.

MS. LOFGREN replies that the YWCA is the coordinator and the host of the training.

TRUSTEE EASLEY asks for the location of the YWCA.

MS. LOFGREN replies that the YWCA is downtown in Anchorage on 5th Avenue. She states that they are working with the Bethel Community Foundation to get the program up and going. She adds that classes have been hosted at the library in Anchorage, but it is mostly going onsite to the beneficiaries.

CHAIR WEBB asks if the sleep-off alternatives are capital predevelopment.

MR. WILLIAMS replies no and states that, historically, that has been \$100,000 of Trust funding that has gone through the Division of Behavioral Health out to Norton Sound to a staffperson in Nome to focus on increasing the continuum of substance abuse and mental health services. He continues that Norton Sound is picking up the other half of that \$50,000; not capital funds.

CHAIR WEBB asks how many people are actually being served through the assertive community treatment.

MS. LOFGREN replies that a full ACT is supposed to serve a hundred individuals, and then half ACT serves 50. She states that Anchorage has full ACT teams, and she notes that there are 45 individuals currently being served. It is a slow implementation in terms of the number of individuals that come onto the program. She gives a short history.

CHAIR WEBB asks when it is expected that the ACT team in Anchorage will have achieved funding stability to be able to move the money.

MS. LOFGREN asks Randall Burns to continue.

MR. BURNS states that he is the Director of the Division of Behavioral Health, and that the ACT team has had a very slow startup. He explains that they are on their third director in a year and a half, but thinks that the current director is really helping them move forward. He continues that the staff is very young, the salaries are relatively low, and health insurance is not being paid. The people that are participating are just coming out of school with some training. He adds that ACT is coming together, and they are doing a really good job in the community.

CHAIR WEBB states that his fear is that the Trust will have invested a lot of money without being able to demonstrate the result and then will not be able to convince anyone that this is something that should continue.

MR. BURNS states that the other tricky part about this, in order to make it sustainable, depends on them actually beginning to bill Medicaid for these services. He adds, that is a major problem for many agencies, particularly for the ones starting out. The requirements of the documentation are considerable. He continues, that it is a combination of those things, but originally they were not at all in line with the model.

MS. BALDWIN adds that Trust staff has also been very engaged with the program, as well. She states that there were concerns around the philosophy of the program which have been carefully addressed, and perhaps more conversations need to happen with folks in the community. She

continues that the new executive director, Alan Green, has a lot of experience and is going to bring a lot of that to this program.

MR. JESSEE elaborates that this is an example of a program that staff puts in a large amount of work into making sure that the Trust gets the return on the investments made.

TRUSTEE EASLEY states that many people have complained about the fact that the Medicaid documentation is keeping people from doing their jobs. She continues that she would like to see the trustees make a recommendation to the Governor to work with other governors to finally try to get CMS to get the regulations changed instead of having everyone complain about it.

CHAIR WEBB comments that one of the key components of trying to create a system that would allow operating with a smaller hospital was the Assertive Community Treatment. It was tried that time and failed in getting a program with fidelity to that model. He states that, in this case, the mistake was taking a program that was not prepared at a professional level to engage and implement a real ACT team. He states appreciation to all involved in doing this. He adds that his major concern is to not fail again on this effort.

TRUSTEE SELBY calls the question on the motion.

CHAIR WEBB asks for any objections to the motion to approve the Criminal Justice Reform and Reinvestment Allocation.

There being no objection, the motion is approved.

TRUSTEE SELBY makes a motion that the Full Board of Trustees appropriate \$1,797,000 in MHTAAR and Authority Grants for the Housing and Long-Term Services and Supports Focus Area during FY2018, consisting of \$1,450,000 MHTAAR and \$347,000 Authority Grants. He further moves the Full Board of Trustees recommend the appropriation of \$3,350,000 in GF/MH funding and \$8,100,000 of other funds for the focus area for FY2018.

TRUSTEE MICHAEL seconds.

MR. PAGE begins with Housing and Long-Term Services and Supports Policy Coordination.

TRUSTEE DERR asks about the \$85,000 for the focus area administration.

MS. LOFGREN replies that each of the focus areas have an admin budget to cover essential components to support the focus areas. Historically, it has covered travel; meeting supports; facilitation of meetings that directly impact the focus areas. She states that it is more of an administrative fund for Trust staff to implement the focus areas.

