

CALCAP, ANEF & CCAGE

VOLUME 1, ISSUE 2 MARCH 2007

EXECUTIVE REPORT

Dear Friends,

Easter is an annual reminder that the promises of God are fulfilled. Easter assures us that the final determining word belongs to God. Because of Easter, we dare to hope and dare to act. Although the challenges before us can appear great, and sometimes the darkness seems unending, the hope, promise and joy of Easter does prevail, and we go forward with confidence and the assurance that we do not go forth alone.

As Easter approaches and the attention of many of Californians focus upon the resurrection of Jesus Christ, we too will be looking for the signs of new life, new hope and new joy. Even as the legislators consider the many bills concerning alcohol and gambling, we will dare to hope that the well-being of our society will prevail against the self-interested



profit-seeking of the alcohol and gambling industries. Even as special hearings are held to elucidate the devastation caused by gambling and alcohol, we will dare to hope that the problems caused by alcohol and gambling will encourage our political leaders to act in such ways that these destructive influences can be lessened in our society. Because of Easter we will Dare to Hope and Dare to Act.

Happy Easter!

James B. Butler, Executive Director

STATE ACKNOWLEDGES PROBLEMS!

Treatment centers and Twelve-Step programs across the country, and even Dr. Phil, share a common component, "You cannot change what you do not acknowledge." This is the reason that denial is such an obstacle to treatment and improvement. In the past month, the California Legislature has taken the

first step toward solving and preventing the problems caused by alcohol and gambling – they acknowledged that there is a problem. The next step is to develop a plan, and then implement that plan. There will not be quick agreement on what to do, but at least there is agreement that we must do something.

Now you Know!

The U.S. Surgeon General finally issued a "Call to Action" on underage drinking. We hope that this declaration from the nation's top physician will provide a further wake-up call on the seriousness of the underage drinking problem and help inspire a sustained public effort to reduce it.

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Does the NCAA believe that Drinking Alcohol is in best interest of Higher Education?

IS MARCH MADNESS ALCOHOL FUELED?

For those who follow college basketball, March is the time of the NCAA Men's Basketball Tournament, called "March Madness." For the Alcohol Industry, it is an opportunity for an advertising extravaganza. Because of the duration, and extensive TV coverage, the industry will spend more money on ads than they did for the Super Bowl. In 2003, more than \$21 million was spent on 395 commercials during the tournament. Although the NCAA rules specifically state that advertising poli-

cies are designed to exclude those ads that do not appear to be in the best interest of higher education, we can expect the alcohol ads for the 2007 tournament to be just as plentiful. When the majority of college students are too young to drink, and binge drinking is a problem on more than 50% of all campuses, and alcohol is a major factor in college-age deaths, injuries, assaults, and academic problems, one might wonder how alcohol is in the best interest of higher education.

BOARD OF EQUALIZATION AND ALCOPOPS

At a Board of Equalization (BOE) hearing of "Interested Parties" on February 17, testimony was given by those seeking the proper classification of "alcopops" as distilled spirits, and the representatives from the alcohol industry that maintain, in spite of California law, that these products should be considered beer. Testimony was also given by a number of youth regarding the contributing nature of

"alcopops" to the underage drinking problem. The youth asked the BOE to simply follow the law and classify "alcopops" as distilled spirits. These fruit-flavored, colorful and youth oriented beverages, currently taxed at the rate for beer instead of the higher rate for distilled spirits (ten times higher), contain distilled spirits and according to California law, should be taxed at the higher rate. More to Follow.

"INTERPRET AND APPLY TAX AND FEE LAWS CORRECTLY, CONSISTENTLY, AND FAIRLY."

THE FIRST GOAL OF THE B.O.E.

SUPPORTED BILLS

A number of bills, many relating to alcohol and gambling, have been introduced by the Senate and the Assembly during the first two months of this legislative session. Two bills that deserve our attention and support are **AB345** introduced by Saldana and **AB346** introduced by Beall. Each one addresses the problem of underage drinking. **AB345** seeks to raise fees on certain

liquor licenses, and use that revenue to fund prevention programs. **AB346** focuses on the packaging and marketing of alcoholic beverages that are especially appealing to youth. We strongly support these two bills, and will keep you informed of these and others in the future.



State Legislature will deal with thousands of bills in 2007.

