

LEAGUE OF OREGON CITIES



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**The Financial Impacts of**  
**ALCOHOL-**  
**RELATED COSTS**  
**on Cities and Counties**

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APRIL 2011



**AOC**  
Association of  
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## Executive Summary

### The High Cost of Alcohol to Oregon Cities & Counties

Cities and counties in Oregon are the principal providers of public safety and substance abuse treatment in the state. Performing duties to combat alcohol-related crimes and social problems requires large dedications of time and money. Yet restrictions on funds available to cities and counties seriously jeopardize the ability to meet the demands alcohol-related incidents place on their communities.

### Alcohol-related Impacts

For cities, public safety efforts are heavily impacted by alcohol-related issues:

- In some cities, alcohol is involved in 80 percent of certain crimes,<sup>1</sup> while liquor law violations, such as driving under the influence, can cost a city up to \$2,500 per arrest.<sup>2</sup>
- Alcohol is also implicated in a wide range of additional crimes, including rape, assault, disorderly conduct and property damage.
- The toll is pushed even higher by costs related to special events and problem drinking establishments over which state law prevents local ability to regulate.

For counties, alcohol-related costs are just as burdensome:

- Nearly 40 percent of all criminal cases in Washington County have an alcohol and/or drug component, and county alcohol and drug treatment programs are an important aspect of reducing alcohol abuse.
- While such programs reduce costs due to decreased criminal recidivism, they are still inadequate to meet current need; an estimated 199,000 Oregonians are in need of, but not receiving treatment for, alcohol abuse.

### Funds in Short Supply

Prevented from raising revenue locally, cities and counties rely on state liquor revenue sharing to help defray the costs they incur providing alcohol-related public safety and addiction treatment programs. However, the enormous cost of providing criminal justice, enforcement, and prevention and treatment services—estimated at \$109 million annually—easily exceeds the \$74 million in state shared liquor revenues distributed to cities and counties.<sup>3</sup> This disparity means alcohol-related public safety and treatment and prevention efforts are cutting into funds that cities and counties need to maintain other vital services for their citizens.

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<sup>1</sup> According to the Corvallis Police Department, in FY2009-10 alcohol was involved in nearly 40 percent of assaults, 80 percent of disorderly conduct arrests and 38 percent of criminal mischief.

<sup>2</sup> The Salem Police Department reports spending nearly \$2,500 per DUI-A arrest.

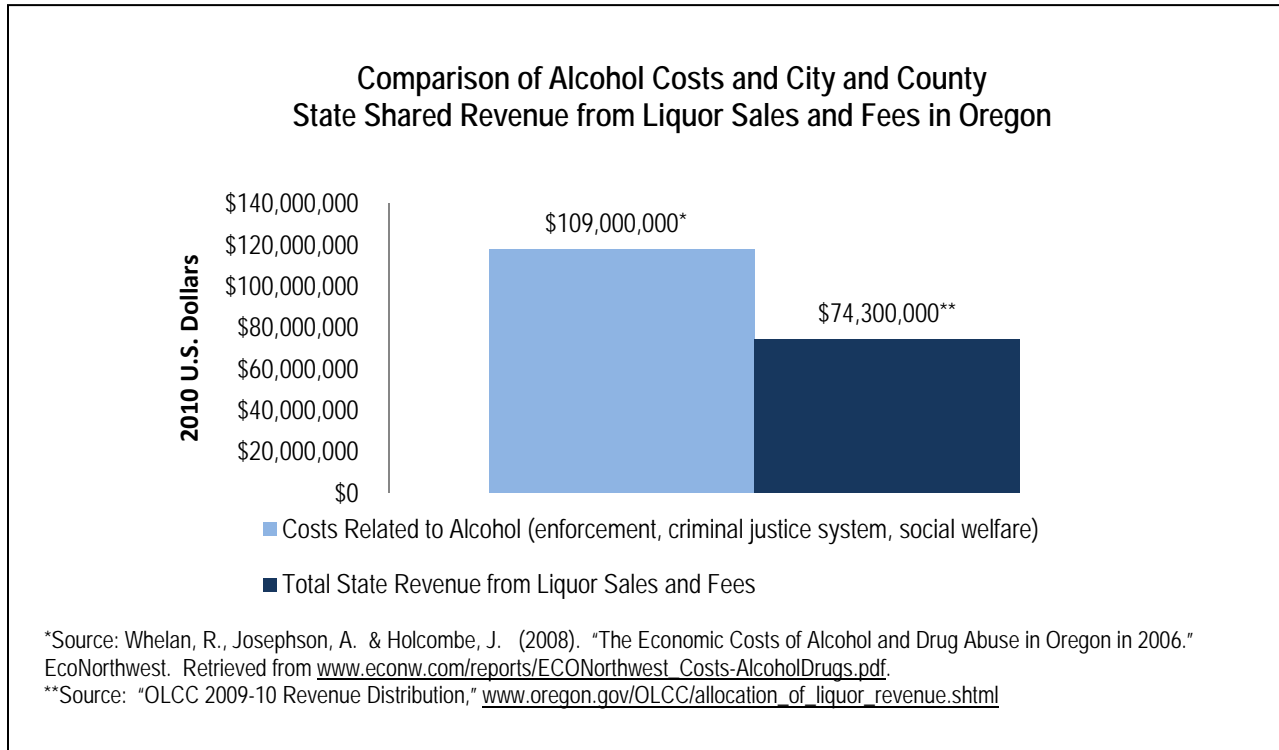
<sup>3</sup> Whelan, R., Josephson, A. & Holcombe, J. (2008). "The Economic Costs of Alcohol and Drug Abuse in Oregon in 2006." EcoNorthwest. Retrieved from [www.econw.com/reports/ECONorthwest\\_Costs-AlcoholDrugs.pdf](http://www.econw.com/reports/ECONorthwest_Costs-AlcoholDrugs.pdf).

## **About this Report**

This report will demonstrate the challenges facing Oregon cities and counties trying to cope with alcohol-related issues in their communities by presenting data from recent League of Oregon Cities (LOC) and Association of Oregon Counties (AOC) surveys. Information was collected from a cross-section of 20 cities and 10 counties in the fall of 2010 on alcohol-related crime, enforcement costs, criminal justice, problem drinking establishments, special events, detoxification services, treatment programs and education programs.

