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## FISCAL IMPACT REPORT

ORIGINAL DATE 3/2/9

SPONSOR Vigil LAST UPDATED \_\_\_\_\_ HJM 74

SHORT TITLE Study Costs of Alcohol Use SB \_\_\_\_\_

ANALYST Chabot

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY09	FY10	FY11	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
<b>Total</b>	\$12.5	\$50.0	\$50.0	\$112.5	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

Relates to HB 36, Prohibit Certain Alcoholic Beverage Sales  
 HB 78, Malt Beverages As Spirituous Liquor  
 HB 420, Prohibit Minors Under Influence Of Alcohol  
 SB 514, Limiting Alcohol Advertising Near Youth Act

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Department of Health (DOH)  
 Economic Development Department (EDD)  
 Human Services Department (HSD)  
 New Mexico Corrections Department (NMCD)  
 New Mexico Health Policy Commission (HPC)  
 Regulation and Licensing Department (RLD) Alcohol and Gaming Division

#### Responses Not Received From

Department of Public Safety  
 New Mexico Driving While Intoxicated Czar

### SUMMARY

#### Synopsis of Bill

House Joint Memorial 74 resolves DOH conduct a comprehensive study of the annual economic and human cost of alcohol use in New Mexico, the study encompass the period January 1, 2005 through December 31, 2007, the study address the direct and indirect economic costs of alcohol use and abuse, the number of lives lost due to alcohol, the number of incidents attributable to alcohol, crimes associated with use, property damage attributable, costs associated with illness or injury, pain and suffering and quality-of-life issues, and the cost incurred by state government as

## **House Joint Memorial 74– Page 2**

a result of alcohol use or abuse. It further resolves the results of the study be presented to the interim Legislative Health and Human Services Committee by November 1, 2009 and annually thereafter.

### **FISCAL IMPLICATIONS**

There is no appropriation contained in the memorial but it requests an annual report which will require staff and other costs to continue on a recurring basis. DOH estimates a full-time economist is needed for at least three months each year to do the data analysis, coordinating and reporting.

LFC estimates the costs at approximately \$50 thousand annually.

### **SIGNIFICANT ISSUES**

The behavioral health program was transferred to HSD in the 2007 Legislative Session.

DOH states the memorial proposes DOH estimate the line-by-line components of the state estimate described in the memorial. This will require methodologies be developed in the areas of pain and suffering which may be difficult.

EDD assesses two significant issues arise as a result of the information requested: 1) is the information properly defined and is it readily available and 2) can the information be assembled and presented by November 1, 2009.

HSD suggests this memorial will result in an important addition to reporting that already exists. “By many existing measures, New Mexico’s alcohol-related problems are among the worst in the nation. To date, California is the only entity that has estimated pain and suffering costs because health economists have not generally accepted the validity of “pain and suffering” estimation methodology. Costs to state government will also have to be included in the final report.

HPD suggests the memorial does not address how to collect the information. It quotes from a 2006 Department of Transportation report, “Driving While Impaired Report,” the estimated cost of alcohol related deaths was \$1.3 billion.

NMCD estimates 85 percent of the offenders entering the system (prison and probation/parole) have addictions or problems with drugs and/or alcohol. Estimated costs per individual are between \$25 to 32 thousand per year.

### **TECHNICAL ISSUES**

Page 2, Line 20 strike “department of health” and insert “human services department”.

HPC recommends that since the memorial has a recurring reporting requirement, it should be considered for introduction as a bill.

GAC/mc