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## Alcohol-tax repeal has local treatment centers worrying

Alcohol-tax repeal will end guarantee of state funding

By Nancy Reardon Stewart

**Patriot Ledger State House Bureau**

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BOSTON — Local alcohol-abuse treatment providers are on edge about the future of their state funding once the voter-approved repeal of the alcohol tax takes effect in January.

Gov. Deval Patrick has pledged to find a short-term solution to fund treatment programs through June 30, the end of the state's fiscal year, but for now there's no long-term solution.

The rollback of the 6.25 percent tax won 52 percent approval as a ballot question earlier this month. Revenues from the tax have been dedicated to prevention and treatment programs that get funding from the state Department of Public Health.

"I am very concerned," said Ken Tarabelli, president of Bay State Community Services in Quincy. "It was a safety blanket that won't be there and where the money will come from, I don't know. I don't think anyone knows."

Human services providers at centers like Bay State are worried that their funding will be slashed in the next budget cycle. The dedicated tax revenues have provided a steady funding stream. With that gone, the prevention and treatment programs will compete with dozens of other public health priorities for state budget money.

And with the state slated to enter the next fiscal year with a \$2 billion deficit, budget cuts are a certainty.

"We'll be right back in the same boat with other treatment programs, scrambling for funding," said Vic DiGravio, a Quincy resident and president of the Association for Behavioral Healthcare, an advocacy group for mental health organizations.

"There's no guarantee that these programs will be fully funded by the Legislature."

Local healthcare leaders describe substance-abuse programs — for alcohol and drug use — as the top public health problem facing the region.

"It's probably our number-one pressing need, and I think all our providers would support that statement," said Henry Tuttle, CEO of Manet Community Health Center in Quincy and Hull.

Although the health center does not receive state funding, Tuttle spoke about his general knowledge of the local problem.

In the short term, the Patrick administration is brainstorming options for replacing about \$43 million to fund the treatment programs for the remaining six months of the fiscal year.

"I'm committed to finding a solution. I just don't have the solution" yet, Patrick told reporters Monday.

The state collected \$97 million over the final 10 months of fiscal 2010, after the tax hike went into effect. That total was projected to increase to \$111 million in fiscal 2011.

Dedicating a tax on alcohol to pay for abuse treatment programs is not a common tactic across the country, experts said.

When the repeal takes effect, Massachusetts will be the only state that exempts alcohol purchases from the sales tax.

The Massachusetts Package Store Association and liquor store owners, especially those on the North Shore, lobbied aggressively for passage of the ballot question, saying the tax had been driving consumers over the border to New Hampshire, hurting local business owners. The lobbying group also argued that consumers were being double-taxed, because alcohol is already subject to an excise tax.

The ballot measure gained momentum in an election year marked by strong anti-tax sentiment among voters.

Tarabelli said he views the repeal as a step in the wrong direction.

"It made so much sense to me that you would tax the product that creates the problem," he said. "It seemed like a very direct way to deal with it."

Material from the State House News Service was used in this report. Nancy Reardon Stewart may be reached at [nreardon@ledger.com](mailto:nreardon@ledger.com).

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