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FISCAL IMPACT REPORT

SPONSOR: Senate Floor DATE TYPED: 3/17/03 HB SHORT TITLE: Local DWI Grant Purposes SB 905/SFIS

ANALYST:

Dunbar

APPROPRIATION

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

(Parenthesis () Indicate Expenditure Decreases)

Relates to HB 873; Conflicts with SB638/HB719.

SOURCES OF INFORMATION

Responses Received From

Department of Health (DOH) Health Policy Commission (HPC) Department of Finance (DFA)

SUMMARY

Synopsis of Bill

Senate Floor Substitute for SB 905 amends the Local DWI Grant Program Act by providing that 65% of the DWI grants awarded to local communities be used for alcohol-related treatment and detoxification programs. The DWI Grant Program provides \$2.8 million of liquor excise tax revenues to fund local county programs. SB 905 Substitute amends Sections 1 through 5 of 11-6A-1 NMSA 1978 to provide \$300,000 each to certain counties reclassified in 2002 as Class A counties. In addition, the bill states that DWI grant funds cannot be used to fund media programs or law enforcement activities.

Significant Issues

Currently the DWI Grant Program provides \$2.8 million of liquor excise tax revenues to fund local county programs. DOH indicates that the DWI Grant Program funds a range of innovative or model programs which include prevention, education, screening, substance abuse treatment, law enforcement and other innovative services and activities around DWI. It is suggested that a performance base system with performance-based measures be instituted when awarding grant funds to local communities.

This bill addresses the concerns expressed by DFA in the earlier versions of the bill.

FISCAL IMPLICATIONS

The bill conflicts with HB 190 which would increase the funding cap to DFA for administration (\$600,000) of the DWI Grant Program, and this bill would leave the funding for administration at the existing amount (\$100,000). In a recent audit of the DWI Programs conducted by Legislative Finance Committee (LFC), the LFC recognized that the administrative support for DFA was insufficient and recommended increasing the funding cap to \$600,000.

The Local DWI Grant Fund amount remains the same. The Local DWI Grant Fund receives approximately \$12,000.0 per year to distribute to the local county DWI programs statewide. This amount is distributed as follows:

- \$9,000.0 to the counties to run evaluation, prevention and treatment programs,
- \$1,000.0 to detoxification programs, and
- \$2,000.0 in grants to counties.

CONFLICT, RELATIONSHIP

Relates to:

• HB873, Liquor Tax Revenue to Local DWI Grant Fund, which increases distribution of liquor excise tax revenues to the DWI grant fund and increases distribution to the Counties.

Conflicts with:

• SB638/HB719, 8 County Regional Alcohol Treatment Center, which makes a \$22.5 million appropriation for the same regional alcohol center;

OTHER SUBSTANTIVE ISSUES

DWI incidence continues to be a serious problem in New Mexico. The combination of stricter sanctions and mandatory alcohol screening and treatment has been shown to be effective in reducing the incidence of DWI offenses.

TRD provides the following background information:

The DWI Grant Fund was originally created by Laws 1993, Chapter 65, Section 3 (Chapter 11, Article 6A NMSA 1978) as part of a major liquor tax increase and DWI prevention effort. From 1993 through 1997 the fund was financed by state General Fund appropriation. The 1993 legislation appropriated \$5.5 million for the 1993-94 fiscal year to the newly

Senate Bill 905/SFIS -- Page 3

created Local DWI Grant Fund for use in grants to local communities to fund innovative programs and services dealing with DWI, alcoholism and alcohol abuse. Appropriations to the fund for fiscal years 1994 through 1997 were roughly \$5 million per year. Also in fiscal year 1993-94, an additional \$5.1 million was appropriated to the newly created DWI Program Fund administered by DFA for use in new state agency programs meeting the guidelines of the Alcoholism and Alcohol Abuse Prevention, Screening and Treatment Act. The Community DWI Fund was appropriated \$9.2 million, replacing the old earmarked tax to the Community Alcoholism Treatment and Detoxification Fund.

Alcohol and other drug dependence rates in New Mexico are considerably higher than the national average. The national prevalence rate for all groups is 4.8%, while the prevalence rate for New Mexico is 6.5%. (DOH, Behavioral Health Needs and Gaps in New Mexico, July 2002).

Alcohol was detected in 54% of unintentional deaths related to drug or chemical expo-sure in NM in 1996, and in 44% of all NM suicide deaths. <u>(New Mexico Council on Alcoholism and Drug Dependence)</u>

There are 186 outpatient services providers in New Mexico, though not all provide substance abuse services. Access and availability of inpatient treatment services in rural areas may be limited, and in some cases not available locally.

Lack of treatment for substance abuse in New Mexico also has costs beyond the delivery of treatment services. Unrelated mental health and substance abuse disorders in New Mexico are estimated to cost the state's businesses, taxpayers and families more than \$3 billion annually. For every dollar spent on alcohol and other drug treatment, \$7.14 is saved by reductions in other social, governmental and economic costs (*DOH, Behavioral Health Needs and Gaps in New Mexico, July 2002*)

BD/njw/ls