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ALASKA MENTAL HEALTH BOARD

PANEL DISCUSSION
DECEMBER 9, 2004
10:00 a.m - 12:00 p.m.

Taken at:
Frontier Building
8th Floor
Anchorage, Alaska

MODERATOR:
Jeri Lanier

PANELISTS:
Senator Robin Taylor
Nelson Page
Kathy Allely
Jan McGillivary
Jim Gottstein
Frank Appel
Matt Felix

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PROCEEDINGS

MS. LANIER: We can take a few minutes to go down the line here, and describe who you are or who you represent. And describe your role in implementing the settlement.

MR. FELIX: My name is Matt Felix. I've been in Alaska for 30 years. I originally came to work for the City of Juneau to develop the Department of Health and Social Services --

SPEAKERS: We can't hear you.

MS. LANIER: Do we have any microphones, Richard?

Richard, do we have microphones?

Do the best you can to project.

MR. FELIX: My name is Matt Felix. I came to Alaska in the '70s for the purpose of working for the City and Borough of Juneau. They recruited me from the University of Arizona. And the City wanted to develop a Department of Health and Social Services. And I was in the process of assuming alcohol services from the State, had plans for taking over health services from the State during the

1 '70s. So I came during that period of time,
2 developed the department, and did that over a
3 three-year period.

4 Following three years, I built
5 Juneau Recovery Hospital, the first
6 free-standing licensed hospital for the
7 treatment of substance abuse and mental
8 disorders. Mostly substance abuse with a
9 four-bed detox center and a 16-bed inpatient
10 unit. Took over the mental health services in
11 1980, and developed a fairly extensive
12 outpatient services and developed -- with
13 Bartlett Regional Hospital, a temporary
14 inpatient unit. A permanent one was finally
15 developed in the '90s.

16 I became the State coordinator
17 for Alcoholism and Drug Abuse Services in
18 1982; State director later. And was in that
19 position under three governors until 1990.
20 And went back to work for the City running the
21 hospital in their mental health services for a
22 while.

23 Retired in '99, and have worked
24 for the National Council on Alcoholism and
25 Drug Dependence, national organization that

1 does lobbying for health care of primarily
2 substance abuse in all 50 state capitals, and
3 also have a tremendous amount of prevention
4 and treatment programs around the United
5 States. I've been in that position until
6 today. Still employed today.

7 MS. LANIER: Wonderful.

8 MS. MCGILLIVARY: Am I
9 introducing myself or giving my spiel?

10 MS. LANIER: You're introducing
11 yourself and explaining your role in the --
12 role in developing or implementing it.

13 MR. FELIX: Can I get back to the
14 role part?

15 MS. LANIER: We will get back.

16 A SPEAKER: Can everybody speak
17 up? Because I think people in the back are
18 having trouble hearing.

19 MS. MCGILLIVARY: My name is Jan
20 McGillivary. I came on board with the Alaska
21 Mental Health Association in August of 1986 as
22 the executive director. At that time, the
23 association had wandered through the
24 litigation that had reached the Supreme Court,
25 and I was hired shortly after the judge said

1 to the State of Alaska, "Give them back their
2 land." And the agency folded its tent at the
3 end of last fiscal year at conclusion of the
4 sale grounds. So I worked for the agency for
5 close to 19 years. The first ten years of my
6 tenure were spent exclusively working with the
7 board of directors that was dedicated beyond
8 measure to seeing the closure to the
9 negotiations that occurred after the Supreme
10 Court ruling that I'll talk about later.

11 And through those years, I poured
12 millions of gallons of coffee, killed
13 thousands and thousands of trees in creating
14 documents, not only for my board of directors
15 that when they met would meet six hours to
16 discuss the days' events; but the coalition
17 that developed as the litigation and -- the
18 litigations started out with mental health
19 advocates that later included representatives
20 from the other beneficiary groups following
21 the Greene decision, and then people that
22 represented oil, coal, gas, subsurface mineral
23 rights. And then, of course, towards the end,
24 the people that hugged trees were involved in
25 our coalition.

1 So I see my role as being a quiet
2 supporter, more than a casual observer, to the
3 process that I'm grateful to being a part of
4 it.

5 I remember once a board president
6 that I worked with for a number of years
7 introduced me to a group of people and said,
8 "Our executive secretary." And I took
9 exception because my title was executive
10 director. But truly, that was the accurate
11 description of my role as serving as secretary
12 to a dynamic board of directors and a dynamic
13 group of folks that came together as the
14 litigation passed through its various stages.

15 MS. LANIER: Mr. Gottstein.

16 MR. GOTTSTEIN: Yeah, I'm Jim
17 Gottstein. My mother was Jan's predecessor at
18 the Alaska Mental Health Association. In 1978
19 when the Legislature basically -- well, go
20 back a little bit.

21 In 1956, Congress granted the
22 Territory of Alaska a million acres of land to
23 be used first for the necessary expenses of
24 the mental health program, which they never
25 really did. And then in 1978 they passed a

1 law -- I'm glad that Senator Taylor is right
2 here so he can give that perspective -- passed
3 a law redesignating the land as the state's
4 land, which basically was really stealing it.

5 We went down -- really, the
6 Mental Health Association went down to Juneau
7 and said, "You can't do that. It's illegal."
8 And the response was, "Well, we don't care if
9 it's illegal. Sue us."

10 And I was actually working on the
11 Complaint to do that in June of 1982 when I
12 had my psychotic break. And those of you who
13 believe that things happen for a reason, that
14 kind of thing, you know, may find that very
15 significant. I certainly think that it has
16 given me a lot of insight to a lot of things.

17 Steve Cowper, who was a former
18 representative at that point, and a lawyer
19 took over the case and didn't name the Mental
20 Health Association as a Plaintiff. And the
21 lawsuit was filed in '82. In 1984,
22 Mr. Cowper, basically, caved under pressure
23 and agreed to release the claim on the land
24 when a Native corporation came in and the
25 Mental Health Association said, "Don't do

1 that."

2 And he said, "You're not my
3 client." And so they, the Mental Health
4 Association intervened into the lawsuit, and I
5 represented the Mental Health Association,
6 Mary Nanuwak and John Martin on behalf of
7 themselves, and all others similarly situated,
8 until the conclusion of the lawsuit.

9 So I think it's fair to say I was
10 the main land guy in the lawsuit. In addition
11 to being involved in the -- you know, the
12 programmatic aspects of it.

13 Ultimately -- I'm not going to go
14 through the whole history. Ultimately, we
15 ended up opposing the settlement that got
16 passed. We felt that the financial terms of
17 it was not enough. It was about half of what
18 it should have been. I'm not going to go into
19 all of that. There were structural problems
20 with the settlement that we thought really --
21 were very problematic.

22 I think it's fair to say that our
23 opposition improved the settlement through the
24 settlement approval process. The structural
25 problems were reduced. And one of the basic

1 rules about what went into the land part of
2 the Trust is if anybody objected to the land
3 going in, it didn't go back to the Trust; and
4 we really raised holy hell about some of that
5 land, there being no reason for it not to go
6 in. And as a result of that, we got in a lot
7 of oil and gas lands into the Trust -- which
8 the Trust hasn't really experienced any
9 significant revenue out of that, but I'm --
10 well, for one thing, I'm sure there's oil or
11 gas being drained from Trust land right now
12 without them being compensated for it.

13 So, anyway, since then, in terms
14 of implementation, I was on this board for --
15 I think about five years, until I filed a
16 lawsuit earlier this year, in January of this
17 year, about part of the settlement which is
18 that the -- the State is obligated -- that
19 sufficient funding and adequate opportunity
20 for the four boards to perform their
21 settlement-mandated duties, their
22 settlement-mandated duties is a material term
23 of the settlement. That case is on appeal
24 with the Alaska Supreme Court and will
25 probably be briefed in the first quarter of

1 next year.

2 I've actually got a handout --
3 this is on the web -- of, you know, kind of
4 the history of the litigation.

5 SENATOR TAYLOR: My name is Robin
6 Taylor. At the time that I first became
7 introduced to this subject, I was campaigning
8 going door to door in a rainstorm in
9 Ketchikan, Alaska. I was walking by the road
10 by the Narrows Supper Club. If you no longer
11 know about it, it's because it burned. Up
12 past Coast Guard Bay, Narrows Road. I saw a
13 fellow across the street that was splitting
14 wood for his pile of firewood. I waved over
15 to him; he waved back. I walked over to him,
16 handing him a soggy little leaflet; his name
17 was Salamanchuk. And he had come from
18 Czechoslovakia. Very proud of the fact that
19 he was a U.S. citizen. And he was absolutely
20 disgusted with the state of Alaska, that in
21 1978 it had stolen land from the Mental Health
22 Trust; because he had an adult child who
23 needed services, it was a benefit of the
24 child. He believed his child was receiving
25 less services and less appropriation from the

1 State because of this illegal activity. He
2 said, "You're running for office against this
3 Wendte guy?"

4 I said, "I am."

5 He said, "I don't know if you're
6 going to make it. If you do make it, will you
7 promise one thing?"

8 I said, "What's that?"

9 "That you'll look into this and
10 look into this thing."

11 I shook hands with him and gave
12 him my word I would do that.

13 I was elected in 1985. I joined
14 the Legislature as a part of a coalition. We
15 saw that in the newspaper just the other day.
16 I was a Republican, kind of a bastard
17 stepchild of a Democratic organization during
18 that first two years; and worked very closely
19 with my colleagues. And we accomplished, I
20 felt, some pretty good things. But we didn't
21 get to the mental health question.

22 So the next time I saw
23 Mr. Salamanchuk, I had to tell him, "We didn't
24 quite get there."

25 '86 comes along. At this point I

1 was trying to help the Wrangell Mental Health
2 Group split off from the Ketchikan Gateway
3 Borough's catchment area and create our own
4 pilot program under a young man named Mark
5 Walker. So I went before the board, and
6 advocated to the board they should do that. I
7 also made passing comment at that point that I
8 thought that the Democrats would continue to
9 pay lip services to the appropriate funding
10 levels that were being requested, would not
11 address the request before the Supreme Court
12 that had come down; and that they ought to
13 re-energize their litigation, because I didn't
14 think either Bill Sheffield or Steve Cowper,
15 who followed him, would do anything about it.
16 And they didn't.

17 So as a consequence, my friend,
18 Jim -- what was his name? Mike Rose?

19 MR. GOTTSTEIN: Yeah.

20 SENATOR TAYLOR: God bless his
21 soul. He worked so hard on behalf of the
22 board. Walker, others, Jeff Jessee. People
23 finally said enough is enough, and then went
24 back to the Supreme Court.

25 As that litigation continued --

1 and then we had a resolve on it. The
2 Legislature didn't know what to do, because
3 they were faced with a very difficult problem.