MR. PAGE asks for any other comments or questions, and then moves to Beneficiaries Access Appropriate Community-Based Services and then Beneficiaries Live in Safe, Affordable Housing Through a Balanced Continuum of Housing. There being no other comments or questions, he states that they are ready for a vote.

TRUSTEE SELBY calls the question on the motion.

CHAIR WEBB asks for any objections to approve the Housing and Long-Term Services and Supports focus area allocation.

There being no objection, the motion is approved.

TRUSTEE SELBY makes a motion that the Full Board of Trustees appropriate \$2,225,000 in MHTAAR and Authority Grants for the Beneficiary Employment & Engagement Focus Area during FY2018, consisting of \$290,000 in MHTAAR and \$1,935,000 Authority Grants.

TRUSTEE DERR seconds.

MR. PAGE asks for any questions or comments on this part.

CHAIR WEBB asks for any objections to the motion on the floor.

There being no objection, the motion is approved.

TRUSTEE SELBY makes a motion that the Full Board of Trustees appropriate \$450,000 in MHTAAR and Authority Grants for the Substance Abuse Prevention and Treatment focus area during FY2018, consisting of zero MHTAAR dollars and \$450,000 Authority Grants.

TRUSTEE DERR seconds.

MR. PAGE moves to Alaskans Use Alcohol Responsibly and Avoid Illegal Substances; Alaskans: Free From Burdens Created by Alcohol and Substance Abuse; Policy, Analysis and Development; and Administration.

CHAIR WEBB asks Mr. Jessee where this is, and how will this money be employed with the Title 4 effort.

MR. JESSEE replies that the Title 4 steering committee has reconvened, which is under the umbrella of the Alcohol Beverage Control Board. Senator Micciche has given the group a hard deadline of November 15th to get to him a consensus document about what industry, public health, and public safety, and the Alcohol Beverage Control Board can agree to and should be in a revised bill. Being unable to reach consensus, each party will submit to the Senator why a particular issue should be resolved and which way. The Senator will make the final decision as to what he wants in his bill, and he will get it drafted and prefiled. Then all parties will have to face a fundamental choice of whether to support the resulting bill, even though it will probably not have everything everyone wants in it. He continues that it is the Senator's intention to get that bill passed whether certain parties are objecting to parts of it or not.

CHAIR WEBB states that those are all FY17 activities, and this is an FY18 budget.

MR. JESSEE replies that part of that is because they do not know how long this effort will take, and legislation can often be a two-year process. He would like the money available in case the legislation does not pass this year and staff will have to continue to work on it.

MR. PAGE asks for any other questions.

TRUSTEE SMITH asks for a small update about the Recover Alaska Partnership.

MR. JESSEE replies that there are a number of areas that staff continues to work on, and gives a short update.

MS. BALDWIN adds that there has been discussion at the steering committee level of adding the focus or emphasis on access to treatment, and there is interest with Recover Alaska to work in that arena, as well.

MR. JESSEE states that he believes that the alcohol tax is going to be the biggest issue by far, for a variety of reasons. It is part of the fiscal gap package of revenues. He continues that one of the things being done with the funding made available is having McDowell do some analysis of exactly how much in terms of General Funds are the result of excessive alcohol consumption. He states that one of the things to do as an advocacy tool is to create a virtual Department of Alcohol Abuse and put the General Fund together as if it was a department. He adds that it may be the third or fourth largest General Fund expenditure in the state. He continues that the approach will be to look at all the other agencies in state government that are reducing and trying to do something positive.

MR. PAGE asks for anything else. There being none, he states that we are ready for a vote.

CHAIR WEBB asks for any objections to the motion on the floor.

There being no objection, the motion is approved.

TRUSTEE SELBY makes a motion that the Full Board of Trustees appropriate \$60,000 in MHTAAR and Authority Grants for the Disability Justice Focus Area during FY2018, consisting of zero dollars of MHTAAR and \$60,000 Authority Grants.

TRUSTEE DERR seconds.

MR. PAGE asks for any questions, comments or discussion. There being none, he states that it is ready for a vote.

CHAIR PAGE asks for any objections to the approval of the motion in the Disability Justice area.

There being no objection, the motion is approved.

TRUSTEE SELBY makes a motion that the Full Board of Trustees appropriate \$700,000 in MHTAAR and Authority Grants for various advisory board recommendations and capital requests during FY2018, consisting of \$700,000 MHTAAR and zero Authority Grants. He further moves that the Full Board of Trustees recommend the appropriation of \$1,750,000 in GF/MH funds for advisory board recommendations for 2018.

