

The Federal Drug Budget



Policy Brief

February, 2005

Major Changes to Occur in Fiscal Year 2006

Overview

The Administration's proposed budget of \$12.4 billion for drug control for FY 2006 portends major changes in federal drug control policy. The request increases funding for overseas and interdiction programs to curb the flow of drugs from abroad and enhances border control. It also proposes a net decline in funding for demand reduction programs, reduces or eliminates certain state and local law enforcement programs, and shifts more responsibility for domestic drug control to state and local governments and other partners.

The Overall Request

The federal drug control budget funds the National Drug Control Strategy, which is comprised broadly of programs for demand reduction and supply reduction. The drug budget represents federal spending, including federal grants to state and local governments and other entities. State and local government drug control spending is not counted.

The Administration's FY 2006 request of \$12.4 billion represents a 2.2 percent increase over the FY 2005 level. It represents funding for eight major federal departments of government, as well as the White House Office of National Drug Control Policy (ONDCP), and three small programs. The request for the Department of Health and Human Services (DHHS) of \$3.5 billion represents the single largest portion of the budget. This is followed by the Department of Homeland Security with a \$2.9 billion request for customs, immigration, border protection, and the Coast Guard; and the Department of Justice with \$2.9 billion. The remaining departments have requests ranging from \$56 million (Treasury) to \$1.1 billion (State).

The FY 2006 request includes a net reduction in spending for demand reduction. A total of \$4.8 billion is proposed for FY 2006. This represents a decline

of around \$270 million from the level appropriated by Congress for FY 2005.

The FY 2006 request changes the ratio of spending for demand reduction versus supply reduction—a ratio traditionally reported by ONDCP to the Congress. In last year's drug control budget, the Administration requested 55 percent for supply reduction and 45 percent for demand reduction. This year's request places more emphasis on supply reduction; 61 percent of the total FY 2006 request is for supply reduction and 39 percent is for demand reduction.

Drug Prevention

Drug prevention is facing major reductions in FY 2006. The most notable change in this year's budget request for prevention is within the Safe and Drug-Free Schools and Communities (SDFSC) program. The program consists of two components: State Grants that are apportioned on a formula basis to the states and National Programs that are awarded on a discretionary basis by the Department of Education. The FY 2006 request includes \$233 million in drug-related funding for national discretionary programs and the elimination of State Grants (funded in FY 2005 at \$440.9 million). The elimination of State Grants leaves state and local governments responsible for the support of school-based prevention programs.

In DHHS, level funding is recommended for the Substance Abuse Block Grant meaning prevention funds provided to states by this program will remain unchanged. While there is an increase for the Strategic Prevention Framework Initiative, overall funding for the Center for Substance Abuse Prevention (CSAP) declines by \$14.4 million. The funding cut is primarily focused on programs that are designed to help states and communities to identify effective prevention programs, policies, and practices.

Quick Facts

- \$12.4 billion is requested for the federal drug control program FY 2006—the fiscal year starting on October 1, 2005 and ending on September 31, 2006.
- The FY 2006 request is 2.2% more than the FY 2005 enacted level of \$12.2 billion, but less than the rate of inflation.
- The percent of the drug budget allocated to demand reduction is 39%; it was 45% of last year's request.
- Resources proposed for supply reduction programs—interdiction, international, and law enforcement—increase by 8% to \$7.6 billion.
- The budget request indicates a decreased federal fiscal role in state and local government drug control activities.
- The FY 2006 request cuts funding for the Office of National Drug Control Policy by \$239 million (47%).
- Funding for the state-based Prescription Drug Monitoring Program is cut in half from \$10 million in FY 2005 to \$5 million in FY 2006.

The FY 06 Federal Drug Control Budget

Another program designed to help states and communities address the challenge of substance abuse is the Drug-Free Communities program. Although ONDCP receives the funding for Drug-Free Communities (DFC), the program is administered by CSAP. The Administration proposes level funding for this program in FY 2006.

