



**DATE** August 17, 2023  
**TO** Anchorage Assembly Budget and Finance Committee  
**FROM** Clare Ross, Legislative Services  
**SUBJECT** **Alcohol Tax Strategic Plan**

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The Anchorage Assembly allocated funding in the 2023 budget using Alcohol Tax funds to create a strategic plan for how the Municipality should allocate and use alcohol tax funding, per the three core areas set forth by the Anchorage Charter. The Assembly used the MOA RFP process to solicit a firm to work with the community to develop the plan and expects to have a firm selected and the process started by September, with a goal to have the strategic plan completed by April 2024. The resulting plan will:

- Serve as an ongoing guiding document for each year's alcohol tax funding allocations.
- Ensure community input, transparency, and efficient use of the funds.
- Give a 5-year horizon and to guide current and future policymakers to achieve longer-term goals and think ahead to shift more funding upstream as near-term crisis are addressed.

**This strategic process will address the following:**

1. **Strength Transparency and Accountability:** How does the public know the alcohol tax is being invested as voters intended?
2. **Demonstrate Progress with Metrics:** Identify metrics of success, paths for collaboration, and systems that ensure transparency to reduce the confusion in how these funds will be utilized and provide neighbors, social service organizations and the future leaders of our Municipality a road map to a healthier and safer future for Anchorage.
3. **Invest in Mental Health Services and Treatment and Prevention of Substance Misuse:** In the first two years of the program, no dedicated funding was directed to this key area. To address this issue in 2023, the third "bucket" of funding was split into two subcategories: 1) Mental Health and Substance



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- Misuse, and 2) Homelessness. To further develop this prong of the alcohol tax, this plan should develop a community assessment and plan, outlining where and how to invest funds in mental health and substance misuse to achieve a long-term reduction in substance misuse.
4. **Public Safety Investments:** The alcohol tax provides funding for police, related criminal justice personnel, and first responders. Is there a way to re-envision public safety funding within the alcohol tax and solicit more creative solutions in this area beyond funding additional staffing for traditional approaches?
  5. **Funding and Decision-Making Process:** How is the Theory of Positive Change being used to ensure tax revenue is spent pursuant to the enabling legislation and directed to support programs that are most effective? How is the distribution of these funds tied to a larger goal, thereby leveraging the alcohol tax funding to most effective? How is the fund balance moved forward and allocated if there are unspent funds at the end of the year? How is the public engaged in this work?