TRUSTEE NORENE seconds.

MR. PAGE notes that it is his understanding that line 9, Medical Appliances and Assistive Technology, has a \$150,000 placement, and staff's recommendation was that this be zeroed out.

TRUSTEE SELBY makes a motion to amend the motion before us, based on staff recommendation, and remove the \$150,000 on line 9 from the budget.

TRUSTEE NORENE seconds.

There being no objection, the motion is approved.

CHAIR WEBB asks if Trustee Selby would like to amend his original motion.

TRUSTEE SELBY makes a motion to place the postponed motion before the board.

TRUSTEE DERR seconds.

MR. PAGE states that motion would be to accept the entire proposed budget for FY18.

TRUSTEE SELBY states that he needs to make an amendment if the board is ready to consider the full motion.

CHAIR WEBB states that it is back on the floor.

TRUSTEE SELBY makes a motion to amend it by reducing line 23, the \$700,000 line item, to the \$150,000 change that was just made, and make the other appropriate changes in the totals and other places on the sheet that goes with that.

TRUSTEE EASLEY seconds.

CHAIR WEBB asks Mr. Buckland to give the total.

MR. BUCKLAND states that the overall totals are \$28,908,000 in MHTAAR, MHTAAR admin, and Authority Grants for fiscal year 2018, consisting of \$18,608,000 of MHTAAR and MHTAAR admin, and \$10,300,000 in Authority Grants. He continues that this has not changed the recommended appropriation for fiscal year 2018 of GF/MH totals, \$5,350,000. The recommended other funding appropriation for fiscal year 2018 totals \$8,100,000.

CHAIR WEBB asks Trustee Selby if those are the numbers he moved.

TRUSTEE SELBY replies correct.

TRUSTEE SELBY moves the Full Board of Trustees appropriate \$28,908,000 in MHTAAR, MHTAAR admin and Authority Grants for FY2018, consisting of \$18,608,000 of MHTAAR and MHTAAR admin, and \$10,300,000 of Authority Grants. He further moves the Full Board of Trustees recommend the appropriation of \$5,350,000 of GF/MH funds and \$8,100,000 of other funds for FY2018.

TRUSTEE SELBY calls the question on the amendment.

There being no objection, the motion is approved.

CHAIR WEBB states that the vote is needed on the motion.

TRUSTEE SELBY asks if anyone has any questions.

TRUSTEE EASLEY states concern about the absence of some specifics regarding workforce development. She continues that she would like some assurance that those concerns have been addressed within all the little categories.

MR. JESSEE states that he can give those assurances. He continues that staff definitely took to heart what the stakeholders said in the stakeholder process that was described yesterday, which was that in each area talked about, workforce kept coming up. He adds that staff came away with a renewed sense of importance of making sure that in all of these areas that workforce is accounted for as part of the overall strategy. It was repeatedly emphasized that without a well-trained, qualified, retained workforce, all of these programs are just going to struggle.

MS. BALDWIN mentions that there have been a number of conversations looking at the emerging needs related to the reform activities. The Alaska Training Cooperative has met with the Trust and the Department to look at where some of those opportunities can play a substantial role in helping achieve some of those goals of the Department around training and workforce development. She adds that there has also been other activities in training needs, as well looking at opportunities, with the Department of Corrections.

MS. CRAFT adds that she feels that they have really embedded well into the Criminal Justice Reinvestment and Medicaid Reform and Redesign workforce efforts. She states that supervision is very important and is something that needs to be concentrated on, because workers really need quality supervision. She continues that the University president has called a meeting where he wants to hear from providers and stakeholders about workforce and how the University is not meeting the behavioral health workforce needs. She adds, that meeting is going to take place at the end of October, and she is charged with putting the meeting together.

MR. JESSEE states that it is unprecedented for the University in general, let alone the president of the University -- especially at this time when the University is under tremendous fiscal pressures -- to recognize the need to do a better job in that area.

CHAIR WEBB asks for any other questions or discussion.

MR. JESSEE states that he is blessed to work with the best staff he has had in 30 years, and adds that there is not a single weak link in this organization. Every one of them puts in tremendous time, effort and commitment.

TRUSTEE SELBY thanks Mr. Jessee and all of the staff included for doing an outstanding job in preparing this budget. He states that they have done an outstanding job of looking out for the beneficiaries and he really appreciates the quality of work that has been looked at over the last several months in moving through the process of preparing this budget.