## Background

Alcohol abuse has substantial economic impacts on Oregon communities. In total, alcohol abuse costs Oregon's economy more than \$3 billion annually, and alcohol-related crimes and the subsequent criminal justice system impacts cost \$109 million each year.<sup>4</sup> As the primary contact for key services such as public safety, criminal justice and human services, cities and counties must expend extensive time and money to combat alcohol-related issues—costs which cities and counties only partially recover under the state liquor revenue sharing system.



Cities and counties rely on state liquor revenue sharing to help defray the costs they incur providing alcohol-related public safety and treatment programs. Prior to Prohibition, local governments imposed and collected fees from the sale of liquor, using the revenue to license and regulate liquor businesses and enhance public safety.<sup>5</sup> The Liquor Control Act of 1933 created the Oregon Liquor Control Commission (OLCC) and gave the state exclusive rights over the sale of liquor and the licensing of liquor stores, thereby preempting cities and counties of regulatory and taxing authority.

<sup>4</sup> Whelan, R., Josephson, A. & Holcombe, J. (2008). "The Economic Costs of Alcohol and Drug Abuse in Oregon in 2006." EcoNorthwest. Retrieved from [www.econw.com/reports/ECONorthwest\\_Costs-AlcoholDrugs.pdf](http://www.econw.com/reports/ECONorthwest_Costs-AlcoholDrugs.pdf).

<sup>5</sup> Association of Oregon Counties (n.d.). Retrieved from <http://www.aocweb.org/AOC/LinkClick.aspx?fileticket=f0idv-jFWelI%3D&tabid=131>

The Liquor Control Act also stated that city and county governments were to receive a share of the liquor revenue—an acknowledgement of the costs cities and counties must manage to cope with alcohol-related problems. Further acknowledging the impact on local governments, the local government revenue percentage has increased slightly over the last several decades; however the current formula has not changed since the 1970s:<sup>6</sup>

- 56 percent is allocated to the state’s General Fund;
- 20 percent is allocated directly to cities based on population;
- 10 percent is allocated directly to counties based on population; and
- 14 percent is distributed to cities through a Department of Administrative Services revenue sharing formula.

In FY2009-10, city and county governments received a total of \$74.3 million from the state’s liquor revenue sharing program—far less than the \$109 million in expenses projected earlier by ECONorthwest.

<b>Total Revenue</b>	<b>\$442.1</b>
Oregon Liquor Control Commission (OLCC) Expenditures	(\$25.3)
Liquor Agents Compensation	(\$35.7)
Inventory Purchases	(\$209.2)
<b>Total Expenditures</b>	<b>(\$270.2)</b>
<i>Remaining Balance</i>	<i>\$171.9</i>

<b>Total Distribution 2009-10</b>	<b>\$171.9</b>
State General Fund	\$97.3
City Revenue Sharing Account	\$21.0
Cities	\$30.0
Counties	\$15.0
Mental Health, Alcoholism and Drug Services*	\$8.3
Oregon Wine Board	\$.3

*\*Distributed to counties*

Source: “OLCC 2009-10 Revenue Distribution,” [http://www.oregon.gov/OLCC/allocation\\_of\\_liquor\\_revenue.shtml](http://www.oregon.gov/OLCC/allocation_of_liquor_revenue.shtml)

Cities and counties have few options for securing additional funds to fill the gap left between revenue sharing funds and alcohol-related costs, and the current distribution formula is regularly in jeopardy. In March 2009, additional liquor revenue was collected through an Oregon Liquor Control Commission (OLCC) surcharge; however this revenue is not included in the revenue sharing formula. The surcharge was implemented in order to address recent OLCC budget shortfalls and it is projected to generate \$23.9 million for the agency’s general fund in the 2009-2011 biennium.<sup>7</sup> The exclusion of these funds from revenue sharing will result in cities losing an estimated \$8.1 million and counties losing an estimated \$2.4 million.

Many local governments continue to struggle as budgets get tighter. Unlike the OLCC, cities and counties cannot implement any liquor taxes or surcharges to help minimize the financial impacts of alcohol-related problems. The current state-collected liquor revenue system, a significant departure from the control local governments once had over the regulation and taxation of alcohol, has left cities and counties with responsibilities that exceed compensation.

<sup>6</sup> Oregon Revised Statutes: ORS 471.810

<sup>7</sup> 2009 Regular Session of the 75<sup>th</sup> Oregon Legislative Assembly (2009). “Budget Report and Measure Summary for HB 5027 – A,” p.2. Retrieved from [http://www.leg.state.or.us/comm/lfo/budget/agency\\_reports/OLCC.pdf](http://www.leg.state.or.us/comm/lfo/budget/agency_reports/OLCC.pdf)

## The High Cost of Alcohol: Public Safety and Enforcement

Alcohol is undoubtedly associated with crime, but research suggests that alcohol abuse can be a factor in up to 37 percent of violent crimes overall.<sup>8</sup> Alcohol is a factor in crimes such as domestic violence, rape, disorderly conduct, theft, assault and vandalism, as well as the more obvious violations of liquor laws, such as driving under the influence (DUI-A). Members of local government law enforcement are the primary public safety first-responders, which results in a large share of local government resources spent policing, investigating and prosecuting expensive alcohol-related crimes.

### Alcohol in Cities: The Cost of Crime

Numerous national studies demonstrate that alcohol and drugs are involved in a high percentage of crimes. In fact, nearly two-thirds of violent victimizations among intimates involve alcohol.<sup>9</sup> Most acts of criminal vandalism can be traced to individuals using alcohol, cocaine or methamphetamine.<sup>10</sup> Alcohol or drug abuse by youth is even more likely to result in crime. In juvenile crime almost 70 percent of violent offenses, 72 percent of property offenses, and more than 80 percent of other offenses (such as vandalism and disorderly conduct) are related to alcohol or drug abuse.<sup>11</sup> Responding to such crimes requires necessary expenditures in public safety, and costs of crimes that can be attributed to alcohol are twice the costs that can be ascribed to drugs.<sup>12</sup>

Crime in Oregon follows the national trend of alcohol abuse involvement in crimes, both directly and indirectly. Cities that responded to a recent LOC survey all had high costs from liquor law violations.

