

The following recommendations are submitted by HB 3610 Taskforce members Jamie Floyd, Marcus Reed, Fawn Barrie, Jana McKamey, Aaron Sarnoff-Wood, and Danelle Romain

Key Recommendation:

Alcohol taxes are a proven ineffective tool to control problem consumption, including excessive or teen drinking. If SUD funding is a priority, the legislature should utilize more than the existing 3% of alcohol revenues to fund SUD programs. Budgets are supposed to reflect values and priorities. OHA is not a trusted partner in this space, a third-party must “untangle the bowl of spaghetti” and unaccounted for revenue and prove results before proposing simply more revenue or increasing taxes on already struggling Oregon businesses. Beer, wine and cider are a vital part of Oregon’s economy and identity and need the support of Oregon lawmakers and our communities.

Context and References:

1. **Alcohol Pricing, Addiction, Taxation:** The Taskforce has received overwhelming data from the [EcoNorthwest](#) firm and the [Senior Economist](#) in the Legislative Revenue Office that alcohol demand is inelastic and taxes are ineffective as a tool to control alcohol consumption, especially excessive or teen drinking. Knowing alcohol taxes do not curb problem consumption, the state should increase the use of existing tax and mark-up revenue beyond the current 3% to fund proven and vetted SUD programs.
2. **Addiction Treatment and Prevention Services:** OHA does not know whether money spent on behavioral health has made a difference because, as OHA testified to the Taskforce, OHA does not track the money after it is spent or hold providers accountable. OHA does not collect the minimum data necessary to determine what gaps in services may exist. No data is collected regarding recovery asset utilization rates, outcomes resulting from recovery treatment, insurance barriers, existing prevention programs statewide, or public health benefits from recent increases in recovery funding. There is no attempt to measure success to make the case for additional or redirected resources from programs that are not producing desired outcomes.

Targeting beer, wine and cider will not solve Oregon’s drug crisis. [According to the OLCC](#) and consistent with widespread industry data, alcohol sales are down across categories, and [teen drinking](#) is at historic lows.

The Legislature should inventory what school districts are already doing under the [statutorily required substance use disorder prevention programs](#) to understand what, if any, gaps exist in current prevention curriculum. To incentivize service providers, CCOs metrics, which are currently only tied to new patient diagnoses, could expand to include relapses so they’re set up for success each time.

3. **Distribution of Resources:** Alcohol taxes are the state's third largest source of revenue. Less than 3% is earmarked for mental health and addiction. Reallocation of existing funds or earmarking any new OLCC revenue to proven and vetted SUD programs would be a logical step forward.

Oregon can improve distribution of resources and coordination. If we had a more effective central hub at the state level [as recommended by experts](#), Oregon could take advantage of more federal matching funds. Our siloed approach limits funding and coordination opportunities. OHA could work to make funds less siloed and be more holistic in how they spend resources on public health, recognizing the reality of co-occurrences.

4. **Overall Funding:** Oregon's funding of SUD services is some of, if not, the [highest](#) in the nation per capita with little known about what we're buying and whether it's working or not. SUD funding has increased 100% since 2021, over \$1 billion and we have little to show for it. OHA has more than they have spent, and these programs take time to show if they work or if funds should be redirected to other uses. Before spending more, we should evaluate if this new funding is working and if not, funds should be redirected to programs with proven results.

OHA presented what they spent in 2021-2023 but not what was budgeted by the legislature or other new revenue streams. And more was budgeted for 2023-2025 that wasn't presented during the Taskforce. A study in 2017 found Oregon spends more on drug addiction recovery and prevention than 75% of other states ([ranked 14th](#) in spending), yet we're one of the worst in outcomes ([ranked 7th](#) in needing but not receiving treatment for alcohol use disorder). And that was before we added \$1 billion more in spending.

[Willamette Week](#) "There's so much money because there's a crisis."
"There's a real opportunity for people to take advantage."

[Congressman Earl Blumenauer](#), "The consensus of all these experts we brought together is that money is not the problem," he says. "The question is how we mobilize and utilize the resources we've got."

5. **Public Education & Prevention:** The Legislature should investigate substance use disorder curriculum for school education programs ([something already mandated](#)) to see if it's working. [Teen drinking](#) at historic all-time lows would suggest that mandate has seen some success. The state should inventory existing curriculum and assess success rates, and seek federal matches to [optimize prevention programs and seek efficiencies](#).
OLCC alcohol licensee training programs should be examined for best practices. Additionally, the OLCC should use existing alcohol tax and mark-up

revenue to ensure they are adequately enforcing Oregon's numerous alcohol control laws.

6. **Data Collection & Research:** A trusted third party should implement data collection for the state, including establishing a real-time database of SUD beds statewide, a tracking tool for OHA spending and provider outcomes, and a study on what's working in other states and why Oregon is spending more per capita for little results. With [7.4%](#) of OHA's SUD budget unaccounted for according to OHA's Taskforce testimony, we also need a third party audit of OHA and SUD programs and funding.