



PROGRAM EVALUATION DIVISION

NORTH CAROLINA GENERAL ASSEMBLY

February 2015

Report No. 2015-02

Implications of Funding Alcohol and Substance Abuse Treatment or Prevention with Alcohol Tax Earmark

Summary

This report describes how the Department of Health and Human Services (DHHS) uses an alcohol tax earmark to support alcohol and substance abuse treatment and examines the implications of the Alcoholic Beverage Control (ABC) Commission's request to use DHHS's alcohol tax earmark to partially fund an underage drinking prevention program.

DHHS could lose \$2.8 million in funding for substance abuse treatment and prevention if the alcohol earmark is redirected to the ABC Commission. Currently, DHHS uses the \$1.4 million alcohol tax earmark to fund alcohol and substance abuse treatment services for adults and children. Without this funding, an estimated 292 fewer individuals would receive alcohol and substance abuse treatment services each year. Loss of the alcohol tax earmark for substance abuse treatment also would reduce the State's federal Substance Abuse Prevention and Treatment Block Grant by \$1.4 million.

In early 2014, the ABC Commission proposed using the earmark to support an underage drinking prevention program called *Talk It Out*. **During the course of this study, the ABC Commission chose to pursue an increase in bailment surcharges to entirely fund the underage drinking prevention program and therefore the ABC Commission no longer needs the alcohol tax earmark.**

The *Talk It Out* program has the potential to be a valuable addition to existing prevention programs. This program seeks to provide parents of middle and high school students with resources to aid them in discussing with their children the dangers of and methods for avoiding underage alcohol consumption.

Should the General Assembly authorize the *Talk It Out* program to use state funds in the future, it may want to consider:

- directing the ABC Commission to develop quantifiable goals and targets to measure the success of the *Talk It Out* program; and
- improving program oversight and coordination with other state agencies.