TRUSTEE NORENE states that the quality of the staff is not lost on the trustees. He continues that in the eight years he has been on the board, this is the most satisfied he has been, and he appreciates it.

CHAIR WEBB states that there are several things at work here: a great staff, and the kinds of opportunities to make a huge difference in our systems of care to beneficiaries. He also recognizes Trustee Michael and the work that the Planning Committee has done in moving forward and helping everyone to be at their peak of effectiveness.

TRUSTEE NORENE thanks the TLO staff for providing support.

TRUSTEE MICHAEL states that the biggest challenges were moving from the focus groups to this huge challenge the State has. She continues that staff took it, molded it and figured out where to put the energy. She adds that she is proud of this budget and thanks all for the flexibility and the teamwork.

TRUSTEE SMITH states that he had a lot of trepidation about today and now appreciates the new format and the new parliamentarian. He thanks all.

MR. PAGE states that it is his job to remind all that there is still a vote needed.

TRUSTEE SELBY calls the question.

CHAIR WEBB asks for any objections to the motion.

There being no objection, the motion is approved.

MR. PAGE states that there is one other piece of business, which is FY2019.

CHAIR WEBB calls for a 15-minute break.

(Break.)

CHAIR WEBB calls the meeting back to order, and recognizes Nelson Page.

MR. PAGE states that the budget recommendations for FY18 have been accepted. What remains are the budget recommendations for FY19, with the intention to provide at least a framework or a set of guidelines for what will be going on in the second of the two-year budget cycle.

TRUSTEE SELBY makes a motion that, for FY2019 planning purposes, the Full Board budget of \$28,572,900 for available funding, excluding the unobligated carryover for FY2019 MHTAAR and Authority Grants.

TRUSTEE DERR seconds.

TRUSTEE DERR asks what the change is; that is more than \$150,000 off.

MR. BUCKLAND replies that the change related to the \$150,000 associated with the advisory boards that was fiscal year '18, and the motion just read is related to fiscal year '19. He states that the first motion is just the funding available, which was discussed during the Finance Committee report out of funding available from the payout of Permanent Fund and Treasury and TLO spendable revenues.

MR. PAGE states that this motion is how much money is anticipated to be available, and then there will be a second motion discussing how much money is anticipated to spend.

CHAIR WEBB states that there is a motion on the floor, and asks for any further discussion or questions.

There being no objection, the motion is approved.

TRUSTEE SELBY makes a motion, for planning purposes, that the Full Board of Trustees expect to appropriate \$29,186,000 in MHTAAR, MHT Administration, and Authority Grants for 2019. He further moves the Full Board of Trustees expect to recommend the appropriation of \$5,200,000 of GF/MH funds for FY2019, and \$8,200,000 of other funds for FY2019. The trustees will update these FY2019 appropriation recommendations through further deliberation based on updated information over the coming year.

TRUSTEE EASLEY seconds.

MR. PAGE explains that the first motion indicates the amount of money that is being projected as available. The second motion for \$19,186,000 assumes that there will either be a deficit or, more likely, carryover funds or additional sources of funds, which would allow spending more than is expected to be generated from the MHTAAR fund.

CHAIR WEBB states that the motion has been made and seconded, and asks for any objections.

There being no objection, the motion is approved.

MR. PAGE states that they now have a budget and states a job well done.

CHAIR WEBB recognizes not only the Trust staff, but the staff of the Department and the boards and advisers that have given great information and suggestions. He states that everyone has put in a tremendous amount of work on all of these things over time.

TRUSTEE SELBY states that at the November board meeting there will be some amount of discussion about the legislative strategy for the upcoming Legislature. He requests that staff spend a bit of time and brief the trustees on what is going on with the community mental health centers in terms of the upcoming legislative session. He continues that he would like to advocate keeping the core mental health strategy for the State of Alaska to keep all healthy, and would like to have some discussion about that during that session.

MR. JESSEE replies that it might be something to take up at a committee meeting in advance of the November meeting. He continues that staff will work on developing a list of advocacy priorities which can be discussed at both the committee meeting and at the November meeting.

TRUSTEE SELBY states that he would like to be very prepared when interacting with individual legislators with talking points and the priorities.

MR. JESSEE states that there is a process used to get those advocacy priorities, and asks Carley Lawrence to go over how that has worked in the past.

