

# FY '07 Drug Budget



## Policy Brief

February 2006

### Demand Reduction Being De-Emphasized

#### Overview

The Office of National Drug Control Policy (ONDCP) is charged with leading the administration's efforts to develop a national drug control strategy and a federal budget to implement it. On February 6, 2006, the administration released its fiscal year (FY) 2007 request for federal drug control spending. Our analysis of the request shows a continuing shift from demand reduction to supply reduction programs focusing on interdiction and international efforts. It also shows a weakening federal/state/local government partnership in the national anti-drug effort. ONDCP's choice to focus U.S. drug policy overseas and to stop drugs at the border is puzzling in light of a worsening domestic drug use situation. Prescription drugs and methamphetamine use have become epidemics. Furthermore, the complex problems created by methamphetamine labs, domestic drug trafficking and crime, and the lack of progress in closing the nation's treatment gap call into question the relevancy of ONDCP's FY 2007 budget request.

#### The Overall Request

The request for FY 2007 is \$12.7 billion compared with the FY 2006 enacted level of \$12.5 billion. This represents an increase of \$109 million (0.9 percent) over last year's level. Eight major departments, ONDCP, and two small agencies are represented by this request. The request of \$3.4 billion for the Department of Health and Human Services represents the largest portion of the request. This is followed by the Department of Homeland Security with a \$3.3 billion request. The Department of Justice request is the third largest at \$3.0 billion. The two largest initiatives totaling \$304 million are for Customs and Border Protection to control illegal crossings (\$152 million) and for the State Department to expand the Afghanistan opium poppy elimination program (\$152 million). There are no major initiatives for demand reduction.

#### Emphasis on Supply Reduction

Congress requires ONDCP to report its budget request by the two general categories of supply reduction and demand reduction. Supply reduction programs, characterized by domestic law enforcement efforts, source country programs, and interdiction, attempt to stop or disrupt the flow of illicit drugs into the country, at its borders, or overseas. Demand reduction, consisting of drug treatment and prevention programs, seeks to discourage individuals from trying illicit substances or to encourage and assist existing drug users to stop. The FY 2007 drug control budget requests 35.5 percent for demand reduction and 64.5 percent for supply reduction.

#### Changes Since 2001

The budget lens can provide a unique view of the true drug control strategy. Using 2001 as a baseline—the year ONDCP uses to benchmark the success of its drug strategy—the federal drug control budget shows an increasing emphasis on supply reduction programs, particularly those targeting our borders and reaching out into source countries.

A comparison of FY 2001 with FY 2007 shows an increase of \$3.2 billion, or 34 percent, in total drug control resources. Demand reduction programs increased by \$49 million or 1.1 percent over this period whereas supply reduction programs increased by \$3.2 billion, or 66 percent. It is clear that ONDCP's policy emphasis since FY 2001 promotes supply reduction over demand reduction programs.

Over this period, ONDCP has placed its greatest emphasis on international or source country programs and drug interdiction. International program resources grew by 137 percent between FY 2001 and FY 2007. Interdiction programs grew by 64 percent. Domestic law enforcement resources are also counted as supply reduction. Since FY

#### Quick Facts

- \$12.656 billion is requested for the federal drug control program for FY 2007—the fiscal year starting on October 1, 2006 and ending on September 31, 2007.
- Thirty-five and a half (35.5) percent of the request is for demand reduction—i.e., prevention and treatment programs and research. By comparison, demand reduction was 47 percent of the FY 2001 drug control budget.
- Sixty-four and a half (64.5) percent of the request is for supply reduction—i.e., interdiction, international, and domestic law enforcement programs. By comparison, these programs were 53 percent of the FY 2001 drug control budget.
- Demand reduction declines by 7 percent compared to last year, driven by a proposed 19 percent reduction in prevention.
- Over the FY 2001-FY 2007 period, demand reduction increased \$49 million or 1.1 percent whereas supply reduction increased by \$3.2 billion, or 66.1 percent.

# Demand Reduction Being De-Emphasized

2001, domestic law enforcement resources grew by 46 percent.

