



March 16, 2012

Senator Johnny Ellis  
Alaska State Capitol, Room 103  
Juneau, Alaska 99801

Re: Letter of Support for SB 221

Dear Senator Ellis,

The Alaska Mental Health Board and Advisory Board on Alcoholism and Drug Abuse support SB 221, a bill to ensure that the revenue from our state's alcohol taxes is used to prevent and treat substance abuse. We appreciate your work, and that of the Senate Finance Committee, to address this issue.

Our Boards have long held the position that funds available from the alcohol tax were intended to supplement and not supplant existing general fund (GF) monies for behavioral health. The legislative intent of the alcohol tax was clearly to supplement existing funding for behavioral health services. This is clear from then state Representative Lisa Murkowski's sponsor statement: the alcohol tax fund "would help provide revenue needed for the expanded treatment, therapeutic courts, diversion programs and other initiatives" then being considered by the Legislature.

Alaska consistently ranks among the states with the highest rates of binge drinking.<sup>1</sup> Indigenous Americans report higher rates of alcohol dependence than other ethnicities in America.<sup>2</sup> Alaska's alcohol taxes produce over \$38 million annually. Only half of the revenue from the existing alcohol tax is expressly allocated for substance abuse treatment and prevention.

Our concern is that funds from the alcohol tax fund have been used instead of GF dollars rather than in addition to GF dollars. The result is that substance abuse treatment services continue to be underfunded statewide, leaving individuals to continue the costly and tragic cycle of addiction.

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<sup>1</sup> "Prevalence of Binge Drinking Among Adults, 2010," Centers for Disease Prevention and Control *citing* Behavior Risk Factor Surveillance System data (geographic representation of state rates available online at <http://www.cdc.gov/alcohol/data-stats.htm>).

<sup>2</sup> *The NSDUH Report*, "Alcohol Dependence or Abuse: 2002, 2003, 2004" (Issue 16, 2006) (online at <http://www.samhsa.gov/data/2k6/alcDepend/alcDepend.htm>).

In 2005, the Advisory Board on Alcoholism and Drug Abuse published findings on the economic costs of alcoholism and other drug abuse in Alaska:

- \$367 million due to productivity loss in the workplace;
- \$154 million on criminal justice and protective services;
- \$178 million on health care;
- \$35 million on traffic crashes; and
- \$4 million for public assistance.<sup>3</sup>

Accessible and effective community-based alcohol and drug treatment is essential to reducing society's financial burden from problems associated with alcohol and drug abuse. Even beyond helping to alleviate the enormous physical and psychological costs, access to treatment and recovery supports diminishes the huge financial consequences imposed on employers and taxpayers.

Our board members expressly support the effort to ensure that 100 percent of Alaska's alcohol tax revenue goes to substance abuse treatment and prevention programs. We appreciate your work to improve access to these important services – for the health of all our neighbors and our communities.

Sincerely,

A handwritten signature in black ink, appearing to read "J. Kate Burkhart", with a long, sweeping horizontal line extending to the right.

J. Kate Burkhart  
Executive Director

cc: Robert Coghill, Jr., Chairman ABADA  
Dan Meddleton, Chairman AMHB

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<sup>3</sup> *Economic Costs of Alcohol and Other Drug Abuse in Alaska, 2005 Update*, McDowell Group Research-Based Consulting (December 2005) at 2-4 (available online at <http://www.hss.state.ak.us/abada/>).