MS. LAWRENCE states that last year talking points and legislative priorities were ready prior to the trustees' meeting in Juneau. She explains that, usually, a draft budget is received from the Governor which is submitted by December 15. She continues, that is the initial starting point for the budget priorities and is what will be advocated for. She adds that having a committee-level meeting prior to the November meeting for more conversations to develop and get more materials ready would be preferred. She states that after the Governor's draft budget comes out, another committee meeting would allow time to review that budget and compare it to previous years, then making recommendations to the trustees of what should be paid attention to and advocated.

MR. JESSEE asks Ms. Burkhart for anything additional.

MS. BURKHART adds that the description of the process where the executive directors meet with Trust staff and talk about what the joint priorities are is actually not the executive directors making the decision. She explains that it is not a top-down, but a bottom-up process.

CHAIR WEBB states that the description is essentially the way it is supposed to work, which is the representatives of the beneficiaries work up their own plans and priorities. Those identified common priorities and interest become the agenda.

A short discussion continues.

MR. REINHART states that it would be nice to send a message regarding the use of MHTAAR funds and being able to fill positions that the Trust is funding to the OMB director. He continues

that there is a research analyst position vacant, and getting approval to fill that with even MHTAAR funds has become somewhat of a headache. Also, another issue is the ability of using Trust funding for travel-related stuff that was put in budgets that have been approved by the Trust and is part of the scope of service in the statement of intent that was signed.

MS. DANIELLO begins by thanking the whole team here for this process. She states that this was the quickest, easiest budget deliberation she has ever experienced. She shares that her board and commission members are asked to meet with legislators for more one-one-one conversations with those legislators explaining why these priorities are important. She continues, that makes a big difference, and she just wanted to offer that idea.

CHAIR WEBB thanks Ms. Daniello and states that the trustees need to become more active in that arena because it is important for all. He asks for any other comments.

TRUSTEE DERR asks if it is possible to explore moving the committee meetings to October 25th from the 20th. She states that she has another meeting on the 24th, and it would save travel planning.

A discussion ensues. After discussion, it was decided to hold the meeting on October 26, 2016.

TRUSTEE DERR thanks all.

CHAIR WEBB recognizes Ms. Cauble.

MS. CAUBLE thanks the trustees for their continued diligence. She states that the continuing feedback from the stakeholders in regard to the importance of training and workforce development really rang through this year. She continues that it is important for the trustees, the Training Cooperative and the Trust staff to hear that. She adds that she is very pleased to be able to continue to offer that leadership and wonderful team of trainers that have been supportive through the years. There is a great team of professionals and experts that are aligned and ready to go in regard to helping implement this transition. She thanks everyone, and states that it is an honor to continue to be a part of the answer and a resource that has been built.

CHAIR WEBB states that it is important that the public sees the positive side of what the Trust does and why the money matters. He continues that there is not going to be as much money coming from the State in the future, and we are doing everything possible to generate the greatest income from the assets as fast as possible. He adds that a lot of pressure has been put on the TLO which resulted in the public pushing back because some toes have been stepped on. He asks Ms. Lawrence to think about how to work with the partners and beneficiaries to get the message out about how important it is to have that money.

MS. LAWRENCE replies that she will do that, and adds that it will take some critical thinking on how to best approach that messaging.

CHAIR WEBB adds not so much the Trust, but why what the Trust does is important for the beneficiaries; because without the money nothing will be done.

A discussion ensues.

TRUSTEE SELBY states that there was some testimony yesterday during the public comment period, and he would like to ask staff to provide some response to that at the November board meeting so that it is acknowledged when folks get up and provide input. He adds that it seems to be appropriate for a formal official response at the board meeting.

The discussion continues.

MR. BRANDING states that he is the CEO at South Peninsula Behavioral Health Services, soon to be the executive director for Juneau Alliance for Mental Health. He thanks all for their incredible work, and adds that he had the honor and privilege to participate in the budget planning process. He continues that he took more away from it than contributed; it was a powerful experience.

CHAIR WEBB thanks Mr. Branding on what he does directly with the beneficiaries. He asks for any other comments.

MS. BALDWIN suggests engaging Kate with the Planning Committee for the conversation about following up on that testimony because she has done a lot of work on this with the Department.

MR. JESSEE adds Disability Law, and there is a lot of history that can be presented.

CHAIR WEBB states that there is an executive session planned.

