



Trust Settlement Income Account:
Surplus Determination
Finance Committee
January 22, 2026

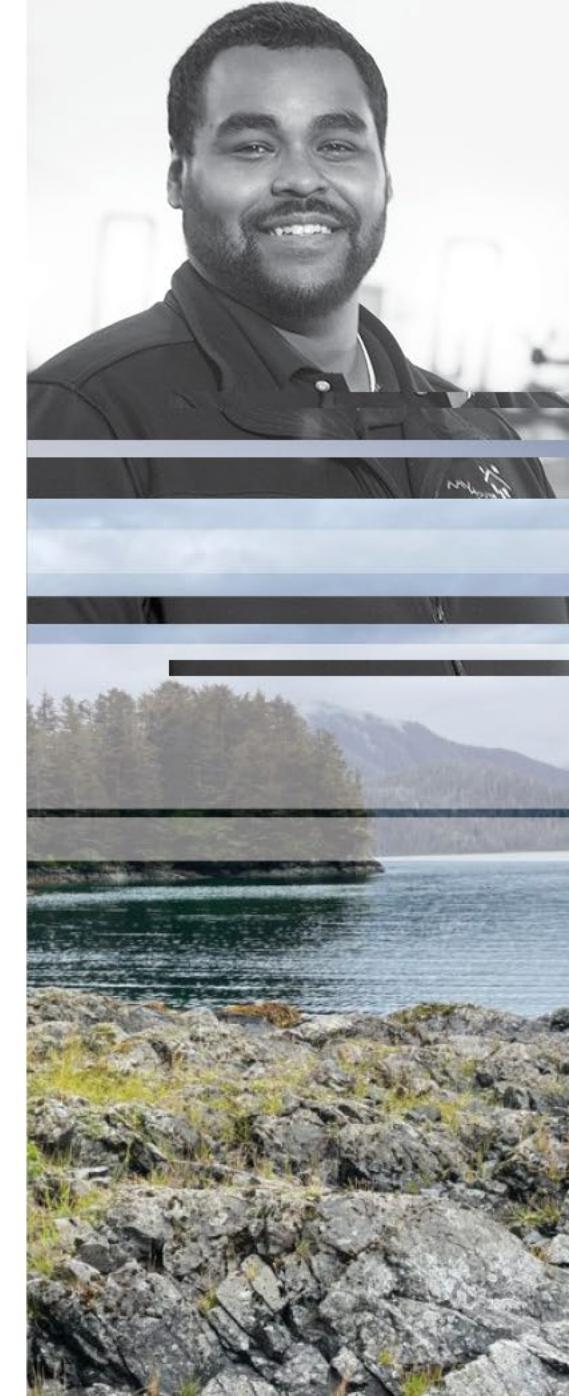
Trust
Alaska Mental Health
Trust Authority

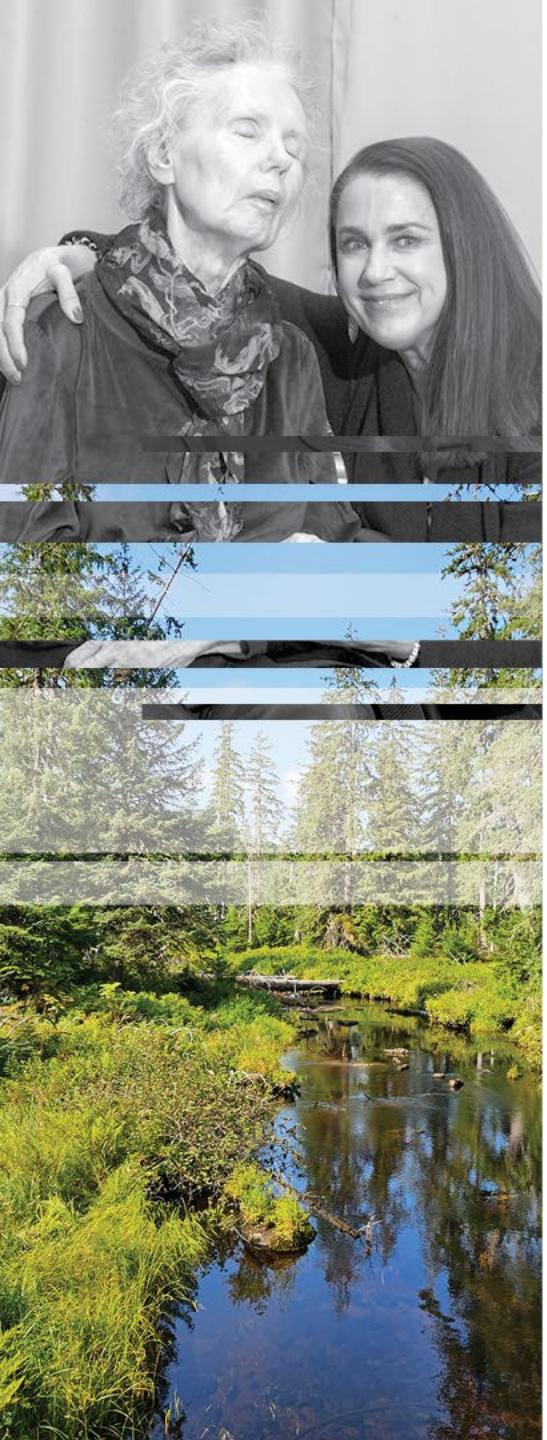
AS 37.14.041

Use of Trust Settlement Income Account

- 1) Statute outlines money in the Income Settlement Account may be used for specific purposes
- 2) Statute states the authority shall transfer money to the unrestricted general fund...for other public purposes, **only if money in the Account is not needed** to meet the necessary expenses of the state's integrated comprehensive mental health program

Legislative Audit FY21 Recommendation:
Develop a policy for annual determination of excess funds





Annual determination addresses two questions:

Does the Trust have sufficient funds to meet its current commitments?

→ *Are spendable assets sufficient to support our budget and existing commitments?*

Does the Trust have sufficient funding to equitably support the Comp Plan for present and future beneficiary needs?

→ *Will investments generate enough earnings each year to enable the Trust to draw a payout each year, in perpetuity?*

The Trust does not have excess spendable income.

Spendable Assets at Year-End FY25	
Cash Balances	75,434,700
Commercial Real Estate	37,425,000
Budget Reserves	143,655,300
Total Spendable Assets	256,515,000
Trustee Approved Commitments at Start of FY26	
FY26 Budget and PY Obligations	63,773,000
FY27 Approved Budget	43,435,100
400% Reserve Target	121,013,200
Maintenance Reserves	1,756,300
Capital Projects	9,597,288
Inflation Proofing Transfer to Corpus	70,280,300
Total Commitments	309,855,188

Challenge

- Trust assets must equitably support current and future generations
- Financial snapshots in time do not reflect future funding needs or funding sources to support those needs
- Trust budgets do not meet the full need
- The Trust must manage for fluctuations in asset value over time





Does the Trust have sufficient investments to generate a payout for continued support of the Comp Plan?

- Asset allocation and spending policy drive the balance between future fund availability and current spending
- The FY26 available funding calculation includes \$30 million generated from Trust investments managed by APFC and DOR.
- Current spendable assets should be sufficient for continued payout support of this level, with Budget Reserves balance maintained at 400% of the annual payout

DISCUSSION