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FISCAL IMPACT REPORT

SPONSOR: HAFC DATE TYPED: 3/14/03 HB 190 & 257/HAFC
 SHORT TITLE: Amend Local DWI Grant Act SB _____
 ANALYST: Wilson

APPROPRIATION

| Appropriation Contained | | Estimated Additional Impact | | Recurring or Non-Rec | Fund Affected |
|-------------------------|------|-----------------------------|---------------|----------------------|----------------------|
| FY03 | FY04 | FY03 | FY04 | | |
| | | | See Narrative | Recurring | Local DWI Grant Fund |

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC files

SUMMARY

Synopsis of Bill

The House Appropriations and Finance Committee substitute for House Bills 190 and 257 amends the DWI Grant Program Act and allows funds to be used for programs to reduce or prevent the incidence of domestic abuse related to alcohol abuse. This legislation provides a new section whereby the Local DWI Grant Fund can be used for programs, services or activities to prevent or reduce the incidence of domestic abuse related to alcoholism or alcohol abuse. This legislation would continue to fund existing community based programs, service or facilities for prevention and treatment of domestic abuse related to alcoholism or alcohol abuse.

The bill further amends the Local DWI Grant Program Act by revising the amount and timing of distributions for the Local DWI Grant Fund from the current amount of revenues of \$2,000,000 to \$2,500,000, (using 2002 county reclassifications as basis for amount each local program would receive.) This essentially raises the “cap” in the Fund.

Revenue to the Fund are liquor excise tax dollars.

The bill increases the amount of money the Department of Finance and Administration (DFA) may access and use *from the Local DWI Grant Fund* for the purposes of administering the Grant Program. Currently, DFA is capped at accessing \$100,000 for administration costs. With this bill, the Department may access up to \$600,000 which was a recommendation made in a recent LFC audit. This increase is simply a revision of how much money *from within the Fund*

itself that DFA may use for program administration costs.

The bill also amends the Act to add evaluation of the DWI grantees and Grant Program.

Significant Issues

In New Mexico, DWI continues to be a serious problem. In the year 2002, alcohol-related motor vehicle crashes accounted for 46% of all fatal crashes in New Mexico. DFA currently administers the Local DWI Grant Program with a very limited administrative budget and no stable funding for ongoing evaluation of the local county programs. In addition, DFA is the lead agency with numerous other state and local agencies collaborating to reduce the incidence of DWI in New Mexico. These efforts have required the cooperation of all stakeholders to improve the systems and processes involved in all areas related to the DWI problem, including law enforcement, judicial, screening, compliance monitoring, and substance abuse treatment. It is significant that this level of collaboration has been achieved without substantial resources available to administer these programs. If enacted, this bill would provide appropriate resources to assist DFA in providing the technical assistance needed by county DWI programs to become more effective.

According to the Department of Health (DOH) and the Health Policy Commission (HPC), DWI continues to be a major problem in the state of New Mexico. The Local DWI Grant Program Fund was established to make grants available to municipalities or counties for innovative programs to prevent or reduce the incidence of DWI, alcoholism and alcohol abuse.

Nationally, nearly half of female victims of intimate partner violence (domestic violence) reported that the offender was drinking or using illegal drugs at the time of the crime. This same pattern was found in a national survey of prison inmates with 55% of these offenders drinking or using drugs at the time of the offense.

The DFA notes that expanding the funding for domestic violence prevention and treatment may diminish the funds available for DWI.

According to the Administrative Office of the Courts, additional programs or services give judges sentencing options in dealing with domestic violence or DWI cases. National research and statistics into the nature of domestic violence show that early intervention is important in dealing with domestic violence.

FISCAL IMPLICATIONS

The Bill increases the “cap” of the Local DWI Grant Fund by \$500.0 (from \$2 million to \$2.5 million), and increases the amount of money that DFA may access in the Fund to cover program administration costs. Balances in the Fund do not revert to the general fund, so there is no impact to the general fund.

The Local DWI Grant Fund is comprised of \$2.8 million of liquor excise tax revenues. This legislation proposes that \$300.0 of this amount be distributed to counties reclassified in 2002 as class A counties with a population more than ninety thousand, but less than one hundred thousand in the 1990 census. This would affect Sandoval and Santa Fe Counties.

SUBSTANTIVE ISSUES

The DOH provided the following comments:

- The Local Government Division (LGD) of DFA currently administers the Local DWI Grant Program Fund. The Local DWI Grant Program administered by LGD has two different funding mechanisms to assist local county DWI programs. The Grant program provides \$2,000,000 in funding each year for county DWI programs; the distribution program provides approximately \$10,000,000 for county DWI programs each year. The LGD administrative budget for the DWI Program is set in statute at \$100,000 per year. This provides for administration costs of less than 1% of the total program fund. If enacted, the bill would provide a stable funding source for ongoing evaluation procedures of the 33 county local DWI programs.
- The Legislative Finance Committee (LFC) recently released a report following a nine-month analysis of the Local DWI Grant Fund Program, as a result of HJM 93. In this report, the LFC recognized that the administrative support for LGD for the Local DWI Grant Fund Program was insufficient at its current funding level. Among its findings, the LFC found the funding for program and administration oversight was insufficient for LGD's ability to manage the Local DWI Grant Fund program. In addition, the LFC found that since the program's inception, approximately 2% of funds transferred from liquor excise taxes to the Local DWI Grant Fund Program have been dedicated to the program's administration. The LGD has had to use \$150,000 to \$175,000 from the general fund budget to supplement current administration of the Local DWI Grant Fund Program.
- In addition, LGD DWI Program staff, which consist of three program managers, have been overwhelmed by the workload, according to the LFC report. It was the LFC recommendation that the administrative funding cap be increased from the current \$100,000 to \$600,000 per year. The additional access to program administration dollars could be used to create an internal audit unit, and provide for additional program staff to provide ongoing technical assistance and evaluation for local county programs.
- The DWI Grant Program Evaluation Report provided by the Institute of Social Research at the University of New Mexico was completed in August 2002. This evaluation was funded by a special appropriation out of the LDWI Grant Fund and was conducted for two years on a contract with LGD. The evaluation report also recommended an increase in the administrative support for the LGD budget to a level that would be adequate to make overall program improvements, provide better oversight and technical assistance for local programs.
- The success of the DWI Grant program is critical to the statewide initiative. From July, 1999-June 2000, there were approximately 12,000 convictions. Of those convictions, 9,280 were screened; treatment was recommended for 7,351; treatment was assigned to 3,947 and 2,119 completed treatment.