TRUSTEE SELBY states that he has a procedural concern about the executive session. First, it is not properly noticed. He continues that when an executive session is properly noticed, there has to be a subject matter, legal, financial, personnel. It has to be one of those areas so an executive session can be called for in order to have a proper notice. He states that this has not been properly noticed. He is a board member and has no idea what the topic is. He continues that he has a serious problem with that. He states that the second big concern is that there were no packet materials provided for this executive session which, by the attorney's definition, is now a secret meeting. He recommends that in lieu of this executive session, to coordinate in November, give the proper notice, and give the backup materials for whatever the topic is to the board in advance of the meeting so that it can be done correctly.

TRUSTEE NORENE states that, in personnel matters, anything distributed is a matter of public information.

TRUSTEE SELBY disagrees, stating that confidential information can be provided to the board at any time. The fact that it needs to be confidential is fine, but trustees should have it in advance of a meeting in order to know and be knowledgeable about what the topic is.

TRUSTEE NORENE appreciates that thinking and states that he will be cognizant of that in the future.

TRUSTEE DERR states that if it is an executive session for a personnel matter, the person that the personnel action is about is to be told and invited to attend. She adds, that is the statute.

CHAIR WEBB asks the general counsel, Mr. Page, to weigh in.

MR. PAGE states that if there are materials to be distributed, it is appropriate to have those materials available prior to the meeting and they can be marked confidential. He continues that it is also correct that if it is a matter of a personnel issue, the person involved is entitled to be told about it. He adds that the statute says that person can ask for a public meeting if it is going to be a personnel matter. In part, it is up to the person who is going to be discussed. He states that he does not see anything that requires advance notice; but what Trustee Selby is saying is correct. The statute says subject matter without revealing what is confidential. There needs to be a general statement to allow justification of conduct.

CHAIR WEBB states that he wanted to have Mr. Page participate in the discussion, which is an executive session related to the timber sale and the process through which that timber sale is engaged. Because of the potential pending litigation around that, he wanted to have an executive session.

MR. PAGE states that is an appropriate subject for an executive session. The statute says it is a matter that could have adverse effect upon the finances of the organization.

TRUSTEE DERR states that was covered in yesterday's executive session.

CHAIR WEBB replies that Mr. Page is here to give some legal advice.

TRUSTEE SELBY states that he has the same issue: it is not noticed, and the Open Meetings Act is pretty clear. He continues that a spur-of-the-moment executive session cannot be called without letting the public know. He adds that he would also like to hear Mr. Page's opinion, but would like to do it correctly and keep this board out of trouble.

CHAIR WEBB states that it has not been the practice to identify the subject of executive session.

MR. PAGE states that, in looking at the statute, he does not see anything that requires previous notice of a planned executive session. He continues that the statute does require that a motion has to be made in public and the purpose identified. It says: "With specificity, describe the subject of the proposed executive session without defeating the purpose of addressing the subject in private." He adds that it is okay to call an executive session without prior notice.

TRUSTEE DERR states that Trustee Norene said it was a personnel issue. She continues that conflicting suggestions were given as to what the executive session is about.

MR. PAGE repeats that the personnel issue specifically says in the statute that the person who is going to be discussed has the option of saying, "I want it to be public."

TRUSTEE EASLEY states that she asked about the topic of the executive session and no one would tell her. She continues, that had never happened to her on a board before, the fact that the topic was not given when asked for.

MR. WILLIAMS asks Mr. Page, from a staff planning perspective and as the person responsible for working with the Chair to put together the agenda, if he would advise that it would be a best practice to list out the general topic area that should be on the agenda so that the public has some sort of information as to what will be discussed.

MR. PAGE replies that the statute requires taking the decision to go into executive session in a public meeting. The statute requires announcing in the public meeting the purposes. The statute limits what can be talked about in the confidential executive session to just those things that have been openly approved as being the subject of the matter of the executive session.

MR. WILLIAMS states that it has been done two different ways on this agenda: an executive session with a general topic area yesterday; and then today there was an executive session with no general topic area. He needs direction if there is a specific topic area when he is developing an agenda, to put it on there as part of the public notice.

CHAIR WEBB states that it would be his direction in that regard and oftentimes there are matters that arise during the course of a meeting where there was no plan to hold an executive session. He continues that he wanted to have some time on this agenda in regard to the timber sales, and things evolved that a couple of questions have come up that may need legal advice.

