

PROPOSED FY13 NEW MEXICO LIQUOR EXCISE TAX COLLECTION (LETC) DISTRIBUTION:

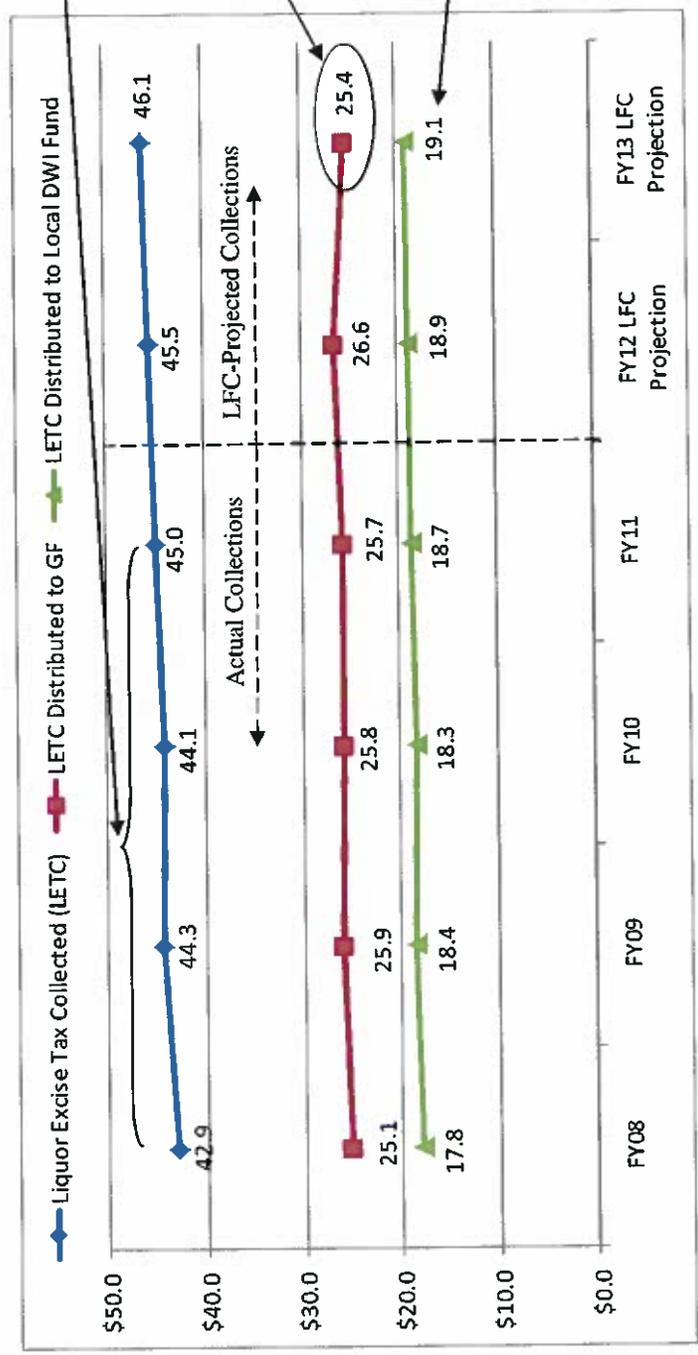
LIQUOR EXCISE TAX ACT (SECTION 7-17.1-12) IMPOSES AN EXCISE TAX ON WHOLESALERS WHO SELL ALCOHOLIC BEVERAGES. BY STATUTE, 41.5% OF LIQUOR EXCISE TAX COLLECTED ANNUALLY GOES TO LOCAL DWI FUND, AND 58.5% GOES INTO THE STATE'S GENERAL FUND. AOC LEGISLATION PROPOSES CARVING OUT 3.5% OF LETC ANNUAL GENERAL FUND DISTRIBUTION TO SUPPORT DRUG COURTS. FY13 PROJECTED DISTRIBUTIONS AND HISTORICAL TRENDS FOLLOW:

FY13 Projected Liquor Excise Tax Collection (LETC):
 approximately **\$46.1 million**
 (LFC Projection)

55% (58.5% currently) of LETC to General Fund = ~\$25.4 million (vs \$27.0 m), based on projected LETC

3.5% of LETC to AOC for Drug Courts = ~\$1.6 million, based on projected LETC

41.5% of LETC to Local DWI Fund = ~\$19.1 million, based on projected LETC



LETC historically trends upwards: 4.5% increase FY08--FY11

FY13 GF figure reflects proposed 3.5% carve out to AOC for Drug Courts

Local DWI Fund is unaffected by the proposed change in LETC Distribution



New Mexico Problem-Solving Courts

A Drug Court is a specially designed court calendar or docket, the purposes of which are to achieve a reduction in recidivism and substance abuse and to increase the participants' likelihood of successful rehabilitation through early, continuous, and intense judicial oversight, treatment, mandatory periodic drug testing, and use of appropriate sanctions, incentives, and other community-based rehabilitation services. A Problem-Solving Court applies the drug court model to offender populations whose repeat criminal activity is driven by an underlying issue other than substance abuse, such as mental illness.

The first drug court started in Dade County, Florida, in 1989, and there are now more than **2400** nationwide.

- The first NM Drug Court started in 1994. There are **43** active drug courts in New Mexico (3 closed in FY11 due to budget cuts):
 - 17 Adult/Felony, 16 Juvenile, 3 Family Dependency, and 7 DWI/Drug Courts
 - In addition, there are 5 Mental Health (or "Treatment") Courts in New Mexico
 - Mental Health Courts follow the drug court model by combining treatment with judicial oversight in working with repeat offenders whose criminal activity is often due to a mental health problem (e.g., bipolar disorder, schizophrenia, severe depression, etc.)

New Mexico Drug Courts and Funding Issues

90% to 95% of most NM courts' budgets are for personnel costs. Given recent budget cuts, operational costs and special programs have been cut in order to avoid staff furloughs and layoffs.

- Our problem-solving court programs have suffered a **31% cut in overall funding** since FY09 (from \$11.5 million down to \$7.9 million, a loss of \$3.6 million overall)
- Such cuts directly affect the number of participants who can be helped by the programs
- NM Drug Courts are currently working with **960** active participants (down from over 1200 in FY09); they have worked with **over 16,500** and have graduated **over 7000** participants since 1994.

Proposed legislation would secure recurring funding needed by drug court programs to restore capacity and prevent further closures. Given historical growth of liquor excise tax collection (LETC), the state's general fund would receive almost the same amount from LETC in FY13 (~\$25.4 million) as it did in FY11 (\$25.7 million). The proposed legislation would therefore have little impact on the general fund while providing significant benefit to the state's drug court programs.

FY11 New Mexico Drug Court Performance Measures

New Mexico's Drug Court programs demonstrate excellent performance when compared with national averages and other points of comparison:

- Average NM Drug Court graduate **Recidivism Rate is 6.5%** during three-years post graduation.
 - National average two-years after graduation, based on a study of 95 of the nation's largest drug courts, is **27.5%**
 - National average for similar offenders who do not participate in drug court is **40-60%**
- Average NM Drug Court **Cost-per-client-per-day** in FY11 was **\$19.22**
 - Average NM daily cost of incarceration, both males and females, is **\$113.03**
- Average NM Drug Court **Graduation Rate** in FY11 is **68.2%**
 - National average for drug court graduation rate is **47%**, according to a 2001 meta-study of drug court evaluations.