4 The Supreme Court had said, "Look, you owe
5 them a whole lot of money and you better give
6 them the land back."

7 So various pieces of legislation
8 got filed that would have granted well over a
9 billion dollars cash, the Beluga Coal Fields,
10 the Cook Inlet oil leases, both Senator Jim
11 Duncan, and in the House side, my colleague,
12 Mike Boyer, had introduced legislation to
13 resolve that thing.

14 As their bills kind of staggered
15 along, didn't get passed, litigations
16 continue, injunctions get filed, the next
17 thing you know there were 3,700 Moms and Pops
18 across Alaska who couldn't get title
19 insurance. This was a cancer to resolve this
20 issue. The cancer was spreading and impacting
21 lots and lots of people.

22 At this juncture, I was starting
23 my second term as minority leader in the House
24 on the Republican side. And it was apparent
25 that nobody was talking to anybody else. And

1 both the Senate and the House were controlled
2 through Democratic coalition on the Senate
3 side and controlled outright by the Democrat
4 party on the House side. The solution at that
5 point was one that would have favored Jim's
6 concept more than mine. That was a solution
7 that was primarily a cash settlement with some
8 land. Most of the lands being already locked
9 up in state forest or wilderness areas.

10 It was apparent that this thing
11 was not coming together. I felt pretty
12 strongly about my commitment to old
13 Mr. Salamanchuk, although I don't think we had
14 more than a conversation every two years about
15 this issue.

16 But I was also aware of
17 continuing problems on funding for alcohol
18 problems, for the mental health programs, for
19 disabled. And I was concerned about those
20 issues. I have a reputation of being a very
21 strong conservative, but that's not when it
22 comes to social issues; and my record would
23 clearly reflect that.

24 So, as a consequence, I took it
25 on as my own kind of cause celebre to see if I

1 can bring the parties together.

2 You talk about a wrestling match.
3 I had Harold Hines, who was then DNR
4 commissioner -- Harold didn't want to give any
5 way under any oil and gas. And then Charlie
6 Cole, who had difficult negotiations in his
7 negotiations with Plaintiff's counsel. He was
8 at the place where he didn't want to talk to
9 any of them anymore. We had the advocacy
10 groups, the Plaintiffs' groups. The primary
11 players were Mr. Jessee, Mr. Gottstein,
12 Mr. Walker, and a whole series of others. As
13 you know, there were several intervenors and
14 two or three different groups. The groups
15 didn't necessarily see eye to eye on all of
16 these issues either.

17 I started holding meetings. I
18 believe we held 27 different meetings, and I
19 had to hold a meeting independently with the
20 advocates group. Then I had to carry that
21 message over and sit down and have a meeting
22 with my old friend Harold Hines. Then I had
23 to take and go over to the Attorney General's
24 office and have another meeting. Nobody would
25 meet in the same room. They would get mad at

1 each other.

2 MS. MCGILLIVARY: Took too long.

3 SENATOR TAYLOR: I kept that up
4 for about a year and a half, during which time
5 we re-drafted a new bill.

6 The end of that process, I'm
7 probably taking too long here -- but the end
8 of the process was that we finally got
9 everyone together with the Attorney General
10 and board members and so on, and they agreed
11 that though this compromise was far from
12 perfect, it was something we all could live
13 with.

14 At that juncture, I turned to
15 both Mark Boyer and Jim Duncan and I said,
16 "Look, guys, you've got the bill, you guys are
17 in control of this joint. All I want to do is
18 strip your bill. I'll leave your name at the
19 top, I'll leave the number, but we're going to
20 strip everything underneath it, and under one
21 amendment we're going to insert this new bill.
22 Because, by the way, you're going to pass it
23 because everyone is gingerly shaking hands and
24 we're moving forward to getting this thing
25 resolved. We're not going to have 3,700 Moms

1 and Pops with land tied up." And we had 200
2 million.

3 And I think you guys were looking
4 for about a billion? There were differences,
5 right?

6 And I thought we had things
7 moving. At that point, both Mark and Jim got
8 into a big fight over who was going to get
9 credit for it. They resolved that for a few
10 days. I talked to Tom Bruce. I think we came
11 out with Judge Duncan's bill. Both of them
12 deserve credit. I mention them and try to do
13 it in somewhat of a humorous tone. That's how
14 things kind of fell out at the end. The
15 advocacy was there. Both Mark cared; Jim
16 cared. And I think a lot of people in the
17 Legislature cared about trying to get
18 something out of there that would provide
19 meaningful resolve for that problem.

20 We got that far where -- I think
21 it was Jim's bill, we got it on to the floor,
22 or we had it allegedly calendared, and then at
23 that point, things started breaking down. As
24 minority leader, I had one option at that
25 juncture, and that was to shut the entire

1 Legislature down, because I had that power the
2 last day of the Legislature. So I did.

3 MS. LANIER: Can I --

4 SENATOR TAYLOR: I stood up,
5 objected, stopped the whole process, and we
6 shut the Legislature down for about ten hours.
7 When we went back down on the floor, the first
8 bill called up was the Mental Health Bill. We
9 then passed that bill, and then I shut the
10 House back down again. Because I didn't have
11 agreement out of the Senate that they were
12 going to pass it. We sat there and waited
13 until the Rules Committee chairman brought the
14 bill across, and we read it on the Senate
15 side. At that juncture, we had two or three
16 hours left. And we went through 20, 30 bills
17 and wrapped up the Legislature and got out of
18 Dodge.

19 I have always taken great pride
20 in the fact that I was always allowed the
21 opportunity and the honor by the people who
22 had advocated. The Gottsteins, and Rose and
23 Jeff, and the rest of the crew. That I was
24 honored to be allowed to insist on that
25 process. It felt wonderful, finally, to be

1 able to go to Mr. Salamanchuk, "We got it
2 taken care of it. It ain't perfect. We got
3 it taken care of."

4 It then took another two and a
5 half years to get the Supreme Court approval,
6 and get the amendments to it and the details
7 worked out. That was my role, and I'm very
8 proud of that.

9 MS. ALLELY: My name is
10 Kathy Allely. I am a planner with the Governor's
11 Council on Disabilities and Special Education, and
12 have been there for the past year and a half.

13 Prior to that, I was a member of
14 the Council. I had a daughter with
15 developmental disabilities, who was seven at
16 the time I joined the Council. There have
17 been a lot of changes in those years.

18 In my role on the Council -- and
19 this was -- when I came on to the Council Dot
20 Truan was the executive director, and Jeff
21 Jessee worked for -- I think it was called
22 P.A.D. at that time. And Jeff used to come to
23 our meetings and confuse the heck out of me,
24 and I think everybody else that was on the
25 Council at that time, and talked a lot about

1 the issues, would brief us. And I would dread
2 that part of the agenda every time we had a
3 Council meeting -- I knew -- it was totally
4 overwhelming to me as a parent of a young
5 person to be hearing about all these title
6 issues and ownership issues. And at that time
7 there was still no agreement on who the
8 beneficiaries were. We weren't sure if people
9 with developmental disabilities were even
10 going to be part of the settlement. That was
11 one of the things that I was pretty interested
12 in making sure happened.

13 I think they were the mentally
14 defective, and were these people actually
15 people that that -- that's what it was called
16 in the settlement. Were people with
17 developmental disabilities individuals that
18 also were being sent to Oregon and, indeed, it
19 was found that they were. So, they became
20 part of the settlement. But that was a big
21 interest of mine, and I think all the Council
22 members.

23 So that's pretty -- I was just a
24 Council member. Just advocating for people
25 with disabilities at that time.

1 And my role has changed
2 significantly since then. I had a long hiatus
3 in between where I was doing some other
4 things. So, I've had -- I had an opportunity
5 to be part of all the settlement discussions,
6 and then left my work with the Council for a
7 while, and then have come back. So I have
8 sort of an interesting perspective in that
9 way.

10 MR. APPEL: I'm Frank Appel. I'm
11 a member of the Commission on Aging. In the
12 1990s, I was on the Alzheimer's Agency Board.
13 And so I had an opportunity to see the
14 implementation of a number of the projects or
15 programs that were funded by the Trust to
16 serve seniors with Alzheimer's disease and
17 related disorders.

18 I was aware of that -- prior to
19 the time that I served on the board of the
20 Alzheimer's Agency, that several of the board
21 members had been advocates for the inclusion
22 of seniors with mental impairments as a
23 beneficiary group for the Trust. And they
24 followed that and advocated during the '80s to
25 see that that happened.

1 And I think the Trust has
2 observed that the Trust funded many
3 significant programs in the last ten years to
4 assist seniors with mental disabilities.

5 MR. PAGE: I'm Nelson Page. I'm
6 a newcomer compared to the rest of the board.
7 I've only been in Alaska 26 years. I'm an
8 attorney. I got started with Mental Health
9 Trust issues when I became the foster parent
10 of a developmentally disabled child, I'm happy
11 to say is still part of my family.

12 That led sort of logically or
13 illogically to my being appointed to the
14 Mental Health Board in 1988 or thereabouts;
15 and I served on that board until about 1992 or
16 1993.

17 This was the period of time, as
18 others have described, when the litigation was
19 hot and heavy. And I, too, used to get
20 briefings from Jim and Dave Walker and be
21 thoroughly confused by them. But it sure
22 sounded like something important was
23 happening. And, of course, I was right when I
24 thought that.

25 The Mental Health Board, at that

1 time, had been established and was really the
2 only group that was recognized as being the
3 point of contact between government and the
4 mentally ill with respect to program issues
5 and with respect to this Trust litigation --
6 yeah, the Trust litigation issues.

7 So the Mental Health Board, when
8 I was on it, spent a lot of time dealing with
9 litigation questions, dealing with questions
10 of policy, dealing with issues about how the
11 settlement or how this litigation should go,
12 dealing with issues about what would be
13 appropriate to do with this Trust issue. And
14 it was in that context that I spent a lot of
15 my time at the Legislature and with those
16 involved in the litigation trying to work
17 something out.

18 When the settlement -- and it
19 really was different proposals for settlement
20 over time. When these various proposals for
21 settlement were being discussed, argued,
22 fought about on the streets of Juneau -- as
23 Senator Taylor has so aptly described -- I was
24 involved in advocating for some way to create
25 a solution that would make sense. And when

1 eventually the proposal was reached that
2 created the Mental Health Trust and the system
3 that exists today, I was one of the early
4 advocates for accepting that settlement. And
5 Jim and others were very adamantly opposed to
6 it. Jim is absolutely correct that his
7 opposition to the settlement made it a much
8 better settlement, ultimately.

