

FRANK H. MURKOWSKI
GOVERNOR
GOVERNOR@GOV.STATE.AK.US



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

P.O. Box 110001
JUNEAU, ALASKA 99811-0001
(907) 465-3500
FAX (907) 465-3532
WWW.GOV.STATE.AK.US

June 12, 2003

The Honorable Pete Kott
Speaker of the House
Alaska State Legislature
State Capital
Juneau, AK 99801-1182

Dear Speaker Kott:

On this date I have signed with line item vetoes the following bill passed by the first session of the Twenty-third Alaska State Legislature and am transmitting the engrossed and enrolled copies to the Lieutenant Governor's Office for permanent filing:

CONFERENCE CS FOR SS FOR HOUSE BILL NO. 76

"An Act making appropriations for the operating and capital expenses of the state's integrated comprehensive mental health program; and providing for an effective date."

Introduction of the administration's operating and capital budgets last March and the Legislature's subsequent deliberations marked a turning point in Alaska's fiscal history. The approved budgets and revenue-related legislation reflect our joint recognition that Alaska's finances must be immediately corrected. We also recognize that we must take these necessary steps now and not wait for a "politically convenient" time—because it will never arrive. This means we must cut spending now, use our reserves prudently now, and get more users to help pay for state services. We also recognize that we must take the steps necessary now to generate revenues from resource development in the near future.

This holds true for the state's mental health programs and future decisions on how to allocate funding from the Mental Health Trust. In the near term, the state will be unable to use its general funds for new or expanded mental health programs—and it will be a challenge to maintain even the current level of services we have today. Just as with all other state services,

HB 76 Mental Health Operating and Capital

June 12, 2003

Page 2

we must evaluate all programs in terms of how effective they are in achieving the desired results, a goal that I know the Mental Health Trust Authority shares. It also will be necessary for the Mental Health Trust to step forward and use the Trust's earnings to increase financial support for its programs. With this in mind, the following reductions have been made:

Department of Health and Social Services

Behavioral Health/Behavioral Health Grants

Total veto: \$39,200 General Fund/Mental Health

Reason: Management savings/program effectiveness

The reduction will eliminate some contracts no longer necessary and will reduce funding for "Communities Organized for Health Options Alcohol and Drug Abuse" grants to a level that will fund a substance abuse counselor in the integrated agency and eliminate other support funding.

Behavioral Health/Behavioral Health Administration

Total veto: \$825,600 (815,900 General Fund/Mental Health, \$9,700 MHTAAR)

Reason: Management/other savings

Savings will be achieved by integrating mental health and substance providers, reducing their overhead. This will reduce the total number of grant awards administered by the division and eliminate a grant administrator position. Further reductions will be made in discretionary professional services contracts, eliminating the mental health consumer affairs function, realigning staff assignments, consolidating functions, and closing the Southeast Regional Office in Juneau and the Southcentral Regional Office in Wasilla.

Behavioral Health/Community Action Prevention & Intervention Grants

Total veto: \$93,300 General Fund/Mental Health

Reason: Management/other savings

Funding for the Central Council of Tlingit-Haida Safety Bear program is being eliminated. Evaluation of the State Incentives Grant project is being reduced, along with this component's support of the Fetal Alcohol Syndrome multi-media campaign.

Behavioral Health/Psychiatric Emergency Services

Total veto: \$80,000 General Fund/Mental Health

Reason: Other savings

HB 76 Mental Health Operating and Capital

June 12, 2003

Page 3

Regional coordinators' funding for individualized emergency mental health services will be reduced.

Behavioral Health/Services to the Chronically Mentally Ill

Total veto: \$150,000 General Fund/Mental Health

Reason: Other savings

Savings will be realized through reduced overhead costs due to integrating mental health and substance providers.

Behavioral Health/Alaska Psychiatric Institute,

Total veto: \$600,100 General Fund/Mental Health

Reason: Management/other savings

API will reduce the supply of medications provided to patients at discharge, will implement prior authorization of all medical service costs for patients by the API Medical Director, and will analyze pharmacy services throughout the department for possible consolidation. API also will eliminate less critical positions.

Boards and Commissions/Alaska Mental Health Board

Total veto: \$25,900 General Fund/Mental Health

Reason: Management/Other savings

Reductions will be made to staff travel. Changes will be made on the number, length, and location of board meetings. Contractual services and other purchases will be limited.

Boards and Commissions/Advisory Board on Alcoholism and Drug Abuse

Total veto: \$21,700 General Fund/Mental Health

Reason: Other savings

Contractual services will be reduced.

Boards and Commissions/Suicide Prevention Council

Total veto: \$30,700 General Fund/Mental Health

Reason: Other savings

The scope of anticipated professional service contract(s) will be reduced. This reduction might be managed by consolidation of services with the Division of Behavior Health.

HB 76 Mental Health Operating and Capital
June 12, 2003
Page 4

Department of Law

Civil Division, Human Services Section

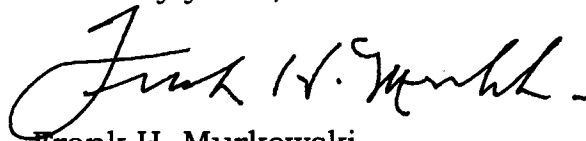
Total veto: \$600 General Fund/Mental Health

Reason: Other savings

The department is absorbing just over half of the increase for employee health insurance. This \$600, attributable to the mental health budget, will be offset with savings achieved by replacing hardcopy law books with an electronic format.

The fiscal decisions we make over the next few years are critical in determining the kind of Alaska we will leave for the next generation. These choices, including the vetoes outlined above, are in line with my view that we each must take responsibility today, for Alaska's tomorrow.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Frank H. Murkowski". The signature is fluid and cursive, with a horizontal line extending from the end.

Frank H. Murkowski
Governor