



March 28, 2012

Dear Members of the Senate Finance Committee,

Thank you for introducing Senate Bill 221 to allocate 100 percent of existing alcohol tax revenue to the Alcohol and Other Drug Abuse Treatment and Prevention Fund (ADTP). In 2002, State Representative Lisa Murkowski championed HB225 to raise the alcoholic beverage tax and establish the ADTP to help provide much-needed revenue for expanded substance abuse treatment and diversion programs. Our association, then known as the Substance Abuse Directors Association (SADA), vigorously supported that legislation and its intent. Since 2003, only half of the funds collected from the existing alcohol tax have been appropriated to the ADTP. While the political reasoning for the fund was to expand treatment, decreases in general fund spending have left overall funding for substance abuse treatment and prevention reduced or stagnant. Our providers have experienced higher costs to provide services but have not seen the significant gain in funding to keep pace with the price of doing business. The overall effect has been a loss of treatment capacity and reduction in the number of services available for those who suffer the ravages of addiction.

Despite the increasing need for more substance abuse treatment and prevention, these programs are historically underfunded. Providers throughout the state report that treatment beds are full to capacity, long waiting lists exist for services they offer, and there are numerous requests for services they cannot provide. According to the Federation of Tax Administrators, Alaska's alcohol tax is 3.5 to 4 times the national average, which means Alaska has one of the highest excise tax rates on alcohol in the nation. These taxes produce over 38 million dollars annually, but sadly, the majority of this tax revenue is not used to combat the problems related to the abuse and misuse of alcohol.

Alaska consistently ranks among the top five states for alcohol and drug dependence. Not only does substance abuse have an extreme economic impact on the state, estimated at \$738 million annually in health care costs, traffic crashes, criminal justice and public assistance, substance abuse is a reportedly a factor in 85% of sexual assault and domestic violence cases, and a contributing factor in 70% of child abuse and neglect cases. We cannot continue to ignore the

substance abuse epidemic in Alaska. The economic toll in communities from untreated addiction to alcohol and other drugs can be seen in high health care costs from individuals seeking help in emergency rooms. These costs are also seen in legal and corrections costs to serve offenders with drug and alcohol related crimes, families torn apart and children sent to OCS custody... For every \$1 spent in treatment services, \$7 is saved (UCLA, 2007) in related cost to our state and communities.

The Governor should be commended for his Choose Respect initiative. Senate Bill 221 is the logical next step. We cannot stop the scourge of sexual assault and domestic violence without addressing the underlying issue of alcoholism and drug abuse. With a small statutory change, all monies collected from alcohol taxes can be put toward proven substance abuse treatment and prevention programs. The time to act is now.

Thank you for your leadership on this crucial issue.

Respectfully,

A handwritten signature in cursive script, appearing to read "Anna K. Sappah".

Anna K. Sappah  
Executive Director  
Alaska Addiction Professionals Association