9 But I signed on early, and as a
10 reward or as a result or as a penalty, I was
11 given the privilege of being appointed to
12 being the first Chair of the Mental Health
13 Trust Authority now almost ten years ago. I
14 have served, I'm proud to say, on the Mental
15 Health Trust since then.

16 I guess we'll talk about the
17 substance of these issues in a few minutes.
18 That's probably enough for now.

19 MS. LANIER: Thank you.

20 Now that we've done the
21 introductions, we're going to go back and have
22 some discussion on understanding the purpose
23 of the settlement, lands, trust, and cash
24 settlement; how the program and planning
25 elements come; and how we've done today in

1 envisioning this purpose. So we're going to
2 start back and go down the line again.

3 Now is the time you can put as
4 much information in as you want to, within
5 reason, so that everybody has a chance to
6 speak before noon.

7 MR. FELIX: One of the things
8 that people should understand is when this
9 thing started way back in Territorial days
10 that we were owned by the Federal Government
11 for a lot of years; and the Federal Government
12 was somewhat neglectful in the way they
13 managed Alaska clear back in history. It was
14 managed by the Army; it was managed by the
15 Navy; it was managed by the Federal Marshals
16 and magistrates; managed by temporary
17 territorial governments, permanent territorial
18 governments. None of them did a very good job
19 of managing it. And they certainly did not
20 provide services to their territory that would
21 be able to move this state ahead to the point
22 where it could become a state, as the people
23 themselves had to do that.

24 One of the areas that they were
25 very negligent on was providing healthcare

1 services of any kind. They were very
2 forthcoming in providing jail services,
3 correctional services, marshal services and
4 that kind of thing. Back when we read a lot
5 of the federal judges and federal oversight
6 communications to Congress and whatnot, you'll
7 see a tremendous amount of problems that they
8 were having legally up here were mental health
9 and substance abuse, addiction-related
10 services. In fact, almost all of them to a
11 large degree. It was a resource-based state.
12 It was a mainly male population and
13 unregulated drinking and unregulated, to a
14 large degree, forces that resulted in a
15 tremendous amount of abhorrent behavior.

16 The process of providing health
17 care was actually done by churches, to a large
18 degree, or religious organizations. Catholics
19 were the main communities, Episcopalians in
20 parts of the state. The big hospitals were in
21 your major urban communities. Catholic's in
22 Ketchikan was the biggest hospital in the
23 state back in Territorial Days, St. Ann's in
24 Juneau, Fairbanks, and here in Anchorage. So,
25 there was complete neglect.

1 I guess the neat thing about it
2 is that the Feds realized that there was a lot
3 of neglect, especially for behavioral-type
4 services. And upon the petition for statehood
5 and there are lawyers who know more about
6 this, somehow the Federal Government was the
7 energy behind allocating and trust to the
8 proposed state a million acres of the land to

9 be used to set up a health care system,
10 primarily behavioral health care system in the
11 state so that what they did in neglect wasn't
12 done when we became a state.

13 During that period of Territorial
14 time that most of you know, that most behavior
15 that was deemed to be behavioral health, the
16 nature that society did not want to put up
17 with was adjudicated through federal courts by
18 federal magistrates, and if deemed too big a
19 problem was sent down to a contract hospital
20 called Morningside in Oregon. The records
21 that I went through in Morningside were
22 replete with a fairly good documentation about
23 histories of mental illness and addiction, and
24 were the basis, to a large degree, for a lot
25 of the intervention on the parts of the

1 parties.

2 I first became aware of the whole
3 process of setting aside a million acres while
4 working for the City of Juneau. The city
5 manager, my boss, called me and said, "What
6 the hell are you trying to do? Somebody is
7 trying to steal our armory on our park on the
8 outskirts of the city." And I had no idea
9 what they were talking about. I went to a
10 legislative hearing and discovered there was
11 such a set aside of a million acres, and those
12 acres sometimes encroached -- maybe a bad
13 choice of words, certainly were part of city
14 government -- city lands. It was quite a mess
15 that the cities had grown out into mental
16 health lands. The State had given away mental
17 health lands in different parts of the
18 municipalities, Native corporations that had
19 claimed them. It was just a mind-boggling
20 mess.

21 And when I became state director,
22 then, in the early '80s, one of the first
23 things the governor asked me to do was to
24 assist in straightening out the state for the
25 State, and being with the Department of Health

1 and Social Services and Alcoholism Abuse, my
2 main concern in partnering with mental health
3 was to verify that the alcohol, primarily,
4 problem was one of the things the Federal
5 Government was concerned about in terms of
6 setting this aside.

7 So, an attorney named Phil
8 Volland -- I believe he's a judge now -- was
9 employed by Nugen's Ranch who was a contractor
10 or grantor of the substance abuse -- or the
11 alcohol and drug abuse division, to basically
12 represent alcoholics in and to try to
13 intervene in the process and get them to be a
14 beneficiary.

15 Phil flew down to Morningside and
16 went over records, but found that lawyers
17 don't read patient records very well. So he
18 called us at the State, and I sent two staff
19 down to go through 260-some-odd records. I
20 flew down later and reviewed their report with
21 them and talked to some of the psychiatrists
22 that were still alive that treated people
23 during Territorial Days and discovered that
24 there was a substantial amount of alcohol,
25 dementia, substantial amount of addiction that

1 was treated under the federal court's
2 commitment to Morningside. And then, thus,
3 had a basis for having alcoholics become --
4 Phil intervened on behalf of alcoholics, two
5 named alcoholics that were then trying to
6 become beneficiaries. This was the early
7 '80s. And I think the Mental Health Board
8 went through some kind of a process the same
9 way.

10 What was the lengthier part of
11 the question?

12 Being in Juneau, I went to an
13 interminable amount of meetings about how to
14 get the land, the trust reconstituted, whether
15 this rock or this valley was worth the one
16 they gave away. How the cities could be
17 compensated or did we just take their land
18 back. You know, listening to geologists and
19 engineers and, you know, what was a federal
20 right-of-way on roads and what was a federal
21 rights for oil under this land and that land.
22 It was -- as a person who has worked in health
23 care, it was very, very painful for me to do
24 unending hearings and legislature on these
25 kind of things. I would say as an observer,

1 it was a noble, noble effort by people --
2 people in this room as well -- to do something
3 that was virtually impossible. You're never
4 going to reconstitute exactly what was given
5 away, but I think they did a noble job of
6 coming close. I think reading the Federal
7 Government, Territorial Government's intent, I
8 would agree with you, Mr. Gottstein, that the
9 money was way too little. It was their intent
10 to see there was a well-established treatment
11 system in this state and that the State didn't
12 neglect the citizens as it had done.

13 The only factor, I think, that
14 people have left out here, to a large degree,
15 is that we happened to hit oil in the state,
16 and the oil came running down in the early
17 '80s. And the state's reluctance to deal in
18 this matter was that they had substantially
19 funded these services with the settlement
20 money. It certainly seemed, to the extent
21 that I know substance abuse, went through \$3.5
22 million to \$18 million in one year, because we
23 were the poster child for that year in the
24 Finance Committee. So, you know, that took
25 the heat off to a large degree, the

1 settlement, where we were funded. And I think
2 that, unfortunately, that kind of money, you
3 know, started dwindling right after that. And
4 then the impetus to settle this thing became
5 more prominent.

6 So, with that, I'll pass. I've
7 taken up my time.

8 I think the Trust has done a
9 wonderful job, by the way.

10 The third question here is how
11 has the Trust done? I think the Trust has
12 done a wonderful job, you know, in light of
13 the problems, in terms of reconstituting,
14 Trust getting this thing settled, and over the
15 years funding services that are needed. I
16 don't know how it could have been done any
17 better, really, as far as the intervenors, the
18 beneficiary groups. I think there are four
19 distinct groups, as Judge Greene and the
20 Supreme Court said, and I'm one from the old
21 school to think there ought to be four
22 beneficiaries with advocacy boards separate,
23 and groups for those individuals as well. Any
24 kind of combination runs this possibility of
25 getting back to this mix of mixing and trying

1 to figure out who's on first.

2 MS. MCGILLIVARY: Matt, thank you
3 for your last comment. We agree.

4 Today I brought -- and I did have
5 40 copies that I distributed -- the press
6 release that the Governor's office happily
7 released in 1987 announcing the Alaska Mental
8 Health Board's inception.

9 At that time, the Mental Health
10 Association was asked to host the board's
11 first meeting in Anchorage, and I remember the
12 absolute thrill and excitement of finding a
13 location, which turned out to be the Charter
14 North Hospital solarium. They not only gave
15 us the room free; but they put goodies out for
16 us to eat. And watching, as you can read this
17 wonderful press release, that is
18 typewritten -- I look at that, and say, oh, my
19 God, it doesn't look like a computer was used
20 in that office, and it wasn't. The makeup of
21 the board were carefully selected individuals
22 that were there to launch the Mental Health
23 Board.

24 Over the years, having been an
25 involved advocated not only for the settlement

1 of the trust -- which the settlement didn't
2 happen at the time the board was named. It
3 was years after that that the settlement
4 actually occurred. I've always been able to
5 condense my view of what happened with the
6 mental health lands very simply, and that is
7 that we were promised a Cadillac, and the
8 State stole our car. And when we noticed the
9 car was missing, they gave us a Ford with no
10 wheels and no transmission, no steering wheel.
11 And said be happy with that.

12 And the struggle that occurred
13 over years and years. And the meetings that
14 we all remember, the endless, tireless
15 meetings, and the confusion at sometimes the
16 overwhelming issues that lawyers brought to us
17 constantly. In my mind, I kept thinking of
18 the Cadillac.

19 And once I was invited out to the
20 Rotary Club in the Valley to do a talk on
21 winter depression. And I was told by my board
22 of directors that I was not a legal mind --
23 and I'm not. I'm not legally trained, and
24 that I was not to ever speak publicly about
25 the litigation. If I had questions, I would

1 refer them to our attorney.

2 And so I talked about winter
3 depression. And at the end of my little talk,
4 a hand went up and said, "Can you talk to us
5 about the lands trust litigation? What's
6 taking so long?"

7 So I used my analogy about the
8 Cadillac and we got a Ford, had no wheels, and
9 the audience came unglued. There were people
10 that stood up and cheered, and it went on for
11 about five minutes. And I didn't know why
12 that was so funny, until somebody reminded me
13 that the person that hosted me at the meeting
14 was the Ford dealer.

15 (Chuckles.)

16 MS. MCGILLIVARY: I went away
17 feeling very good because, you know, I
18 connected with that audience, and whenever I
19 got a chance to answer questions about the
20 litigation, that analogy held true.

21 At the time that we decided --
22 the Mental Health Association decided to move
23 forward from litigating, I remembered being
24 asked by the board in a particularly stressful
25 meeting, "Jan, what do you think?" I remember

1 snapping my head up. As I said earlier, I
2 poured coffee, I made copies, I arranged, I
3 facilitated, but I did not hold a vote with
4 that board of directors.