**Table 3: Number of liquor law violations and the estimated direct, indirect\* and total costs associated with those crimes for selected Oregon cities. (See Appendix A for the complete list of city responses.)**

	MIP	Furnishing to Minors	DUI-A	Other Liquor Laws	Total Alcohol Crimes	Total Direct Costs	Total Indirect Costs	Total Costs – Alcohol Crimes <sup>13</sup>
Albany	283	36	182	25	526	n/a	n/a	n/a
Ashland	178	24	160	120	482	\$54,735	\$45,193	\$99,928
Beaverton	52	20	605	63	740	\$182,501	\$150,690	\$333,191
Bend	83	13	375	72	543	\$324,837	\$34,462	\$359,299
Corvallis	302	17	127	310	756	\$83,091	\$69,355	\$152,446
Eugene	1,247	76	557	1,983	3,863	\$404,634	\$121,390	\$526,024
Gresham	75	6	337	23	441	\$376,320	\$309,728	\$686,048
Hillsboro	135	12	369	59	575	\$190,795	\$157,539	\$348,334
Salem	330	43	525	673	1,571	\$1,098,300	\$892,380	\$1,990,680
Seaside	109	14	50	21	194	\$15,950	\$4,785	\$20,735

Source: 2010 League of Oregon Cities survey

<sup>8</sup> Bureau of Justice Statistics (2010). “Alcohol and Crime: Data from 2002 to 2008.” Retrieved from [http://bjs.ojp.usdoj.gov/content/acf/ac\\_conclusion.cfm](http://bjs.ojp.usdoj.gov/content/acf/ac_conclusion.cfm)

<sup>9</sup> Travis, J. (2000). “Alcohol and Crime: Strategies for Crime Prevention,” Urban Institute. Retrieved from <http://www.urban.org/pdfs/alcohol.pdf>.

<sup>10</sup> Califano, J.A. (2008). *High Society: How Substance Abuse Ravages America and What to Do About It*, Public Affairs, New York.

<sup>11</sup> Califano, J.A. and Colson, C.W. (2005). “Criminal Neglect.” *USA Today*, January Issue.

<sup>12</sup> Society for Prevention Research. (2007). “Costs of Crimes Attributed to Alcohol Double Those Attributed to Drugs,” Retrieved from <http://www.preventionscience.org/December%202006%20Alcohol%20%20Drug%20Crimes%20Costs%20FINAL.pdf>

<sup>13</sup> Direct costs include officer time and benefit costs at first response, follow up, prosecution and DMV and/or other court hearings.

\*Indirect costs include administrative, training and other costs. The Salem Police Department’s federally approved cost-calculation guide was included with the LOC survey to assist cities in cost calculations.

In addition to liquor law violations, cities report alcohol as a strong influence in other crimes. The Redmond Police Department reported that alcohol was a contributing factor in 43 percent of sexual offenses over the last fiscal year, and in Bend, police report that 21 percent of domestic assaults in FY2009-10 involved alcohol. Eugene and Salem police estimate that between one-third and one-quarter of criminal trespassing arrests involve suspects under the influence of alcohol.

	Assaults	Disorderly conduct	Criminal mischief
Corvallis	39.4%	79.6%	37.8%
Eugene	35.0%	35.0%	Not tracked
Salem	29.3%	33.8%	20.3%

	Assaults		Domestic Assaults		Sexual Offenses		Disorderly Conduct		Criminal Mischief		Total Costs
	#	Costs	#	Costs	#	Costs	#	Costs	#	Costs	
Portland	n/a	\$536,387	n/a	n/a	n/a	\$60,059	n/a	n/a	n/a	n/a	n/a
Salem	201	\$319,900	127	\$202,100	7	\$9,400	337	\$292,400	90	\$48,500	\$872,300
Eugene	686	\$125,125	n/a	n/a	n/a	n/a	353	\$35,494	n/a	n/a	\$160,619
Pendleton	128	\$20,416	81	\$19,378	n/a	\$20,000	100	\$7,975	82	\$7,975	\$75,744
Corvallis	50	\$21,354	12	\$5,125	3	\$1,583	133	\$30,075	45	\$14,697	\$72,834
Redmond	38	\$11,311	3	\$892	9	\$12,055	1	\$148	7	\$2,083	\$26,489

Source: 2010 League of Oregon Cities survey

To fully understand the impact of these costs, it is useful to consider the cost per crime. On average, Salem spends:

- Nearly \$2,500 for every sexual offense;
- More than \$1,500 for every assault and domestic assault; and
- \$538 for every criminal mischief crime.

Redmond spends:

- More than \$1,300 for every sexual offense; and
- Nearly \$300 for every assault, domestic assault and criminal mischief offense.

Corvallis spends:

- Roughly \$325 for every criminal mischief offense; and
- \$428 for every assault and domestic assault.

Eugene spends:

- \$266 for every disorderly conduct, of which there were 353 alcohol-related offenses in FY2009-10 alone.

It is important to remember that the time spent processing and managing these alcohol-related incidents is time lost to law enforcement for policing and preventing other crimes.

<sup>14</sup> The Bend Police Department estimated that its direct costs associated with the crimes in this table total \$108,120, but was unable to estimate indirect costs. Cities listed here were the only respondents that tracked alcohol influence on crime—it is likely that other cities may have similar costs but do not currently track alcohol involvement.



## Alcohol in Counties: Enforcement and Criminal Justice

Like cities, counties spend a significant amount of resources combating alcohol- and other drug-related crimes. Counties are largely responsible for the prosecution, public defense, incarceration, probation and oversight of alcohol- and other drug-related (AOD) incidents. In a recent survey of 10 counties, AOD-related costs for sheriff and district attorney programs reported were immense, and when combined, make up the lion's share of all AOD-related costs to these counties (Table 6). For example, of the estimated \$10.5 that Washington County spends from its general fund on AOD-related public safety costs, \$2.3 million goes to the district attorney's office. Nearly 40 percent of all cases have an alcohol and/or drug component. Washington County spends another \$1.7 million on community corrections including residential counselors for alcohol and drug treatment issues, probation officers, dual diagnosis and outpatient treatment, drug court, mental health court and housing. It is a very conservative estimate that more than 25 percent of all Washington County charges are related to an alcohol- or drug-related component and the sheriff's office requires \$6.3 million to meet those concerns.