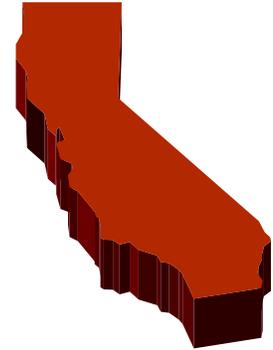
AROUND THE STATE

In September 2006, SB 1198 was signed into law. This bill removed required voter approval in the expansion of certain aspects of California's Cardrooms. This bill went into effect January 1 of 2007, and in less than one month CCAGE was contacted by groups in two communities trying to stop their respective Cardrooms from expanding. Unfortunately,

the state law removed voter oversight, and now these groups are facing an uphill battle before their city councils. They are encountering one of the gambling industry's favorite strategies—persuading a small group of council members rather than trying to convince an entire voter population. This was made possible by the actions of the State Legislature. This

is just one more reason why it is important that we have a strong voice in Sacramento raising the issues related to gambling expansion in California. We may not stop all the bills we oppose, we are often able to influence, modify and minimize the damage of the bills that are passed and completely stop the others.

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What happens in Sacramento affects every community in our state.

STATE AGREES — GAMBLING IS A PROBLEM

On February 27, the Senate Committee on Governmental Organization held an informational hearing on "Problem and Pathological Gambling in California: What are the Social Costs and How Must They Be Addressed?" During this hearing testimony was given that identified both the depth and the scope of

this problem in California. Conservatively, there are more than one million problem and pathological gamblers, and they cost the state more than \$1 billion a year, counting just jobless benefits, welfare, health costs and bankruptcies. Not included are the social and economic costs associated with crime, divorce,

lost businesses and suicide. Further testimony identified that only \$3 million is set aside for treatment and prevention. It became very clear very quickly that California has a huge problem, and something needs to be done. Stopping the expansion of gambling is one of the steps in addressing this problem

PATHOLOGICAL GAMBLING IS 30% GENETICS AND 70% ENVIRONMENTAL.

DR. TOM FONG, UCLA

CALIFORNIA LEADS THE NATION IN METH USE

Although alcohol is still the number one abused drug in California, our treatment centers are being overwhelmed by Methamphetamine users. California leads the nation in Methamphetamine abuse, and in 2005 led the nation

with over 77,000 publicly funded treatment admissions. Of those admitted, 1/3 were between the ages of 15-20. In response, the legislature approved \$10 million for a three year public education campaign. Similar efforts in other

states have reduced Meth use by up to 70%. We supported that action and hope that this effort will succeed in stemming the scourge of Meth use and can serve as a model for preventing other drug abuse, especially alcohol.



Methamphetamine Crystals



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WE'RE ON THE WEB!

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DARE TO HOPE
DARE TO ACT

OUR TASK AND MISSION

The CalCAP family, which includes the California Council on Alcohol Problems (CalCAP), the Alcohol-Narcotic Education Foundation (ANEF) and the California Coalition Against Gambling Expansion (CCAGE), is a statewide, faith based organization that seeks to prevent the moral, economic, scientific and social problems caused by alcohol and gambling. This is done through research, education, advocacy and lobbying. We are funded entirely by gifts from denominations, churches, church groups and individuals. We do not receive any financial support from any governmental agency or political party.

AROUND THE STATE (Continued)

Sadly, there are other community groups in our state forced to fight uphill battles against gambling. CCAGE has been contacted by two groups fighting new casinos, and another trying to stop the building of a new horse race track. We support their efforts as we can, provide research they can utilize, and continue to raise the issue of gambling problems at the state level. We are daring to hope that things are going to change for the better in California, and together we are acting to make a difference.

TAX NEWS

As tax time nears, just a little information that may help you in the future. If you use the "standard deduction" you do not need to verify or authenticate the contributions that you have made and "tax-deductibility" is less important. If you itemize your contributions, the IRS will want you to have cancelled checks or bank copies of the contributions that you have made. You might also need a letter from the organization that received your donation.

As most of you know the California Council on Alcohol Problems (CalCAP) and the Alcohol-Narcotic Education Foundation (ANEF) are both California non-profit corporations. However, not both of them are tax-deductible. Because CalCAP is involved in Lobbying efforts before the state legislature and other governmental bodies, gifts made to CalCAP are NOT tax-deductible. ANEF is engaged in education and research, and therefore gifts made to ANEF ARE tax-deductible. Because of new banking regulations, contributions must be deposited to the organization to which the check is written. There was a time when there was some flexibility in depositing checks within related organizations, but that is no longer an option. This means that unless you itemize we hope that you will make your check payable to CalCAP. However, if you do itemize your gifts, and want to deduct the gifts made supporting our efforts, your check should be written to the Alcohol-Narcotic Education Foundation (ANEF).



Be certain to consult your accountant or tax advisor regarding these new tax rules and your specific situation.