5 So, when I was asked that
6 important question, and I think a lot was held
7 in the balance, this was my simple answer:
8 When I came on board we were talking about a
9 couple of billion dollars in our corpus, and a
10 million acres of prime property. And here we
11 are this many years later, and our prime
12 property, the Beluga Coal fields, some Prudhoe
13 Bay, the Homer Spit, the Ketchikan Air Field,
14 we were not given a fair trade, folks, but we
15 had to settle. We had to accept what was
16 handed to us. Now we're talking about some
17 dollars in the millions, and that's when I
18 think a decision was made. I think my simple
19 way of expressing it really captured the
20 attention of people that were struggling. Do
21 we continue negotiating and fussing over
22 rocks, mountains, pieces of the city? No, we
23 had to move forward.

24 And then our Trust was born. And
25 one thing that I would say that the board

1 felt -- and I think that even some of these
2 grand names, Mike Rose, Selkreggs, people who
3 put life, blood, soul, blood, sweat, and
4 tears, would whisper, "Are we creating another
5 level of bureaucracy that is going to impede
6 the advocacy and the movement forward?" And I
7 remembered thinking, "Oh, my God, I hope we're
8 not doing that." And I can honestly tell you,
9 this many years later, having been, again, a
10 cheerleader, a sideliner, a person who has
11 gone to the Trust and asked for support, not
12 just for my agency, but others as well, that
13 it's a mixed bag. It's a ying-yang thing, and
14 I think we have to all be cautious that the
15 Trust Authority is not the end-all for mental
16 health funding in Alaska, which is why as an
17 advocate it's important with every new
18 policymaker that goes to Juneau, and every new
19 boardmember that sits on any beneficiary
20 boards, they need to be reminded of the
21 history. Because the Trust can't do it all
22 alone.

23 And when the State whines about
24 having to pay the bill, I remember the Ford.
25 I think that we're still driving a Ford. I

1 think we still have issues that deal with --
2 like today, they're doing a big homeless thing
3 for kids here in Anchorage. We have up to
4 5,000 homeless kids in Anchorage. Another
5 or -- or 1,005 in the Valley. God knows
6 what's happening in the rest of the state.
7 The issues that we see every day in the paper.
8 Foster care programs. Adoptive parents
9 beating kids up. It's not over, folks. We
10 have just begun the work of settling in with
11 this level of bureaucracy that we've created
12 that is a partner, and sometimes an obstacle;
13 but we have to work at remembering that it's
14 not the end-all. Our State Legislature also
15 has to be held to the obligation to fund not
16 just mental health, not just the other
17 beneficiary groups, but health in general.

18 And I will say one last thing --
19 thank you for this. It feels so good to say
20 these things, as I look at this very humble,
21 humble press release. I feel frightened when
22 I hear about collapsing the boards. It's not
23 driven from any prejudicial aspect of my part.
24 I agree with what you said, that the integrity
25 of our beneficiary groups must be maintained.

1 To me, that's the foundation of the
2 settlement. The Greene group, the work that
3 was put into design and define, again, to us:
4 Who are the beneficiaries? Those are the
5 folks that were sent to Morningside, their
6 civil rights, their human rights were stripped
7 of them. Let's not forget that.

8 I think the boards can work in
9 tandem, and we will do that, but, please,
10 remember, the basic tenant of the Greene
11 group's decision, that we have four distinct
12 groups. Very often, of course, those clients
13 trade, we integrate and sometimes it's a
14 chicken and egg. We're all the same family.

15 And I think I've said quite
16 enough. But thank you. Thank you.

17 MS. LANIER: Mr. Gottstein.

18 MR. GOTTSTEIN: In terms of -- to
19 me, of course, I come to this from a number of
20 different angles, but a really important one
21 is as an attorney having represented one of
22 the beneficiary groups. And one thing, I
23 think, that is really important for people to
24 understand is that the settlement is a
25 contract with the beneficiaries that in the

1 original legislation, that land was owned by
2 the beneficiaries and the State was the
3 Trustee. And so the State -- it was a
4 territory, then the State.

5 And that in the settlement, the
6 settlement is a contract, and the
7 Beneficiaries have rights under that contract.
8 And those -- and the settlement is that
9 contract. And sometimes I think it's really
10 important to get back to that principle
11 because maybe some politics gets into some
12 things, and that fundamental legal point gets
13 mixed.

14 So, in terms of understanding the
15 vision and purpose of the settlement, I think
16 that's key. I think one of the really
17 important things in the settlement is the
18 right of the Trust to spend -- you know, spend
19 the Trust funds without legislative
20 appropriation, and that's really a very key
21 thing.

22 And, again, back to this contract
23 idea and the idea of rights is, again, the
24 settlement is -- is the Beneficiaries'
25 settlement. The Trust is the steward. It's

1 the steward of the Trust. Is the Trustees --
2 they call themselves Trustees, and I think
3 they take that role seriously. And the
4 boards, which are part of the settlement, the
5 boards are part of that contract; they're the
6 Beneficiaries' advocates. And that was a
7 negotiated part of the settlement. I think
8 that's kind of a fundamental thing in terms of
9 understanding the vision and purpose of the
10 settlement from a lawyers' perspective, and
11 not everybody really thinks from the legal
12 perspective.

13 In terms of how have we done
14 today in realizing the vision and purpose? I
15 think that the Trust has been incredibly
16 effective so far. I mean, they far exceeded
17 my expectations in terms of how it was going
18 to go, and I think because of the people on
19 the Trust and their understanding of the
20 settlement, that they have really been able to
21 establish some things and try and build a
22 really solid foundation.

23 You have to remember that the
24 Knowles Administration basically came in and
25 just said -- I think a month after the

1 settlement was approved, the Knowles
2 Administration was really an ally of the Trust
3 and mental health programs. I think that
4 really played into it. At least helped in
5 measure, I think, for the great access that
6 we've had. I think it's fair to say that the
7 current administration certainly doesn't have
8 that sense of history in terms of the Trust,
9 and the contractual nature of it, and those
10 sorts of things. And so, you know, I think
11 there's some tensions that have been built up
12 over that.

13 And I guess -- the other thing
14 that I wanted to say is I think that both the
15 Trust and the boards have, really,
16 responsibilities to the Beneficiaries in terms
17 of improving the lives of the Beneficiaries
18 and looking at what's going on. The Mental
19 Health Board, as do all the other boards, make
20 recommendations to the Trust about what the
21 programs should look like and what the funding
22 should be, and I think, frankly, that the
23 boards and the Trust, both, are missing the
24 boat or losing the forest for the trees in two
25 really key areas. One is that our current

1 system requires people to be poverty-stricken
2 to receive benefits -- I mean, to receive
3 services. You have to be poor to get any
4 help. And you have to, as a condition for
5 receiving services, be certified that you're
6 disabled and you're never going to get better,
7 you'll never be able to get work to get
8 services. That's what our system gets is
9 people that stay sick and stay poor. And
10 that's -- you know, what we put out there.
11 This is what we want to buy, and that's what
12 you get.

13 And the other thing is that, you
14 know, it's become increasingly clear that the
15 story that we've all been told about the
16 benefit about psychiatric medications -- you
17 know, helping people, is really not true, and
18 that just as this eligibility criteria is
19 keeping people sick, the way that the system
20 mandates the use of medications as a virtually
21 only mode of treatment when we now know that
22 it keeps people sick and, in fact, exacerbates
23 over the -- exacerbates over the long term
24 people's psychiatric problems that this is --
25 I think it's the board's and the Trust's

1 responsibility to really look at this. And
2 from my perspective, a lot of this kind of
3 turf stuff that's going on has been a huge,
4 huge diversion from some of the key issues
5 that I think that the Trust and the board
6 really ought to be addressing.

7 MS. LANIER: Senator Taylor.

8 SENATOR TAYLOR: I certainly
9 agree with my good colleague here on those
10 points. At inception, we didn't know who we
11 were dealing with. In fact, it took quite a
12 long period of time and a lot of litigation to
13 figure out who are we dealing with. Who are
14 these beneficiary groups? And Judge Greene,
15 as Jim has indicated, resolved that for us
16 over the years. But that took tremendous
17 amounts of advocacy. Attorneys on behalf of
18 each of those groups were fighting not only to
19 protect the autonomy of their group, but to
20 deny at times the reflection that there was
21 another group out there that should have a
22 piece of this pie. Because the more pieces of
23 the pie, the smaller your piece was, right?

24 And so, as a consequence, this
25 state and the people within this historic

1 group really paid a high price to resolve
2 definitions of who was within the pot and who
3 was without. So it may be nice to think about
4 all the homeless kids wandering out there.
5 There's no fiduciary relationship and there's
6 no trust, and there's no specific group known
7 as homeless kids. If you want to worry about
8 homeless kids, go talk to Health and Social
9 Services about the general ambiance of
10 homeless in Alaska. If you want to talk about
11 four groups, go to these four boards. We talk
12 about trust relationship. If you don't
13 provide services, they could sue you as a
14 member of the board. We set it up that way.
15 We wanted to resolve once and for all that
16 this was a trust and had been established as a
17 trust. It was much a trust my father left me
18 a million dollars and Eddie Rasmuson -- he's
19 not there. The bank has got my check. Their
20 trust officers go out and flitter away on bad
21 investments, and pay themselves for trees. As
22 a beneficiary of that trust, I can sue them.
23 Their obligation is totally different than the
24 obligation of a city councilman or a
25 legislator or someone else. We all have an

1 obligation under the Constitution to support
2 education, don't we? We have an obligation to
3 support roads and highways and public safety.
4 You go down to Juneau, you try to figure out
5 where's all the money going to come from for
6 each one of these things. When you're sitting
7 there as a member of a board of trustees, with
8 a fiduciary responsibility towards your
9 beneficiaries, it isn't just how much do you
10 like it. It's we better be moving our land,
11 our timber, our minerals at the very highest
12 and best value. We better be doing it in a
13 way that meets muster as well as all the
14 financial concerns, best interest findings.
15 All of those things have to take place.

16 Is your trust doing a good job?
17 I am overwhelmed by the job that your trust
18 and trust management people are doing.
19 They're doing a fantastic job. They're doing
20 a better job of land management and
21 aggressively pursuing funds for your
22 beneficiary group than any other agency of
23 state government, and federal government
24 doesn't even get in the ballpark. When it
25 comes to land managers, you've got some of the

1 very best. And they're learning. This is not
2 an easy thing. Because two-thirds of the
3 people that were sitting on the initial board
4 were green as gourds and didn't want anything
5 done with the land. I'll guarantee you that.