Ten of Oregon's 36 counties spent an estimated \$34 million from their FY2009-10 general funds on alcohol- and other drug-related services, including enforcement and prosecution. This amount is more than the entire sum of OLCC revenue allocations (\$23.3 million) received by all 36 counties over the same fiscal year.

The proportional breakdown of the nine other counties' FY2009-10 alcohol- and other drug-related costs by department are consistent with the Washington County example:

- Marion County – Sheriff and corrections responsibilities cost nearly \$9.6 million of the \$11.7 million that the county spends on all AOD-related issues;
- Lake County – 45 percent of all cases are AOD-related (estimated cost \$65,897);
- Gilliam County – 75 percent of Sheriff's budget is dedicated to AOD-related issues (estimated cost \$490,000); and
- Wasco County – \$455,050 is required for AOD-related corrections while the total OLCC revenue allocation is \$95,399

A local assessment of funding inadequacies provides context for the deficit that counties face while struggling to provide adequate and responsive alcohol- and drug-related services. Washington County received slightly more than \$2 million from state liquor revenues in FY2009-10. This amount is far lower than what the county spends each year in dealing with the impact of alcohol in their community. The cost of jail bookings related to alcohol and drug charges alone is twice the amount received from state liquor revenues. Washington County estimates that it spends a minimum of \$10.4 million on drug- and alcohol-related prosecution, corrections and enforcement. This estimate is based on the FY2009-10

Table 6: Ten county comparison of FY2009-10 estimated general fund costs for AOD-related services broken out by programs and/or departments	
Program/ Department	AOD-Related Costs to County General Funds
Health and Human Services	\$2,340,954
District Attorney's Office	\$5,618,818
Community Corrections	\$1,753,467
Sheriff's Department	\$24,479,183
Juvenile Department	\$2,349,480
<b>Total</b>	<b>\$36,541,902</b>

*Source: FY2009-10 AOC Survey*

Please see pg. 13 for more details on County Health and Human Services

budget and is limited to the costs of public safety and human services programs. Similarly, Marion County received \$1.2 million and spent an estimated \$11 million on related services over the same period of time. For all counties surveyed, the costs for related public safety and human services programs dramatically exceed state revenue allocations.

In FY2009-10, 10 of Oregon's 36 counties spent an estimated \$34.2 million from their general funds on alcohol- and other drug-related services, including enforcement and prosecution programs. This amount is more than \$10.5 million greater than the entire sum of OLCC revenue allocations (\$23.3 million) received by all 36 counties over the same fiscal year.

### **Problem Drinking Establishments**

In addition to enforcing liquor laws, many cities have to police “problem drinking establishments,” those establishments that are a continual source of trouble for local law enforcement officials. These businesses, regulated by OLCC, nevertheless run up large costs for city police departments. In FY2009-10 the Portland Police Bureau spent nearly \$240,000 on staff time for two liquor license investigators.

Ten of the cities surveyed reported problem drinking establishments. These city police departments received more than 3,300 emergency calls regarding these establishments, consuming more than 3,700 hours of officer time—time that could have been spent preventing or investigating other crimes.

Moreover, 508 assaults and 22 serious assaults occurred at these businesses, and 76 individuals were arrested on DUI-A offenses after leaving the premises. The total cost for policing the 21 businesses described by survey respondents is estimated to be just shy of a quarter of a million dollars (\$249,615).

The OLCC allows cities to recommend (within 45 days of notification) the approval or disapproval of an applicant. Because these problem drinking establishments and other businesses serving alcohol can be an enormous drain on government resources, many municipalities spend substantial time and resources investigating all OLCC liquor license applicants within their city boundaries (see *Box A*).

#### **Box A: Salem Police Department: Investigating Liquor License Applicants**

Determining the worthiness of a liquor-license applicant can be an arduous and costly job. In Salem, the job falls to the officers working under Sergeant Doug Carpenter. They investigate roughly 70 establishments applying for a license in Salem every year, as well as more than 300 liquor license renewals. “Most of the new applications take an average of an hour or two hours to investigate, but its problem establishments that can literally take weeks of officer time and go on for three years,” Carpenter said.

In addition to conducting in- and out-of-state criminal history background checks, Salem's officers thoroughly investigate for previous liquor law violations or dishonestly in applications. In an average year, Salem spends approximately \$32,000 investigating OLCC applicants. But the costs can be well worth the effort, particularly if the establishment in question has a high probability of becoming a frequent source for alcohol-related problems.

“Problem establishments cost us a lot of money—in court time, officer response time, investigation time. And that's not counting the human cost of broken jaws, broken ribs and jail time,” said Carpenter.

Table 7: Costs of most expensive “problem drinking establishments” in surveyed cities. (See Appendix F for the complete list of responses)						
City	Number of calls	Officer hours	Number of arrests	Number of serious assaults	Number of DUI arrests	Costs to respond/patrol
Corvallis	115	287.5	59	0	14	\$28,891
Medford	246	492	0	3	1	\$23,083
Beaverton <sup>15</sup>	124	112.7	7	0	23	\$9,362
Bend	136	172.2	23	0	2	\$9,127
Portland	42	113	9	1	1	\$7,345
Redmond	154	n/a	0	0	0	\$6,277
Pendleton	145	210	40	10	2	\$6,150
Salem	22	51.25	15	1	10	\$5,400
Tigard	13	85.5	20	0	4	\$3,727

Source: 2010 League of Oregon Cities survey

### Special Events

In addition to traditional enforcement efforts, city police departments also spend considerable time and resources policing community events in which alcohol is the primary public safety concern. Rodeos, beer festivals and other events often require additional police presence, and local police departments are rarely compensated by event organizers.

Those cities that are able to provide cost estimates illustrate that costs can be steep, particularly for smaller cities:

- Seaside incurs added expenses when policing spring break, the Fourth of July, beach volleyball tournaments and the Hood-to-Coast relay race.
- The Medford Police Department estimates that it spends more than \$72,000 during its Pear Blossom Festival, Cinco de Mayo celebration and other special events.
- Oregon City expends approximately \$25,000 on police costs during its annual Pioneer Family Festival.

