New AOC Drug Court Fund Fact Sheet

The new AOC Drug Court Fund:

- **Was established pursuant to HB35, passed during the 2018 Legislative Session**
  - House of Representatives – Y:67 N:0
  - Senate – Y:38 N:0
  - Signed by Governor – Chapter 48 – March 2, 2018

- **Was passed as a joint effort with the NMAC**
  - Mutually beneficial in eliminating competition over same funding stream
  - Prudential for LDWI programs due to impending sunset of temporary funding increase from 46% of the LETF to 41.5%

- **Became law based on fund use commitments made in committee hearings, meetings with legislators, and an understanding with the governor**
  - LFC recommendations – primarily data collection/reporting and quality assurance measures
  - Sustainability post-TSD funding
  - Impact on Opioid Crisis

- **Establishes a recurring distribution from the liquor excise tax revenue**
  - Previous OSF source was a legislatively-identified transfer from the LDWI percentage of the LETF
  - New OSF source is a direct distribution of 5% of the LETF revenues

- **Creates a non-reverting fund**
  - GF appropriations will not be directed to this fund
  - LETF distributions will be directed to this fund
  - Unspent LETF distribution will remain in the fund into the new FY

- **Is projected to provide an increase in total funding allocated to the AOC for drug courts**
  - Previous OSF = $1.6 million
  - New OSF projection = $1.9 million (based on August consensus revenue estimates at 83% to accommodate lag in revenue distribution)
  - One-time Special Appropriation Request = $500,000

- **Must be carefully managed due to the nature of the distribution**
  - Monthly distribution actuals may vary from projections
  - Unspent funds are unpredictable and vary from year to year
  - Current LETF projections indicate a reduction in revenue beginning in FY22

- **Will immediately result in statewide program support and targeted service enhancement, but will not immediately result in a broad windfall of funding for individual programs**
  - Solution to the Access database issue
  - Certification and Peer Review
  - Special projects related to Opioids

- **Establishes potential stability for future funding requests as programs identify needs and demonstrate justification according to the Guiding Principles**
  - Non-reverting fund is projected to grow over time
  - Will eventually create a buffer by maintaining a minimum fund balance equal to 50% of the annual operating budget
  - Projected to provide a stable – and expandable – funding source as standardized guidelines are followed