6 I'll never forget the meeting
7 that Jeff and I and Sharron Lobaugh, George
8 Rogers, it was kind of the quintessential
9 final meeting when at that point the biggest
10 identifiable beneficiary group was sitting in
11 my office and we said here's the final
12 package, can we go with it? And both Sharron
13 and George were crying. And Sharron looked at
14 me and she said you're going to make tears out
15 of us -- timber harvesters. I said, "Sharron,
16 silver bullets cost money." And as a trustee,
17 with the fiduciary responsibility, I said,
18 basically, you can't tolerate a Peter Gall
19 taking 400,000 acres of your 1 million and
20 locking it up in an eagle preserve in Haines.
21 Who is going to pay? The eagles? Are they
22 going to come up and pay the money that our
23 kids are going to need? I don't think so.
24 That was set up as a state forest. It was
25 selected by the Mental Health folks as a

1 forest. People went into Haines, developed
2 miles, Shanobel tried to get it off the
3 ground, get it going. State declares it's
4 their property in 1980, representative comes
5 along in the early '80s and he declares it a
6 wilderness area. All of a sudden Shanobel
7 comes in and there isn't income coming along
8 over our land. We passed a law. Did you want
9 back the 400,000 acres? It was yours. You
10 had to take it, though. What did it generate
11 for income? How is it going to be managed in
12 a way to generate wealth to come back in and
13 pay for the programs that we needed for these
14 four beneficiary groups? I heard the words
15 "dog meat land" several times there. We did
16 find good land out there. It's always a
17 compromise. Wasn't always the best stuff.
18 Certainly wasn't the worst. Through what I
19 think has been creative talents and great
20 energy that's been put forth, your Trust is
21 doing a great job.

22 And one of the biggest points I
23 fought for throughout, and believe me, there
24 was a lot of the folks in Juneau, they hate
25 the idea of a board having autonomy over their

1 own money. They really don't like that.
2 Because as a legislator, it's near and dear to
3 your heart to be able to control all the
4 money. Jeff will tell you that. I fought for
5 that one and fought for it hard. Ron Larson,
6 God rest his soul, remember, was in there
7 helping us on that one, as were so many
8 others. You had to fight to get that. Get
9 that autonomy.

10 That autonomy over the cash gives
11 you people the opportunity to decide how much
12 are we going to spend on land management. How
13 can we maximize these funds? How can we
14 generate more money for our programs? And
15 then you guys can all have the internal fight
16 that my friend, Jim, indicated as to how those
17 Beneficiaries receive those services. Should
18 it be limited to rich people or poor people or
19 somebody in between? God bless you. That's
20 your decision. That's not a decision that's
21 going to be left up to some bunch of
22 legislators. I'll guarantee you. If you left
23 it to the current Legislature nobody would get
24 services unless they lived near the rail belt.

25 One other point I want to make,

1 and that is the essential question that came
2 at the end of each of the comments, my
3 colleagues' comments here, what about the
4 autonomy of the boards themselves? The
5 quintessential question being raised at this
6 juncture is should there be a consolidation or
7 a merger of these various boards? For those
8 of us who fought so hard to identify who the
9 groups of people were that were the true
10 Beneficiaries and to try and come up with some
11 percentages, you know, what percentage falls
12 in this category? What percentage in that
13 category? Is there commonality? Yeah. And
14 overlap? Sure there is in some. But are
15 there unique concerns to each of these four?
16 And Judge Greene found that there were.

17 And all the legal opinions I've
18 seen and the rest of it of late tell me that
19 you're going to have to have some type of
20 legislative amendment if, in fact, you're
21 going to merge these boards. I think that
22 Legislative amendment then has to go back to
23 the court -- anybody correct me if I'm wrong
24 there. I think it has to go back to the
25 Supreme Court who actually sits still and will

1 continually, in perpetuity, on this contract,
2 actually sits as the arbitrator to make sure
3 it's being carried out right.

4 Will these changes be negative or
5 devastating or bad for the boards, the ones
6 that have been suggested? Will some of these
7 mergers be bad? I don't know. I think it's
8 far too early to tell at this point. But I
9 still believe there is value, if you will, in
10 the definition of specific groups who have
11 specific needs.

12 And how that autonomy of those
13 individual groupings is retained, I don't know
14 that that necessarily is something that you
15 fall on your sword over. But it certainly is
16 a fact of life. It's a reality that was
17 hammered out and forged out of very difficult
18 and arduous times in making these definitions,
19 and to now to just change those -- definitions
20 arbitrarily, to make us all feel good about
21 having some big group grope here, I don't
22 think that that is necessarily a valid excuse
23 for doing it. And I do believe, in my heart,
24 that there is -- that it is important to
25 retain an advocacy for specific interests

1 within specific groups.

2 And I wish all of you Godspeed in
3 determining those issues. Personally, I would
4 continue -- I guess, we all -- we're reluctant
5 at change, aren't we? We hate change.

6 I wouldn't be real comfortable
7 with any kind of rampant change at this point.
8 If people can work that over time and if
9 people can finally trust one another with each
10 other and will feel comfortable that their
11 group will be protected by members of the
12 other group, then certainly it's worth
13 exploring if, in fact, it saves money on the
14 bureaucracy, as Jan was mentioning, if it
15 reduces bureaucracy, saves money, makes you
16 more efficient so that actually more dollars
17 go back to your beneficiary groups, I'd
18 encourage doing it.

19 But if it doesn't do that, and
20 all you do is kind of merge for the fun of
21 merging, then I don't think that that has
22 sufficient value.

23 And, remember, each of these
24 decisions about merger and allocation of funds
25 within the groups, each of those decisions has

1 to pass muster eventually in front of a judge
2 who says you either met or did not meet your
3 fiduciary obligation to this beneficiary
4 group. So, it's a tremendous burden that lays
5 over each boardmember and over each group.

6 So, as I said, I wish you well in
7 that process. Myself, I'd want to approach it
8 very carefully in light of the history that
9 I'm aware of.

10 Thank you for letting me talk.

11 MS. ALLELY: Well, I think I
12 already established that the whole issue of
13 the lands and who it belonged to and all of
14 that was extremely confusing to me, and it
15 still is. And so I'm going to focus my
16 remarks more on the program and planning
17 elements of the Trust, and kind of what I
18 understood when I left the Council in '93
19 or -- somewhere in there, and how I see it
20 now.

21 And my understanding when I --
22 when I was on the Council, as this was all
23 being discussed, is that the primary purpose
24 of the Trust was to generate funds, to
25 generate income that was going to be used to

1 support Beneficiaries of the Trust.

2 And that -- I think there was --
3 I think, as Jan alluded to, there was a lot of
4 concern about what is this going to mean in
5 terms of the boards' function. What is this
6 layer going to do to how the boards function.
7 And I know that we had a lot of discussions
8 about that, and I think the intent, what we
9 understood was that the boards would still
10 continue to function in their advocacy role
11 and in their program and planning roles, and
12 that that was not really going to be changed
13 by the Trust coming into play. That they were
14 kind of on our side; they were going to take
15 our issues to the next level; and that we were
16 going to be a big, happy family. I think that
17 was definitely the message, I think, that we
18 all heard at the time.

19 And I will say that prior to the
20 Trust, the Council annually would prepare our
21 legislative priorities, and our budget
22 priorities, and we would take those to the
23 Legislature. We would present them to them,
24 and we would have a meeting with the Joint
25 House Committee where we formally presented

1 them. And I think that that was a really
2 important piece of the Council's work. We
3 spent a lot of time preparing for that, and we
4 felt like we personally delivered our message
5 to the legislators; and that that was an
6 important function.

7 So, that, I think, has changed a
8 bit since the Trust has come into play, and I
9 think that we -- you know, that we don't
10 necessarily have as strong a connection
11 directly to the Legislature as we did at that
12 time.

13 Kind of -- you know, my sense of
14 how we've done -- I think that the Trust is
15 still rather confusing to the Beneficiaries
16 and to the general public. I can say that
17 from working on the inside as well as, you
18 know, kind of being in that gap period for
19 those almost ten years that I wasn't involved
20 with the Council. And I don't really know how
21 to make that any less so, but I do think there
22 is still a sense of confusion about how the
23 Trust operates, and what the relationships are
24 between the boards and the Trust, that we
25 might want to consider, you know, working on

1 this as best we can.

2 And I think the concern about the
3 layer is probably still a valid concern. I
4 think the boards sometimes are seen as --
5 well, we have -- where we used to have the
6 boards directly to the Legislature, now we
7 have the boards to the Trust to the
8 Legislature. And I think that boards worry
9 that the purity of their message is maybe not
10 always communicated in the way that they
11 intended or, you know, that there's the -- the
12 possibility that that can happen. I think
13 there's concern on the boards' part about
14 that.

15 But, in general, I think that the
16 Trust has brought great things to the State
17 and great things to the Beneficiary groups
18 that we all appreciate and we're very
19 fortunate to have. I know that it's made a
20 lot of difference for many people with
21 developmental disabilities and all the others.

22 Another thing that I think is
23 changed is that four boards are working much
24 more closely together. That, previously, we
25 were pretty isolated boards that didn't really

1 have much reason to connect and to work
2 together. Whereas now we're spending a lot of
3 time working together, and we do see our
4 Beneficiaries as being -- as crossing many of
5 our board groups. So I think that has been a
6 real positive change as a result of the Trust.
7 Those are some of my thoughts.

8 MR. APPEL: When the final class
9 definitions came out in 1994 for the
10 Beneficiaries of the Mental Health Trust,
11 that, of course, included seniors who were
12 senile and suffered from mental illness. At
13 that same time, in 1994, the Legislature
14 amended statutes that established the
15 Commission on Aging as the organization that
16 would represent those Alaskans that were
17 affected by Alzheimer's disease and related
18 disorders for the Alaska Mental Health Trust.

19 And that enabling statutes also
20 specify that the Commission would develop the
21 plans that would address the needs of such
22 individuals. Since that time, of course,
23 numerous proposals have been submitted through
24 the Commission to serve the needs of the ADRD
25 beneficiaries. I'll just mention a few of

1 these grant programs that have been funded
2 through the years. Initially, there were a
3 lot of programs related to training,
4 developing informational materials and
5 education. Some of these included ADRD
6 assessment and training, ADRD care
7 consultation to day care, distance education
8 to the rural areas, the development of
9 informational kits and respite videos, and the
10 developing of support groups for day care
11 families.

12 I think two of the significant
13 and successful programs out there in the last
14 ten years were the mini-grant programs and
15 innovative respite. And the mini-grant
16 program funded dental, vision, hearing,
17 assistive equipment or modifications,
18 medication for beneficiaries. These were all
19 items that were not covered by other funding.
20 So, the Trust was funding significantly needed
21 items out there that would not be funded
22 elsewhere. Again, this is providing services
23 to low-income individuals.