Importantly, only three of the 20 cities surveyed reported recouping any portion of the public expenses incurred in policing special events. Redmond reported being reimbursed for 62 percent of the costs it incurred; Bend reports reimbursement rates of between 50 and 60 percent, but could not provide an estimate of total costs. Myrtle Creek reports recouping 9 percent of its costs.

Table 8: Estimated costs incurred policing special events where alcohol is the primary public safety concern.	
City	Costs
Pendleton	\$121,000
Medford	\$72,174
Oregon City	\$25,000
Seaside	\$16,038
Albany	\$15,000
Roseburg	\$13,937
Tualatin	\$10,000
Sutherlin	\$9,000
Myrtle Creek	\$8,004
Redmond	\$7,870
Ashland	\$5,200

Source: 2010 League of Oregon Cities survey

<sup>15</sup> Beaverton data is from OLCC information (as opposed to city-specific data). The costs do not include DUI-A costs.

## **Detoxification Services**

Several cities, including Bend and Seaside, provide their own detoxification services. Other cities, such as Portland and Oregon City, provide funding for local detoxification services. Portland spends more than \$3.7 million annually contracting with the Central City Concern Hooper Inebriate Emergency Response Service, or CHIERS, which transports nearly 3,000 intoxicated clients annually to the Hooper Detox Center.<sup>16</sup> Multnomah County partners with the same organization, paying nearly \$475,000 for the organization's services in FY2009-10.

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<sup>16</sup> Davis, M. (2008). "In the Shadows." *Portland Mercury*, May 15, 2008. Retrieved from [http://www.portlandmercury.com/news/in\\_the\\_shadows/Content?oid=775466](http://www.portlandmercury.com/news/in_the_shadows/Content?oid=775466)

## Costly Consequences: Abuse, Prevention and Treatment

Alcohol abuse and misuse is an on-going problem in Oregon. This report has reviewed the many costs associated with public safety and enforcement for alcohol-related incidents, but alcohol abuse takes its toll on communities in other ways as well. In fact, according to the 2007 National Survey on Drug Use and Health, roughly 206,000 Oregonians suffer from alcohol dependency or abuse, and Oregon ranked fourth in the nation for alcohol-induced deaths.<sup>17</sup> Alcohol use is associated with a host of health problems, including liver cirrhosis, cancer, stroke, falls and suicides.<sup>18</sup> According to ECONorthwest estimates, the medical consequences of alcohol abuse cost the state \$428.2 million in 2010.<sup>19</sup> Given the detrimental and long-reaching impacts of alcohol abuse, it is not surprising a health-based approach of prevention and treatment is necessary to compliment public safety efforts to address criminal repercussions of alcohol misuse.

### Alcohol in Counties: Prevention and Treatment

Oregon's counties provide the front-line services for the prevention and treatment of alcohol abuse. In FY2009-10, Oregon's 36 counties spent \$8.6 million on a myriad of prevention and treatment programs though the OLCC Mental Health Alcoholism and Drug Services account. The treatment programs served 54,108 Oregonians suffering from alcohol dependency, and prevention services reached 149,531 Oregonians.<sup>20</sup>

In FY2009-10, Oregon's 36 counties will spend \$8.6 million on a myriad of prevention and treatment programs. The treatment programs serve 54,108 Oregonians suffering from alcohol dependency while prevention services reach 149,531 Oregonians.

Evidence indicates that these prevention and treatment programs are highly effective. In 2007, a statewide study funded by the Oregon Department of Human Services reported that 72 percent of those undergoing treatment reduced use by the end of treatment. The study also found that 66 percent were employed by the end of treatment resulting in a \$47.7 million increase in annual incomes for those treated. Taxpayers saved an additional \$17 million in law enforcement costs as a result of decreased criminal recidivism among those receiving treatment.<sup>21</sup>

The funding provided for treatment and prevention programs remains inadequate in relation to the demand for these services. An estimated 199,000 Oregonians are in need of, but not receiving treatment for, alcohol use.<sup>22</sup> It is important to note that these numbers show an improvement from 2004 when 247,000 Oregonians suffered from alcohol abuse and dependence and 236,000 were in need of, but not receiving treatment for, alcohol use. Unfortunately, the demand for services still exceeds available funding for prevention and treatment programs; counties continue to report long waiting lists for those seeking treatment.

<sup>17</sup> Whelan, R., Josephson, A. & Holcombe, J. (2008). "The Economic Costs of Alcohol and Drug Abuse in Oregon in 2006." EcoNorthwest. Retrieved from [www.econw.com/reports/ECONorthwest\\_Costs-AlcoholDrugs.pdf](http://www.econw.com/reports/ECONorthwest_Costs-AlcoholDrugs.pdf). *Number adjusted for inflation and based on age-adjusted death rates.* Oregon Department of Human Services, Addiction and Mental Health Division (AMH). (2007). *2007 Oregon Substance Abuse Outcomes*. Retrieved from <http://www.oregon.gov/DHS/addiction/publications/substance-abuse-outcomes.pdf?ga=t>

<sup>18</sup> Centers for Disease Control. (2004). "Alcohol-Attributable Deaths and Years of Potential Life Lost – United States, 2001." *Morbidity and Mortality Weekly Report*, 53(37), 866-870

<sup>19</sup> Ibid.

<sup>20</sup> Oregon Department of Human Services, Addiction and Mental Health Division (AMH). (2008). *2007 Oregon Substance Abuse Outcomes*. Retrieved from <http://www.oregon.gov/DHS/addiction/publications/substance-abuse-outcomes.pdf?ga=t>

<sup>21</sup> Oregon Department of Human Services, Addiction and Mental Health Division.

<sup>22</sup> Substance Abuse and Mental Health Services Administration (SAMHSA). (2008). Office of Applied Studies, *2007 State Estimates of Substance Abuse and Mental Health*. Retrieved from <http://oas.samhsa.gov/statelist.cfm>.

## Alcohol in Cities: Education Programs

Cities also assist with prevention and treatment of alcohol abuse, primarily through alcohol education programs. Numerous cities provide programs such as the Drug Abuse Resistance Education (DARE) program, which provides in-school education about the negative effects of drugs and alcohol. Other cities fund school resource officers (police officers assigned to help educate students about alcohol abuse and other issues). Cities often spend large sums on these preventative programs.