MR. JESSEE states that the spirit of the law, which requires reasonable notice, has been taken into account. He continues that you cannot be prevented from protecting yourselves or taking up issues because it was not known. He adds that he is sitting with a fair amount of apprehension as to whether he is the subject of the personnel issue.

CHAIR WEBB states that there is no motion.

TRUSTEE SELBY states that he would be willing to have the timber sale discussion since the attorney is here. On that basis, he is willing to entertain that executive session. He continues, with regard to the personnel matter, if the person was notified that there was going to be an executive session.

TRUSTEE NORENE states that it is important to be cognizant of the rights of the person and the privacy aspect. He continues that he would rather take the risk of criticism of going into executive session without notice or something than violate someone's rights.

TRUSTEE SELBY states that someone's rights are not violated by notifying that there will be a personnel matter discussed in executive session; but their rights are violated by not notifying them in advance of this discussion. He continues that they have a right to know that and have a

right to prepare a response to whatever is coming up in that executive session. If they have not been notified, there is even more pause for concern because there will be a loss in court by that simple action.

TRUSTEE NORENE states that this is more of an organizational issue and is the one that would request an executive session for organizational planning; and an organizational plan involves people.

MR. PAGE states that the statute states that one of the subjects that can be considered in executive session, again: Subjects that tend to prejudice the reputation or character of any person, provided the person may request a public discussion. He continues that it seems that last clause cannot be had without giving that person an opportunity to know that this is going to happen.

MR. JESSEE states that organizational discussions, even if a position is reorganized away, is not impugning the reputation of an incumbent if it is decided a different organization is wanted.

TRUSTEE NORENE states that it would be fine with him to deliberate in public. He was thinking on behalf of the people involved that it would be better on an informal basis.

CHAIR WEBB states that although the timber sale was not noticed as part of the executive session yesterday, issues related to the timber sale were, in fact, discussed.

TRUSTEE EASLEY states a correction. She continues that she did request, before the meeting, that the timber sale be on the agenda; and it was noticed. She adds that it was noticed in the motion to go into executive session.

CHAIR WEBB states that would also be today if an executive session is called to discuss legal issues surrounding the timber sale. He asks if anyone wishes to make that motion.

TRUSTEE EASLEY makes a motion to go into Executive Session to discuss legal issues related to the timber sale, and to do it during a working lunch.

MR. JESSEE states that Trustee Norene has something that would be suitable for an amended agenda item that would be a public discussion and asks if the board wants to entertain that.

CHAIR WEBB states that after coming out of executive session on the timber discussion, he is fine with another motion to go into executive session on a personnel issue.

TRUSTEE DERR seconds the motion to go into executive session.

There being no objection, the motion is approved.

(Executive Session from 11:22 a.m. to 1:20 p.m.)

CHAIR WEBB states that they are ready to come out of executive session and get back on the record. He continues that an executive session was held at which some legal issues related to the recent decision to approve a consultation for timber sales near Ketchikan and Petersburg, and some financial matters were discussed. No decisions were made, and we are now back on the record.

A discussion ensues on the need for a policy on ethical disclosures; a conflict-of-interest policy.

TRUSTEE SELBY suggests requesting that the attorney prepare both the policy and the guidelines which would go beyond the policy about how it gets applied under different circumstances.

The discussion continues.

MR. PAGE states that the flip side of this conflict-of-interest issue is the public, and the beneficiaries are entitled to the benefit of the individual concern, knowledge, skill, ability. If there is a tight conflict-of-interest policy that even the remotest appearance of conflict prevents you from being an active trustee, takes it too far the other way.

TRUSTEE SELBY requests that for the November board meeting that the organizational review be placed as an agenda item and requests that staff prepare a scope of work for obtaining an outside consultant to assist in what the organization structure might look like going forward, and get a range of price quotes.

MR. JESSEE replies, that can be done and asks if there are people that want to provide some input in what the scope of that might look like. He states that what he is hearing is a start with an RFI, a request for information. He asks if there are any ideas of places that this can be sent to.

CHAIR WEBB replies the Pew Foundation, for one.

MR. JESSEE states that they will take a cut at a scope, share it, and give people a week to give comments back. He continues that they will then try to reconcile the comments and bring something in November.

TRUSTEE SELBY makes a motion to adjourn the meeting.

TRUSTEE EASLEY seconds.

There being no objection, the meeting is adjourned.

(Full Board of Trustees meeting concluded at 2:04 p.m.)