24 And similarly, innovative respite
25 provided services not available through other

1 programs. That respite was more flexible in
2 determining who receives the services and how
3 it has been provided. And I think from
4 feedback that was received by the Alzheimer's
5 agency and so forth, those programs have been
6 tremendously successful.

7 Recently, the Trust planning is
8 focused on a few major areas. Housing is one
9 of those areas that senior advocates have a
10 particular interest in; and we think that's
11 going to be a valuable initiative.

12 I'm not sure that I can speak for
13 all senior advocates, but I believe the Trust
14 has done a good job over the years. I think
15 that as a senior advocate, many of us are
16 worried about the significant increase in the
17 senior population, and I think the projections
18 are that it's going to triple in the next 15
19 or 20 years. And we've really -- and I -- the
20 other significant aspect of that is that
21 Alaska has a large senior population that's in
22 the low-income category. And so I think that
23 we need to recognize and we need to be able to
24 plan in dealing with issues that are going to
25 face us because of that increasing senior

1 population. I think the Trust can help us
2 deal with those issues, help us plan and --
3 and get some resources out there to deal with
4 this.

5 MS. LANIER: Thank you.

6 Mr. Page.

7 MR. PAGE: I've kind of got so
8 much to say that I'm afraid to get started.

9 MS. LANIER: We do want to allow
10 some time for questions.

11 MR. PAGE: I think that's
12 important, so I'm going to keep my comments as
13 limited as I can. They'll throw me out of the
14 Bar Association if I don't talk a little bit.

15 What I've decided to do is set up
16 a soapbox over the sky bridge. Anybody over
17 the next three hours who wants to listen to me
18 wind down can do that.

19 You know, I consider myself
20 actually to be a true conservative. I think
21 Senator Taylor would probably agree with me
22 that a true conservative is not somebody who
23 is afraid of or against change. But a true
24 conservative is somebody who wants to
25 understand and appreciate how things got to be

1 the way they are before they start fiddling
2 with it. The comments I want to make are just
3 to talk about how things were before the
4 settlement and how they might be today.

5 Jim spent many years disagreeing
6 with this, but there were many people who
7 believed that we could have ended up --
8 without violating the Federal Trust that was
9 first set up in the '50s, we could have ended
10 up with the State as a trustee, with a paper
11 trust in which there was title held in a
12 particular thing that was called the Mental
13 Health Trust, but with the Legislature simply
14 making bookkeeping entries, charging against
15 that trust the cost of running mental health
16 programs; and that would have constituted, in
17 some people's minds, an appropriate
18 reconstitution of the Trust, even after the
19 Supreme Court said that the State had done a
20 terrible job of being trustee up to that date.

21 There would have been no Trust
22 Authority, no independent spending ability, no
23 requirement of the existence of any advocacy
24 boards. There would have been no selection
25 process where the governor had to consider the

1 input of people involved in advocating on
2 behalf of Beneficiaries before Trustees were
3 selected. There would have been no
4 requirement of an explanation for how the
5 State was spending its money, and, in fact,
6 there would not necessarily have even been a
7 recognition that the State had an obligation
8 to spend money on people who are our
9 Beneficiaries. And there were, over the
10 period of time that we've been talking about,
11 a number of very serious proposals to settle
12 or resolve the litigation that Jim and others
13 advanced so well. That would have pretty much
14 created that kind of a paper tiger trust.

15 And so I think it's important to
16 remember that when we got the settlement that
17 we got, we got some things that we're all now
18 used to because it's ten years old.

19 Let's remember how we got here.
20 We got a Trust Authority that is separate from
21 the State. We got, as Senator Taylor so very
22 clearly and accurately described, the right to
23 spend the Trust's money independent of
24 legislative appropriation. That is, as he
25 said, probably the single most important thing

1 that we could have gotten out of that
2 settlement.

3 We have a Trust Land Office,
4 which although it is set up as part of the
5 Department of Natural Resources, was intended
6 and has, in fact, been operating as an
7 independent entity working on behalf of the
8 Beneficiaries. We got a requirement for
9 consultation on a comprehensive integrated
10 mental health plan. And we got the power to
11 be a major player in the legislative budget
12 process. And finally, we got the State's
13 recognition in the settlement documents that
14 the State retains responsibility primarily for
15 funding mental health programs for our
16 Beneficiaries.

17 And, again, it could have been
18 something very different from that. I think
19 let's understand that position before we start
20 thinking about, gee, what changes need to be
21 made.

22 Now, there are some things that
23 we have done or that maybe we should be doing
24 differently or there are some things that we
25 could be doing that we haven't done so far.

1 But I think it's important to recognize that
2 we have done quite a bit to put meat on the
3 bones of the skeleton of this Trust. I sat
4 there -- I remember very well sitting in
5 Providence Hospital's conference room at the
6 very first meeting of the Board of Trustees
7 and Mental Health Trust ten years ago. That
8 was a blank slate. The statute says that we
9 have to do certain things. Doesn't say how we
10 have to do those things. Doesn't say who we
11 have to talk to. Doesn't say what things we
12 have to do or what procedures we go through to
13 do those things. All of that came and was
14 created over the last ten years out of the
15 good faith and hard work of you, the Trustees,
16 and I will say members of public and members
17 of the government.

18 It has been a work of good faith.

19 I think that what we can remember
20 and what we can continue to do is work hard to
21 make sure that the Trust continues its
22 responsibilities. Because -- I'm slightly
23 biased on this thing. I think the strength of
24 the thing that you have going for you is the
25 Trust Authority in terms of the ability to

1 influence public policy.

2 I did go through and re-read the
3 140-page settlement document that Judge Greene
4 wrote when she approved this settlement. Here
5 are a couple of the things that she said. She
6 said: It is the Court's judgment that even if
7 the reconstituted Trust never earns enough
8 money to support the mental health program,
9 the Trust Authority and program changes made
10 in the statutes should provide real
11 improvement in the lives of the Beneficiaries.
12 For this reason, the Court considers the Trust
13 Authority, with all its power and its advocacy
14 position, to be a fundamental and significant
15 part of this settlement. And she said:
16 Without it, the Court probably would not have
17 granted final approval.

18 It is clear that the sometimes
19 powerless have been empowered. The Trust
20 Authority can be a powerful advocate to the
21 real needs of those who have so much
22 difficulty advocating for themselves.

23 That is the vision that I have
24 for the Trust Authority. It's what I have
25 tried and I know the other Trustees have tried

1 to create over the last ten years, along with
2 you, and we will continue to do that as long
3 as I am involved with the Trust. I expect to
4 be involved in Trust issues for the rest of my
5 life.

6 MS. LANIER: Thank you.

7 We will have questions.

8 Anybody --

9 MR. COPE: I think one of the
10 most --

11 MS. LANIER: Could you introduce
12 yourself?

13 MR. COPE: I'm Fred Cope. I've
14 been hanging around the system when for a
15 while. The first I heard of the Trust when I
16 arrived in Fairbanks, and somebody called me
17 up and said, "Can I cut my wood from your
18 land?"

19 Then I said, "What?" I was with
20 the community mental health center. He was
21 referring to the mental health lands which he
22 had just been told you cannot touch those
23 lands where to get your wood. That was kind
24 of my introduction to the thing.

25 A little while after that,

1 somebody introduced me to this funny-looking
2 attorney from Anchorage that had come up.
3 This guy by the name of Jeff Jessee. And
4 another possible anecdote is that one point we
5 were talking about because of the very strange
6 bedfellows that developed in this fight, where
7 the Republicans who normally were the people
8 we didn't talk to about social issues, were
9 really fighting it and people like Betty
10 Fahrenkamp who was sitting as a real key
11 chairman of the resources committee and was
12 actually stopping this bill from proceeding.
13 We were talking about changing the name of the
14 Fahrenkamp Center to the Coghill Center.

15 Anyway, my question is -- Jim
16 Gottstein brought out, and I think perhaps the
17 most significant thing that needs to be
18 addressed and the big unspoken question, and
19 it's the gorilla in the next room about our
20 system. We are basing our whole system of
21 care on Medicaid. Medicaid is an anti-poverty
22 issue. In other words, basically, to get
23 services, you need to be poor first. Now,
24 admittedly, a lot of people, because of the
25 disabling conditions they are, end up in that

1 category; but we have actually made a system,
2 and we're getting more and more in that. We
3 take a big cut last year in children's
4 services, a big cut for services for the
5 chronically mentally ill. The response was,
6 "You can make it up with Medicaid." The
7 question is: What does this group, and you as
8 individuals, feel? Is this the right way to
9 build our system? Totally dependent on a
10 system that demands people be poor before they
11 can get services? Are we only going to serve
12 in our state people who are poor?

13 MS. LANIER: Anybody want to take
14 a stab at that?

15 MR. GOTTSTEIN: Does anybody have
16 a question about my views on it?

17 A SPEAKER: I thought that was a
18 question to you.

19 MR. PAGE: I have two words.
20 Fiscal plan. As long as this state and the
21 citizens of this state are unwilling to do
22 anything -- to pay for government in any way
23 other than through what is essentially free
24 money and are unwilling to take responsibility
25 for paying for the funds financing government

1 and the services that are appropriate for
2 government, we're going to be faced with
3 cutting budgets. And that means that we have
4 an advocacy job ahead of us. Because the
5 easiest place to cut in the state budget, as
6 everyone knows, is the people where people
7 won't scream. And that means oftentimes the
8 people who are disadvantaged.

9 MS. LANIER: Thank you.

10 SENATOR TAYLOR: I'd suggest
11 another alternative maybe, as one --

12 MR. FELIX: Speak up.

13 SENATOR TAYLOR: The fiscal plan
14 that my good friend, Nelson, refers to, and I
15 certainly think there's validity to that
16 comment. We don't have a city out there in
17 this state that has a fiscal plan. I'm not
18 sure what the fiscal plan of the Trust is
19 right now. I think, in fact, they probably
20 have a better fiscal plan than any of the
21 other governmental entities I can refer to,
22 because as land managers and managers of --
23 with a fiduciary obligation of a bank account,
24 they're held to a different standard, and it's
25 a higher standard. So -- but the

1 quintessential question that you raise is one
2 that the Legislature did not address in this
3 enabling act. We did not specify to whom you
4 should give services within your Beneficiary
5 group or how you should allocate those
6 precious funds that you have. And I think it
7 has to have been a horribly difficult decision
8 for board members; it probably is annually.
9 Because the need is always going to be so far
10 beyond what the resources are. How do you
11 then allocate those resources to get the
12 greatest bang for the buck back to the
13 Beneficiaries group?

14 And that's got to be a painful
15 process to go through when you don't have
16 enough money, and then how do you allocate
17 that which you do have?