Table 9: Select cities providing alcohol education programs and the costs of those programs in FY2009-10.	
City	Money spent in FY2009-10
Tigard	\$478,866
Albany	\$290,000
Tualatin	\$250,000
Bend	\$183,699
Salem	\$118,000
Oregon City	\$80,000
Medford	\$22,058
Hillsboro	\$20,000

Source: 2010 League of Oregon Cities survey

Unfortunately, other cities, including Ashland, Corvallis, Seaside and Sutherlin, have ended their alcohol education programs within the last several years due to budgetary concerns. Albany has maintained its school resource officers, but did eliminate its DARE program in FY2010-11. The Albany police chief reports that if officer layoffs are necessary to meet budgetary restrictions, school resource officers would likely be switched to patrol duty. With state-collected liquor revenues not covering the costs of public safety and enforcement expenditures, many cities have been forced to eliminate preventative programs, which may ultimately increase the likelihood of further alcohol-related problems.

“The importance of alcohol education programs such as DARE cannot be minimized,” said Salem Police Chief Jerry Moore, whose department spends \$118,000 annually on school resource officers. “Whenever our youth are encouraged to make good choices and introduced to positive anti-drug and alcohol messages we believe their decision making skills improve. My experience with other organizations has convinced me that investing in our youth at an early age pays big dividends.”

## Conclusion: The High Cost of Alcohol

Alcohol-related issues place an enormous strain on local public safety efforts, causing an annual challenge for cities and counties. Additionally, restrictions on raising alcohol revenue locally and limitations on overseeing liquor establishments within their own jurisdictions seriously jeopardize the ability of cities and counties to provide necessary services to their citizens. Continued cooperation and cost-sharing between cities, counties and the state will be necessary to adequately address the impacts of alcohol-related issues in communities.

## APPENDIX A

### Survey Responses from Oregon Cities: Number and Cost of Alcohol-Related Crimes (FY2009-10)

Responses from 2010 League of Oregon Cities survey

City	MIP	Furnishing	Liquor Laws	DUI-Alcohol	Total Crimes	Total Direct Costs	Total Indirect Costs	Total Costs
Albany	283	36	25	182	526	n/a	n/a	n/a
Ashland	178	24	120	160	482	\$54,735	\$45,193	\$99,928
Beaverton	52	20	63	605	740	\$182,501	\$150,690	\$333,191
Bend	83	13	72	375	543	\$324,837	\$34,462	\$359,299
Corvallis	302	17	310	127	756	\$83,091	\$69,355	\$152,446
Eugene	1,247	76	1,983	557	3,863	\$404,634	\$121,390	\$526,024
Gresham	75	6	23	337	441	\$376,320	\$309,728	\$686,048
Hillsboro	135	12	59	369	575	\$190,795	\$157,539	\$348,334
Medford	209	29	213	361	812	\$220,136	\$181,766	\$401,902
Myrtle Crk.	22	0	11	47	80	\$4,433	\$3,718	\$8,151
Oregon City	49	13	11	149	222	\$30,650	\$0	\$30,650
Pendleton	121	4	31	72	228	\$18,713	\$7,141	\$25,854
Portland	273	34	3,913	1,873	6,093	\$1,601,750	\$1,322,565	\$2,924,315
Redmond	147	67	28	172	414	\$99,983	\$82,553	\$182,536
Roseburg	62	6	99	206	373	\$46,890	\$38,718	\$85,608
Salem	330	43	673	525	1,571	\$1,098,300	\$892,380	\$1,990,680
Seaside	109	14	21	50	194	\$15,950	\$4,785	\$20,735
Sutherlin	41	1	5	79	126	\$21,150	\$0	\$21,150
Tigard	48	13	148	128	337	\$87,110	\$165,009	\$252,119
Tualatin	176	6	0	60	242	\$37,600	\$30,100	\$67,700

## APPENDIX B

### Number and Costs of Driving Under the Influence of Alcohol Offenses (FY2009-10)

Responses from 2010 League of Oregon Cities survey

City	Offenses	Direct Costs	Indirect Costs	Total Costs
Albany	182	n/a	n/a	n/a
Ashland	160	\$38,400	\$31,707	\$70,107
Beaverton	605	\$162,688	\$134,331	\$297,019
Bend	375	\$298,125	\$34,462	\$332,587
Corvallis	127	\$22,718	\$18,759	\$41,477
Eugene	557	\$148,930	\$44,679	\$193,609
Gresham	337	\$354,443	\$292,664	\$647,107
Hillsboro	369	\$147,758	\$122,004	\$269,762
Medford	361	\$135,497	\$111,880	\$247,377
Myrtle Creek	47	\$3,525	\$2,891	\$6,416
Oregon City	149	\$26,820	\$0	\$26,820
Pendleton	72	\$10,530	\$3,825	\$14,355
Portland	1,873	\$1,412,242	\$1,166,088	\$2,578,330
Redmond	172	\$84,128	\$69,464	\$153,592
Roseburg	206	\$41,868	\$34,571	\$76,439
Salem	525	\$852,800	\$694,680	\$1,547,480
Seaside	50	\$11,063	\$3,319	\$14,382
Sutherlin	79	\$18,000	\$0	\$18,000
Tigard	128	\$66,954	\$126,828	\$193,782
Tualatin	60	\$15,000	\$12,500	\$27,500



