

ALASKA STATE LEGISLATURE

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SPONSOR STATEMENT – SENATE BILL 221

SB 221 – An Act relating to the disposition of proceeds from the alcoholic beverage tax and to the alcohol and other drug abuse treatment and prevention fund.

The state of Alaska is projected to collect nearly \$40 million dollars from the existing alcohol excise tax in FY2013. SB 221 allocates 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 revenue needed for the expanded treatment, therapeutic courts, diversion programs and other initiatives now under consideration in the Legislature.” Since 2003, only 50 percent of 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.

Despite passage of HB 225, demand for residential treatment, intensive outpatient, aftercare and community treatment and prevention programs continue to dramatically exceed the substance abuse treatment system’s capacity. Providers throughout the state report treatment beds are full to capacity, long waiting lists exist for services they offer, and there are numerous requests for services they can’t provide.

According to the Division of Behavioral Health, when the 141,000 uninsured Alaskans living at or below 250 percent of the federal poverty index become eligible for publicly funded health insurance after 2014 under federal law, (based on 2006 prevalence estimates) at least 2,800 of these adults can be expected to experience a substance abuse disorder requiring treatment. Federal match funds (FMAP) will provide 100 percent funding for expanded populations from 2014-2016, then phase down to a 90 percent match by 2020. Failing to build adequate alcohol and drug treatment capacity for the Medicaid expansion will have a profound impact on State General Fund expenditures for the Medicaid program long into the future. Passage of SB 221 will provide supplemental funding to expand treatment capacity statewide by addressing the backlog of capital budget requests for evidence-based detox and treatment facilities, as well as reinforce and expand current substance abuse treatment programs.

Alcoholism and drug abuse are inextricably linked to Alaska’s epidemic levels of domestic violence and sexual assault, suicide, child neglect cases and rising corrections costs. According to a 2005 McDowell report, costs incurred as a result of substance abuse neared \$738 million annually. With a small statutory change, all monies collected from alcohol taxes can be put toward proven substance abuse treatment and prevention programs. I strongly urge you to join in support of SB 221 to allocate 100 percent of existing alcohol tax revenue for substance abuse treatment and prevention.