18 Well, unfortunately, as Jim
19 indicated, I think all this is a parroting or
20 a responding to the easiest opportunity, which
21 is, well, we can turn to federal funds -- if
22 we drop our qualification categories funds to
23 meet them, we can use Medicaid and that will
24 stretch our dollars. That's probably a fine
25 response. I don't criticize that. But this

1 board has sufficient autonomy. It could
2 choose to fund the millionaire's kid at the
3 same level that it's funding the other
4 person's kid. You know what I mean? That
5 could be a choice. And -- I'm rather proud
6 that we didn't try to legislate those
7 categories or how that allocation should
8 occur, because I think the Beneficiary groups
9 will in the long run do a much better job, a
10 comprehensive job of doing that.

11 MS. LANIER: Tom, Jim, Tracy,
12 Nelson.

13 MR. BRUCE: Senator Taylor brings
14 up a point, ongoing point. Some of the panel
15 members brought it up earlier. When the Trust
16 was established we enjoyed relatively high
17 levels of the attentions and concerns of the
18 needs of the four beneficiary groups. I think
19 we're going through a point in time or have
20 gone through a point in time where the
21 Legislature and the Administration have turned
22 their back, and it's left the Trust Authority
23 in a very unenviable position of trying to,
24 you know, bridge gaps, fill holes where they
25 really have no responsibility, or shouldn't

1 have a responsibility. Where the Legislature
2 has had a failure in funding, where the
3 Administration has had a failure in advocating
4 for that funding, or even purporting to
5 support the cuts that have gone to undermine
6 the settlement issues.

7 So I think that's something -- I
8 mean the Trust Authority has been -- is this
9 guide that's running around like at the
10 Chinese acrobatic things where the guy is
11 spinning the plates on about 15 different
12 poles, and they can't spin those plates all
13 the time. Generally, some of those plates
14 fall and break. And when that happens,
15 there's major concerns.

16 MS. LANIER: Jim, Tracy, Nelson.

17 MR. GOTTSTEIN: Yeah, I think
18 Senator Taylor made a really good point about
19 the settlement not really specifying these
20 issues and giving these -- the four boards the
21 role in evaluating the program, making
22 recommendations to the Trust which then
23 integrates them, you know, and then makes, you
24 know, formal recommendations to this -- the
25 governor and the Legislature. I think that

1 really, and that's -- and I absolutely agree
2 with Nelson about the importance of, you know,
3 that aspect of the settlement as being -- as
4 being a key part of it.

5 And -- but I think on this issue
6 of Medicaid, it's not strictly an issue of
7 whether or not -- obviously -- it's not an
8 issue of paying for millionaires' kids or not,
9 or paying for people that can afford it or
10 not. It's -- from my perspective, it is the
11 structure of a system that really requires --
12 requires people to be or get poor and to stay
13 poor, and requires people to basically be
14 certified that they're going to be permanently
15 disabled in order to get services.

16 And that's something I think that
17 really needs to be worked at, and I think it
18 can be worked at within the structure of
19 looking at current Medicaid regulations, and
20 even possibly looking at some waivers from the
21 Federal Government. Because they're looking
22 at ways to reduce costs, too. And my point
23 is -- and these are related -- is the way that
24 the Medicaid regulations and -- you know, and
25 this whole medication issue, is it in the long

1 run -- in my view, there's no question that it
2 ends up costing more money, because we're
3 taking a lot of people that really could and
4 should get better and we're keeping them poor.
5 We're keeping them out of jobs. We're keeping
6 them disabled. And a very significant
7 portion, maybe as much as two-thirds of the
8 people diagnosed with serious mental illness
9 could get better and get jobs and no longer
10 be, basically, on the -- you know, a burden to
11 the public fisc. My point in bringing that up
12 here is that I think that that's something
13 that the board really -- the Beneficiaries are
14 counting on the Board to be really looking at
15 these sorts of things and making
16 recommendations on that, and moving them to
17 the Trust, and have the Trust really push on
18 that issue to make the lives of the
19 Beneficiaries better.

20 And I want to just mention a
21 couple other things about -- I think the Trust
22 has been incredibly innovative in the way --
23 and effective in the way that it's used its
24 money. Really, unbelievably, both in all of
25 the innovation as coming from the Trust and it

1 really has done some marvelous things on that.

2 And -- and it's interesting
3 because I had no intention of -- and really
4 don't think that I did argue about the merits
5 of the settlement or not, and I certainly
6 didn't think I was kind of re-opening that and
7 disapproving other, and all that. All I did
8 was describe my role in it. But I do have a
9 firm -- firm view that I think we all should
10 be willing to live with the settlement, but we
11 also should insist that everybody live up to
12 the settlement. And that's kind of my key
13 point.

14 MS. LANIER: Thank you.

15 SENATOR TAYLOR: I want to make
16 one quick comment on Jim's -- right on. As
17 Tom indicated, too, this is my own perception
18 and hopefully my colleagues in the Legislature
19 who are still serving will forgive me for
20 this. But throughout this arduous process and
21 throughout my 19 years of experience there, I
22 came away with this one conclusion and that
23 is: That the Legislature has never understood
24 their fiduciary obligation as the ultimate
25 Trustees. Because even though the Board has

1 been appointed, the litigation took place, you
2 had the Supreme Court bless it, and the
3 Legislature passed it, the Legislature still
4 does not truly understand that they are the
5 ultimate trustees. And just as Nelson pointed
6 out, in Judge Green's opinion, they bear the
7 ultimate responsibility for funding. Because
8 just as we inherited the Haines Eagle
9 Preserve, we don't know that we can generate
10 enough off these lands. This has been a big
11 experiment, really, folks. We don't know if
12 we generate enough money to ever begin to pay
13 the costs of these programs. And the
14 legislation recognized that and said we'll
15 make the best effort we can at getting money
16 off our land, but we do not expect to ever be
17 able to pay the full cost of these programs
18 out of just our land management on our Trust
19 lands. Therefore, you, the Legislature, bear
20 ultimate responsibility, and they signed off
21 and agreed to that.

22 The problem is, we really don't
23 have a way, a mechanism -- I don't know how
24 you ever create one -- of enforcing that. It
25 just continues to be a give and take between

1 the board recognizing the need and the
2 Legislature recognizing, yes, there are some
3 amounts we've got to load back in because they
4 ain't making enough money off their lands yet.
5 Legislative keeps hoping that you're going to
6 make billions off it.

7 MS. LANIER: We have to keep
8 moving here.

9 SENATOR TAYLOR: That's the
10 point. Until you people can explain to each
11 individual legislator, it's a different hat
12 they're wearing when they sit down with mental
13 health. I don't think they've yet recognized
14 that.

15 MS. BARBEE: Is your name Frank?

16 MR. COPE: Fred.

17 MS. BARBEE: The comments you
18 made about poverty. I work in an organization
19 that deals with family members and consumers
20 with mental illness. And I think about one
21 family when he mentions that where they were
22 borrowing money from her mother because she
23 couldn't work because if she worked then they
24 no longer would be able to get assistance for
25 her daughter who had bipolar disorder. That's

1 so very true. That's where the people in the
2 state are getting assistance are people that
3 are at the poverty level and staying there
4 purposefully for that reason. What would
5 happen if they worked? They would no longer
6 have Denali Family Kid Care for the daughter.
7 The daughter would be shipped Outside and
8 would be one of the \$3 million that it's
9 costing to have the kids out of state.

10 My own personal situation. My
11 husband and I ended up \$40,000 in debt after
12 my son was hospitalized twice for bipolar
13 disorder. And one of the answers to his
14 question is parenting. My family made enough
15 money that we could afford insurance which, of
16 course, for mental health is only 50 percent.
17 We ended up with that kind of debt. If a
18 parity existed, if we could get parity passed
19 at the state or federal level, we could afford
20 to have insurance to pay for my son when he
21 needs to.

22 MR. PAGE: I'm going to defer my
23 comments. I think we ought to get more
24 questions.

25 MR. SMITH: I'm Doug Smith. I'm

1 a fairly new member to the Mental Health
2 Board. I need a lot of education. I felt I
3 learned more about the Trust than the Mental
4 Health Board. I wondered if people could say
5 more to the settlement, what it leads to the
6 Mental Health Board's responsibility, and how
7 to fulfill those. Particularly now, kind of
8 adding to that situation, the situation has
9 evolved so the services delivery had -- it's
10 more integrated between drug and alcohol.
11 We're struggling how do we best meet the
12 responsibilities to our Beneficiaries to the
13 evolution that has happened. It may not be
14 the same old way. Maybe people have thoughts
15 about that that were part of the same old way
16 originally.

17 MR. GOTTSTEIN: I think -- I can
18 more easily answer the first question. I
19 don't know about answer, but respond to it,
20 which is the way that the settlement is
21 structured is that the boards are -- with
22 respect to their beneficiary group -- supposed
23 to basically evaluate the program and then
24 make recommendations both programmatically and
25 budgetarily that go to the Trust. Then the

1 Trust -- and so -- I said that, and -- and
2 it's maybe -- doesn't sound like that's a lot
3 for the board to do, but it's really very,
4 very critical, and it is the big piece. And
5 so -- and then what happens is then the Trust
6 takes all four boards' recommendations and
7 develops what's called the Integrative
8 Comprehensive Mental Health Program, and that
9 becomes -- that goes to the Governor and the
10 Legislature. And so -- I don't know. I don't
11 know what more to say. It doesn't sound like
12 a lot.

13 MR. SMITH: Advisory to the
14 Trust, not the Legislature or Governor?

15 MR. GOTTSTEIN: The boards -- all
16 four boards have traditionally had direct
17 contacts with the Legislature, and there's
18 always been, I think, the idea that it would
19 be very beneficial for there to kind of be a
20 single voice on the whole mental health
21 program. And there's been a certain amount of
22 tension with the various boards thinking would
23 they really want to get their oar in the water
24 on specific things that are relevant to the
25 board. I think that's kind of an inherent

1 tension. Maybe intention is too strong a word
2 or too weak a word.

3 MS. LANIER: Matt, Nelson, and
4 then did you have your hand up, Frank.

5 MR. FELIX: Real quickly. I
6 think to answer both questions, really, is the
7 key word that Nelson read in Judge Greene's
8 decision there or summary, and that we've all
9 mentioned here, and that's advocacy. I think
10 the role of the boards and the role of
11 everybody in this room is to be advocates for
12 the Beneficiaries.