## APPENDIX C

### Alcohol-Related Service Costs for the City of Portland (FY2009-10)

Portland Police Bureau: FY2009-10 Alcohol-Related Service Costs<sup>23</sup>

Incident Description	Cost	City Central Support Costs Only	Total Annual Costs
Abuse/Neglect	\$1,785	\$60.68	\$1,845
Hit/Run	\$26,489	\$900.63	\$27,390
Injury Accident	\$97,476	\$3,314.17	\$100,790
Non Injury Accident	\$75,035	\$2,551.20	\$77,587
Unknown Injury Accident	\$94,037	\$3,197.25	\$97,234
Area Check	\$70,404	\$2,393.74	\$72,798
Assault	\$538,092	\$18,295.14	\$556,387
Civil Problem	\$10,002	\$340.05	\$10,342
Custody/Interference	\$3,855	\$131.07	\$3,986
Disturbance	\$1,349,548	\$45,884.64	\$1,395,433
Drunk Subject	\$338,159	\$11,497.40	\$349,656
Driving Under Influence	\$142,013	\$4,828.45	\$146,842
Family Disturbance	\$105,755	\$3,595.66	\$109,350
Fight	\$187,260	\$6,366.83	\$193,626
Flagdown	\$9,211	\$313.17	\$9,524
Harassment	\$51,874	\$1,763.70	\$53,637
Juvenile Problems	\$36,884	\$1,254.05	\$38,138
Medical Assist	\$52,134	\$1,772.56	\$53,907
Mental Complaint	\$23,954	\$814.45	\$24,769
Neighbor Problem	\$4,973	\$169.08	\$5,142
Noise Disturbance	\$74,977	\$2,549.22	\$77,526
Party Disturbance	\$32,912	\$1,119.01	\$34,031
Rape	\$63,380	\$2,154.91	\$65,535
Robbery	\$24,122	\$820.16	\$24,943
Restraining Order Violation Cold	\$6,349	\$215.87	\$6,565
Rolling Stolen	\$2,398	\$81.53	\$2,479
Runaway Juvenile	\$4	\$0.14	\$4
Sex Offense	\$58,084	\$1,974.87	\$60,059
Stabbing	\$22,793	\$774.95	\$23,568
Subject Stop	\$110,331	\$3,751.25	\$114,082
Suicide Attempt or Threat	\$104,762	\$3,561.90	\$108,324

<sup>23</sup> The Portland Police Bureau tracks crimes and costs differently than some other cities and so are reported separately from general LOC survey results.

Incident Description	Cost	City Central Support Costs Only	Total Annual Costs
Suspicious Subj. Veh. Circumstance	\$264,745	\$9,001.35	\$273,747
Threat	\$118,066	\$4,014.24	\$122,080
Traffic Pursuit	\$6,469	\$219.95	\$6,689
Traffic Stop	\$517,216	\$17,585.33	\$534,801
Trespassing	\$40,655	\$1,382.26	\$42,037
TriMet Incident	\$208,738	\$7,097.10	\$215,835
Truant	\$597	\$20.30	\$617
Unwanted Person	\$463,097	\$15,745.28	\$478,842
Drugs, Liquor, Prostitution	\$214,961	\$7,308.68	\$222,270
Welfare Check	\$764,124	\$25,980.23	\$790,105
Man Down/Unknown Problem	\$67,371	\$2,290.62	\$69,662
<b>SUB TOTAL</b>	<b>\$6,385,090</b>	<b>\$217,093.05</b>	<b>\$6,602,182.89</b>
Detox transport, admission, reporting (not captured in PPDS data) 1 hr/incident	\$1,546,334	\$52,575.36	\$1,598,909.36
Cost of two Alcohol License Investigators, FTE \$ 40% Sgt. FTE	\$231,565	\$7,873.21	\$239,438.21
Service Coordination Team, Hooper Detox & CHIERS	\$3,605,832	\$12,598.29	\$3,728,430.29
<b>Total – Portland Police Bureau</b>	<b>\$11,768,821</b>	<b>\$400,140</b>	<b>\$12,168,961</b>

Prepared by: Strategic Services Division, City of Portland, November 2010

**Total City Costs for Alcohol-Related Services –  
FY2009-10 (by Agency/Office)**

Agency/Office	Costs
Police Bureau	\$12,168,961
Fire & Rescue	\$3,399,738
Emergency Communications	\$2,134,755
Office of Neighborhood Involvement (Liquor License Program)	\$285,200
<b>Total – City of Portland</b>	<b>\$17,988,654</b>

## APPENDIX D

### Ten County Comparison of Costs for Alcohol- and Other Drug-Related (AOD) Services (In Relation to OLCC Revenue Allocations)

Responses from FY2009-10 AOC survey

County	FY2009-10 OLCC Revenue Allocation	County General Fund Costs for AOD-Related Services*
Deschutes	\$666,959	\$1,645,120
Gilliam	\$7,429	\$552,000
Lake	\$29,929	\$709,958
Marion	\$1,248,751	\$11,747,731
Umatilla	\$285,380	\$7,483,454
Union	\$100,208	\$981,586
Wallowa	\$28,005	\$128,354
Wasco	\$95,399	\$477,850
Washington	\$2,066,172	\$11,406,865
Yamhill	\$373,937	\$1,408,984
<b>Total</b>	<b>\$4,902,169</b>	<b>\$36,541,902</b>

\*Includes Public Safety and Health and Human Services departments

## APPENDIX E

### Direct and Indirect Costs of Liquor Law Violations (FY2009-10)

Responses from 2010 League of Oregon Cities survey

	MIP	Furnishing to Minors	DUI-A	Other Liquor Laws	Total Alcohol Crimes	Total Direct Costs	Total Indirect Costs	Total Costs – Alcohol Crimes
Albany	283	36	182	25	526	n/a	n/a	n/a
Ashland	178	24	160	120	482	\$54,735	\$45,193	\$99,928
Beaverton	52	20	605	63	740	\$182,501	\$150,690	\$333,191
Bend	83	13	375	72	543	\$324,837	\$34,462	\$359,299
Corvallis	302	17	127	310	756	\$83,091	\$69,355	\$152,446
Eugene	1,247	76	557	1,983	3,863	\$404,634	\$121,390	\$526,024
Gresham	75	6	337	23	441	\$376,320	\$309,728	\$686,048
Hillsboro	135	12	369	59	575	\$190,795	\$157,539	\$348,334
Medford	209	29	361	213	812	\$220,136	\$181,766	\$401,902
Myrtle Crk.	22	0	47	11	80	\$4,433	\$3,718	\$8,151
Oregon City	49	13	149	11	222	\$30,650	n/a	\$30,650
Pendleton	121	4	31	72	228	\$18,783	\$7,141	\$25,854
Portland	273	34	1,873	3,913	6,093	\$1,601,750	\$1,322,565	\$2,924,315
Redmond	147	67	172	28	414	\$99,983	\$82,553	\$182,536
Roseburg	62	6	206	99	373	\$46,890	\$38,718	\$85,608
Salem	330	43	525	673	1,571	\$1,098,300	\$892,380	\$1,990,680
Seaside	109	14	50	21	194	\$15,950	\$4,785	\$20,735
Sutherlin	41	1	79	5	126	\$21,150	n/a	\$21,150
Tigard	48	13	128	148	337	\$87,110	\$165,009	\$252,119
Tualatin	176	6	60	0	242	\$37,600	\$30,100	\$67,700