Drug Treatment

Increases are proposed for criminal justice-based drug treatment and for a program designed to give consumers more choice in treatment. In the criminal justice area, the Residential Substance Abuse Treatment Program, which funds treatment in correctional and detention facilities, increases by \$19.5 million to \$44.1 million. A second criminal justice program, Drug Courts, increases by \$30.1 million to \$70.1 million. In the area of consumer choice, the Access to Recovery (ATR) voucher program increases by \$51 million to \$150 million.

The DHHS Substance Abuse Block Grant is the cornerstone of the nation's substance abuse treatment system. The President's Budget recommends level funding in FY 2006 at \$1.776 billion. Overall, funding for the Center for Substance Abuse Treatment (CSAT) increases due to an increase in ATR grants, but funding for CSAT's other Programs of Regional and National Significance are reduced by \$26 million, with "Best Practices" discretionary grants being particularly affected.

Domestic Law Enforcement

Possibly the most significant change proposed in the FY 2006 drug control budget is in the High Intensity Drug Trafficking Area (HIDTA) program. HIDTA is designed to enhance federal, state, and local law enforcement coordination and collaboration to develop and solve drug-related crime, particularly as it pertains to drug trafficking and distribution. The FY 2006 request reduces funding for HIDTA by \$126.5 million to \$100 million and proposes to transfer it to the Justice Department's Organized

Crime Drug Enforcement Task Force (OCDETF). Changes are in store for OCDETF as well. OCDETF funding is proposed to be allocated among a number of federal agencies.

The budget recommends \$169.4 million for National Guard drug-related programs in FY 2006, a 19 percent reduction from FY 2005. The National Guard has the primary responsibility within the Department of Defense to support state and local law enforcement.

A large reduction is planned in FY 2006 for the Justice Department Methamphetamine Initiative. This initiative provides funding for policing initiatives to combat methamphetamine production and trafficking and to enhance policing initiatives in "drug hot spots." The FY 2006 request of \$20 million is \$32.6 million less than the FY 2005 level.

A small increase is in store for the Weed and Seed program funded by the Office of Justice Programs. This program promotes comprehensive strategies to combat drugs and crime and to revitalize communities. The FY 2006 request proposes a \$1.4 million increase to \$59.6 million.

Overseas Programs

The FY 2006 request increases funding for State Department programs targeting source nations. Funding for the Andean Counterdrug Initiative—a long-standing effort targeting illicit drug cultivation and trafficking in South America—increases by \$10 million to \$735 million. Other funding for overseas narcotics control and law enforcement increases by \$167 million to \$341 million in FY 2006. These programs are designed to reduce the availability of illicit drugs in the United States.

Funding to stop drugs at the nation's borders also increases. The request for FY 2006 adds \$305.4 million for Customs, the Coast Guard, and other border protection agencies.

Other Changes

One program proposed for elimination is

the National Alliance for Model State Drug Laws. The Alliance supports state and local governments by working with states to address alcohol and other drug problems through laws, policies, and programs. It is active in areas related to prescription drug monitoring, methamphetamine, and drug endangered children.

Another program, the National Community Anti-Drug Coalition Institute, is funded out of the DFC Program. The Coalition Institute provides training, technical assistance, evaluation, research, and resources to help community coalitions reduce substance abuse. While the DFC program is recommended for level funding, the Coalition Institute is slated for a funding reduction of \$1.3 million to \$750,000.

A Shift in Responsibilities

Reductions in substance abuse and its damaging consequences are not solely the responsibility of the federal government. Achievement of national strategy goals requires that the federal government work in partnership with state, local, and foreign governments, private entities, and individuals. The FY 2006 request signals a shift in the relationship between the federal government and its other partners. In its FY 2006 budget, the federal government assumes greater responsibility for those programs exclusively under its purview—international and border control programs—and reduces funding to state and local governments for support and coordination of prevention and law enforcement. The elimination of state grants for school-based prevention, the changes to HIDTA, and other reductions in discretionary programs redefine the federal government's role and will likely require state and local governments to assume greater fiscal responsibility for solutions to drug use and trafficking problems.

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