13 These trends of Medicaid or
14 poverty focus with the trends of the next
15 Administration or next Legislature, and you
16 and I call them trends truly coming from time
17 to time, you're going to all find that what's
18 important today is not going to be important
19 tomorrow. And, you know, your problems with
20 having to create poverty for your clients to
21 keep them in is probably not going to be as
22 important as it was today in the future. But
23 the key thing over time, no matter what
24 government thinks in terms of what's going to
25 work as a trend, is to advocate for these

1 people. These people do not advocate for
2 themselves. That's the one common thing they
3 have. They are not in a position to advocate
4 for themselves. And the boards and everybody
5 in this room must advocate for them. And I'm
6 sure everybody in this room has a favorite
7 beneficiary group. Advocate for that group at
8 the Legislature, through the boards, and
9 personally, because they don't advocate for
10 themselves.

11 Like Judge Greene said, a key
12 part of the settlement is to have advocates.
13 The State doesn't steal your land again,
14 doesn't steal it again, or some program
15 doesn't come along from government that makes
16 them less than important as they should be.

17 MS. LANIER: Nelson.

18 MR. PAGE: Yeah. I think you're
19 getting the heart of one of the reasons we're
20 having this board or this panel. The Trust's
21 enabling statute says that the purpose of the
22 Trust Authority is to ensure an integrated
23 comprehensive mental health program. That's
24 about the broadest definition of
25 responsibility I can think of.

1 And it is clear to me that as a
2 fiduciary, my responsibility runs to the
3 Beneficiaries directly. It does not run to
4 the boards. If I think that the boards are
5 suggesting something and I disagree that
6 that's the best way to go on behalf of the
7 Beneficiaries, then it is my duty to go with
8 my own sense as to what is important and what
9 isn't. So, that is one of the reasons that
10 there can be, at times, some built-in tension
11 between the Trust and the various boards.
12 Ultimately, you just have to live with the
13 fact that Trustees have the money and they
14 have the statutory responsibility; and they
15 have the legal fiduciary responsibility to do
16 the best they can in their view for the
17 Beneficiaries, even if other people disagree.

18 The statutory authority for the
19 Mental Health Boards includes a number of
20 things. One of those is to provide for the
21 Trust Authority for its review and
22 consideration recommendations regarding the
23 comprehensive plan and how to use the Trust's
24 money. And so, as I have said to others
25 before at different points, again, putting

1 meat on the skeleton that was just the initial
2 words of that statute, we probably as Trust
3 Authority members could meet the letter of the
4 law by giving the Mental Health Board an hour
5 at one of our annual meetings for you to
6 present your recommendations and for you to
7 talk about how you think we ought to spend our
8 money. And a good lawyer and a judge would
9 probably agree that we had met our
10 responsibility.

11 But we don't think that's the
12 right way to go. We think that the boards are
13 much more important than that, and we have
14 always incorporated, as you well know,
15 sometimes to your dismay -- we've always
16 expected a very active role on the part of the
17 boards to come to us with budget
18 recommendations. So, that, at least, is one
19 of the most important things that I think is a
20 relationship between the Trust and the boards.

21 MS. LANIER: Thank you, Nelson.
22 Frank, and then Jan.

23 MR. APPEL: I was going to
24 suggest, Jim mentioned the advisory role, but
25 I think it's a little bit more comprehensive

1 than that, and I think Nelson mentioned that.

2 The boards actively participate
3 in the planning process, which is fairly
4 comprehensive and considerable involvement.

5 MR. PAGE: And I think -- if I
6 may, I think to go back on to the first point
7 that was made, we always are advocating on
8 behalf of the same group of people. And one
9 of the things that we can continue to do and
10 can do a better job of is coordinating our
11 advocacy.

12 MS. LANIER: Jan said --

13 MS. MCGILLIVARY: My colleague
14 said the word "planning." That's what I was
15 going to add to the boards' role. Planning.
16 I believe we build a plan and then work it.
17 And that's something I hope the Mental Health
18 Board continues to do.

19 MS. LANIER: One more question in
20 the audience. I'm going to ask everybody to
21 keep your answers brief as possible. We're
22 almost out of time. You're on, Jamie.

23 MS. DAKIS: I'm Jamie Dakis. I'm
24 an artist that just moved to Anchorage. I'm a
25 consumer who just found out about all of this

1 stuff in 1999, and I've been coming as a
2 consumer myself, and I haven't gotten a
3 forward positive movement until I became
4 involved in the Alaska Mental Health Board and
5 met people who knew about the Trust. And this
6 was, unfortunately, after my 24-year-old
7 daughter died of suicide because she, too, was
8 a consumer who did not know about all of this.
9 We've been here eight years. You know me,
10 Tom.

11 Jim, you know me, and thank you.

12 All of you people are noble in
13 your efforts.

14 My concern here is that I have
15 heard of power, powerlessness, and
16 empowerment. And I have heard that there's a
17 contract and it's either opened up already
18 with the lawsuit present pending or -- and
19 I've heard people concerned about that
20 settlement being reopened. And I've also
21 heard that people are recommending merging or
22 not merging the Alaska Mental Health Board
23 with the Alaska Substance Abuse -- can't we
24 all just work together? What's going on? And
25 where is this power being divided? Is it

1 being divided upon people who want to go ahead
2 and rely on Medicaid? I'm asking you, is that
3 part of the contract? Or is it being the
4 Beneficiaries who individually are empowered
5 by the contract that somehow brings them forth
6 from the depth of hell, of where I've come
7 from, the streets, as an addict, recovering --
8 recovered -- not yet. I got -- still need
9 therapy.

10 As a mentally ill human being
11 recovering, recovered, not yet. I need a lot
12 of help.

13 And in order to get that help, I
14 need to be permanently disabled, okay?

15 Okay. I need to be crawling on
16 my knees, and saying, "I need help. Oh, woe
17 is me." I'm not. I'm powerful. I'm
18 empowered. And I want to know if right now
19 this Mental Health Board is making the
20 decision to merge or not to merge or whether
21 or not that keeps anybody less empowered than
22 I am right now? When these people were mixed
23 up in Oregon as alcoholics or drug addicts or
24 mentally ill, what's the difference, if none
25 of them have power?

1 That's my question.

2 SENATOR TAYLOR: I'll take it on.

3 Thank God we passed the
4 legislation we had. To provide a group of
5 people who can sit in a room like this, make
6 their own financial decisions, make their own
7 decisions on advocacy. Make their own
8 decisions, good or bad, on parity and anything
9 else. At least we've got somebody empowered
10 now to do that. Their decisions aren't always
11 going to be correct or hopefully incorrect.
12 Thank God there's a group of people trying and
13 doing it and we have a greater focus and
14 advocacy, at least to the extent of their
15 budget, than we ever had before. And -- and
16 that's recognized in both our Supreme Court
17 and in our legislative halls.

18 If somebody is going to change
19 it -- your question about merging, if somebody
20 is going to change it, the Supreme Court has
21 to approve that, and the Legislature has to
22 approve that, and the advocacy groups have to
23 be consulted. All of those are great things.
24 I'm very proud of those things that we are
25 moving along. I'm very proud of the fact, to

1 the question you asked, that that autonomy is
2 still there. Nobody tried to dictate to you
3 how you solved those questions. It's a
4 frightening thing as a board member why we do
5 this stuff. You do it -- the best thing that
6 we want to do.

7 The last point is she has raised
8 a very good point. It's one thing to advocate
9 to the boards, that's an in-house fight.
10 That's an in-game point. Everyone in this
11 room needs to take a legislator to lunch.
12 Right --

13 MR. BRUCE: Absolutely.

14 SENATOR TAYLOR: You need to sit
15 down with them, pour them a cup of coffee.
16 You need to explain to them: You have a
17 fiduciary relationship to these clients and
18 these relationships, No. 1. No. 2, they need
19 to ask the question: What are you going to do
20 to carry out your obligation to Judge Greene's
21 order when you get to Juneau this year? All
22 of you can do that. All these legislators are
23 your next-door neighbors and friends down the
24 street. They're happy to sit down with you.
25 Believe me, most of them do not know what

1 their obligation is. Most of them do not know
2 what the level of need is. They do not know
3 about parity and the fact that they're forcing
4 people to do things like this.

5 I came from a time where I sat on
6 the district court bench for six years. If
7 they need help with their child, I told them,
8 "Give the kid a rock and throw it in a room."
9 We can get a cop to pick him up and get him in
10 a rubber room. If you went through the
11 arduous process, social workers, applications,
12 it might take six months, and the poor guy
13 would be dead. We had him throw a rock
14 through a window. We ain't throwing rocks on
15 the windows. We've got some good people on
16 the street. We've got some programs going.
17 I'm so proud of what you're doing. We're very
18 proud of what we've only advocated for and
19 what you have accomplished.

20 MS. LANIER: We're out of time,
21 so it's up to everybody -- I'd love to hear
22 from Mr. Younker, if anybody else would.

23 MR. YOUNKER: A couple of real
24 quick comments. I served on the Trust for the
25 last three years, filling a position that my

1 son was as an original Trustee. A couple of
2 points I really want to point out as a Trustee
3 is one of the first things I learned was the
4 Trust was never there to supplant the General
5 Budget's obligation. That's been made here.
6 And so I would like to follow up from what
7 Senator Taylor said. When you pour that cup
8 of coffee, that's got to be the premise that
9 you start talking to your legislators about.

10 SENATOR TAYLOR: That's right.

11 MR. YOUNKER: Secondly, I think
12 you have to recognize that when we go through
13 these economic times that we see, government's
14 responsibility really is not to take care of
15 the entire population. It takes care of that
16 part of the population that can't take care of
17 themselves. That's why the Medicaid people
18 tend to rise to the top when they look at the
19 programs that the government and the Trusts
20 are doing. That's just the way our society is
21 designed. That's because we're a free
22 enterprise society. I pay my own bills. I
23 thank them for that. That's the way it's
24 designed.

25 Lastly, I think that the Trust

1 needs to be given credit, that as we go
2 through these economic times, we designed a
3 model that when we decide to fund a program
4 for three to five years, our model guarantees
5 us, in the worst economic time since 1929,
6 we've never missed a payment. The State did.
7 They reduced the General Fund budget by
8 millions of dollars. The Science and Tech
9 Trust went broke. They didn't pay out
10 anything. And so as the Trustees have worked
11 in the past and will continue, that's one of
12 the things I think you have to recognize is
13 that we're not there to supplant the State.
14 But when we take something on, we're there to
15 guarantee to see it through to fruition. I
16 think that's extremely important as you design
17 programs and as you come into the Trustees
18 with your recommendations for programs,
19 sometimes you get turned down, as Nelson said.
20 When you got the bucks, it doesn't make it
21 easier; it makes it harder. It's easier to
22 ask for a few bucks. If you only have a few,
23 it's harder to decide.

24 MS. LANIER: We have a couple
25 quick things we need to do. It is lunchtime.

1 I want to thank everybody. It was great.
2 What I hoped for was education and different
3 viewpoints from all the connecting folks.

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