## APPENDIX F

### Costliest “Problem Drinking Establishments” of the 20 Cities Surveyed (FY2009-10)

Responses from 2010 League of Oregon Cities survey

City	Number of Calls	Officer Hours	Number of Arrests	Number of Serious Assaults	Number of DUII Arrests	Costs to Respond/Patrol
Corvallis	115	287.5	59	0	14	\$28,891
Medford	246	492	0	3	1	\$23,083
Corvallis	83	207.5	42	0	2	\$20,852
Medford	149	298	29	1	1	\$13,744
Corvallis	43	107.5	11	0	5	\$10,803
Beaverton*	124	112.7	7	0	23	\$9,362
Bend	136	172.2	23	0	2	\$9,127
Bend	265	164.9	47	8	5	\$8,740
Portland	42	113	9	1	1	\$7,345
Medford	75	150	14	0	1	\$7,038
Redmond	154	n/a	0	0	0	\$6,277
Pendleton	145	210	40	10	2	\$6,150
Redmond	144	n/a	0	0	0	\$5,869
Beaverton*	113	68.8	7	0	22	\$5,715
Redmond	137	n/a	0	0	0	\$5,584
Salem	22	51.25	15	1	10	\$5,400
Beaverton*	76	64	8	0	17	\$5,316
Tigard	13	85.5	20	0	4	\$3,727
Roseburg	24	24	12	1	9	\$3,223
Pendleton	42	55	10	0	0	\$1,610

Source: 2010 League of Oregon Cities survey

\* Beaverton data is from OLCC information (as opposed to city-specific data). The costs do not include DUI-A costs.

## APPENDIX G

### Total of Ten County General Fund (GF) Estimates of Alcohol- and Other Drug-Related Service Costs (FY2009-10)

Program/ Department	Alcohol- and Other Drug-Related Services	Estimated GF by AOD-Related Service	Total GF by Department
Health and Human Services	Chemical Dependency Services	\$1,059,756	\$2,340,954
	Public Health	\$110,771	
	Mental Health	\$48,838	
	Outside Contracts for Chemical Dependency Services	\$362,000	
	Drug Court	\$19,581	
	AOD-Related Service Costs	\$740,008	
District Attorney's Office	Cost of the Percentage of Cases with a AOD Component	\$5,139,295	\$5,618,818
	Domestic Violence Cases with AOD Component	\$449,174	
	Drug Court	\$25,360	
	Mental Health Court	\$1,389	
	Outside Contracts	\$3,600	
Community Corrections	Residential Counselors – Serving Clients w/ AOD Issues	\$181,040	\$1,753,467
	Probation Officers – AOD-Related Caseloads	\$939,884	
	Treatment Dorm	\$41,542	
	Mentors – For AOD Clients	\$134,656	
	Women's Outpatient Treatment	\$15,489	
	Dual Diagnosis Outpatient Treatment	\$18,714	
	Level I Treatment	\$50,000	
	Drug Court	\$172,416	
	Mental Health Court	\$65,776	
	Housing – AOD Free Housing	\$120,000	
	Outside Contracts	\$13,950	
Juvenile Department	Toxicology	\$1,234,832	\$2,349,480
	Outside Contracts	\$51,500	
	Cost of Percentage Cases with a AOD Component	\$1,063,148	
Sheriff's Office	Narcotics Investigations and Enforcement	\$7,225,590	\$24,479,183
	Drug Court	\$85,504	
	DUII Patrol	\$286,683	
	Jail Programs – AOD-Related	\$11,500,969	
	Jail Bookings – AOD-Related	\$5,315,095	
	Outside Contracts	\$65,342	
<b>10 County Totals</b>		<b>\$36,541,902</b>	<b>\$36,541,902</b>

## APPENDIX H

### **State-Collected Liquor Revenues: A historical perspective**

The Oregon Liquor Control Commission (OLCC) was created by the Oregon Legislature with the passage of the Liquor Control Act in 1933, following the end of Prohibition. The bill gave the state exclusive rights over the sale of liquor and licensing of liquor stores, thereby preempting local regulatory and taxing authority. Prior to Prohibition, local governments imposed and collected fees from the sale of liquor, using the revenue to license and regulate liquor businesses and enhance public safety.<sup>24</sup> The Liquor Control Act, however, stated that city and county governments were to receive the net proceeds of state license fees, distributed according to licensee location—an acknowledgement of the costs cities and counties incur coping with liquor-related problems.

That same year the Legislature redirected the state-collected revenue towards unemployment relief. The Legislature, however, restored some of the funding during the next legislative session, directing \$0.30 of every \$1.30 from the beer tax and 10 percent of the wine tax to counties and cities on a per capita basis. Over the next several decades, state-collected liquor revenues for cities and counties would be trimmed and restored several times. In FY1949-50, the state was taking nearly 93 percent of liquor revenues, but the city share increased to 10 percent in 1957, 12.5 percent in 1967, and to its current level of 20 percent in 1969. These increases in allocations were justified based on liquor law enforcement costs. A 1951 survey of city police chiefs by the League of Oregon Cities found that “40 to 50 percent of city police work is related to liquor.” Oregon’s counties were eventually allocated a 5 percent share of net OLCC revenues in 1961. This figure was increased to 10 percent of all liquor revenues in 1967.

In the 1970s, a portion of the revenue derived from the beer and wine privilege tax was allocated for local governments. Today, all revenue derived from liquor regulation and liquor licensing is combined with 50 percent of the revenue from the beer and wine privilege tax. Subtracting OLCC operating expenses, the amount remaining is then distributed among the state, cities and counties as follows:

- 56 percent is allocated to the state’s General Fund;
- 20 percent is allocated directly to cities based on population;
- 10 percent is allocated directly to counties based on population;
- 14 percent is distributed to cities through a Department of Administrative Services revenue sharing formula.

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<sup>24</sup> Association of Oregon Counties. (n.d.). Retrieved from <http://www.aocweb.org/AOC/LinkClick.aspx?fileticket=f0idv-jfWeI%3D&tabid=131>.