By comparison to supply reduction, very little emphasis has been placed on demand reduction programs. Over the FY 2001 to FY 2007 period, prevention program resources actually declined by 21 percent. Treatment resources increased by only 17 percent.

The increasing emphasis on supply reduction, particularly interdiction and international programs, simply means that ONDCP sees these programs as more valuable when it comes to solving the nation's drug problem. In other words, it views efforts to reduce drug availability as the best way to reduce demand. However, a number of analysts argue that as long as there is a demand for drugs, drug dealers and traffickers will find a way to meet that demand.

## Unclear Performance Results

The puzzling information about the budget allocations is compounded by evidence that the national drug control strategy is not working. ONDCP's claims to the contrary are based on questionable data from a University of Michigan study of youth drug use of among students in the 8<sup>th</sup>, 10<sup>th</sup>, and 12<sup>th</sup> grades.

The study shows a 19 percent decline in youth drug use between 2001 and 2005. This trend is driven principally by reduced marijuana use. However, the study shows that the decline actually began in 1996, six years before ONDCP introduced its current strategy in February 2002. According to the study, drug use declined by 5.8 percent between 1996 and 2001; it fell by 23.3 percent between 1996 and 2005. (In 1996, previous ONDCP leadership set a goal to reduce youth drug use by 25 percent between 1996 and 2002.)

If the University of Michigan study is to be believed, there is no doubt that ONDCP is the beneficiary of a much longer trend that began well in advance of its current strategy. How ONDCP's current drug strategy (with its increasing emphasis

on interdiction and international programs) contributed to the reduction in youth drug use (driven by marijuana, much of which is domestically grown) or addresses emerging problems (such as prescription drug abuse) is simply unknown.

The federal government's own survey of drug use tells a much different story than the one suggested by the University of Michigan study. The National Survey on Drug Use and Health (NSDUH) shows that overall (youth and adult) drug use is unchanged since 2002. Youth drug use has declined somewhat between 2002 and 2004, but is unchanged between 2003 and 2004; in other words, the decline in youth drug use might have stopped last year.

Furthermore, the NSDUH shows no change between 2002 and 2004 in the number of persons classified as being dependent or in the percentage of the population receiving substance abuse treatment. In short, the evidence is far from overwhelming when it comes to assessing the effectiveness of the current strategy.

## Weakening Federal/State/Local Partnership

When Congress created ONDCP, inter-governmental coordination and consultation was written into the authorizing legislation. Congress was responding to what it perceived as an unfocused and fragmented federal drug control effort. Members who advocated for the creation of a drug policy office specifically stated that it was to be a national body, not just a federal one, working to coordinate anti-drug control efforts at all levels of government.

The national drug control strategy is to be developed with input from state and local governments. However, their budgets will be significantly diminished under the proposed drug budget. For example, the state grants portion of the Safe and Drug Free Schools program is proposed for elimination. This represents a \$347 million reduction in state

assistance. Resources for the Center for Substance Abuse Prevention's Programs of Regional and National Significance are reduced from \$193 million to \$181 million; similar programs in the Center for Substance Abuse Treatment decline from \$399 million to \$375 million. Programs once considered drug related, such as Byrne and COPs, are being cut or eliminated.

In addition, programs that improve federal/state/local coordination are being proposed for reduction or elimination. The High Intensity Drug Trafficking Areas (HIDTA) Program's resources are cut and are to be transferred to a Department of Justice program that does not exclusively combat drug crime as does the HIDTA program. The National Alliance for Model State Drug Laws is proposed for elimination.

One bright light in the request is a \$59.3 million increase for drug court programs from \$9.9 million in FY 2006 to \$69.2 million.

## Conclusion

How the budget request will ultimately be enacted depends on Congress. Last year, lawmakers almost summarily rejected similar budget proposals from ONDCP for FY 2006. In light of data and recent ONDCP statements about growing domestic drug threats from prescription drug abuse and domestically produced methamphetamine and marijuana, it will be interesting to see if Congress agrees with the supply reduction course that ONDCP is charting.

The issue now before the nation is the strength of the evidence for ONDCP's supply-side approach. On this point, ONDCP lacks any means to assess the contribution of the Strategy's key ingredients—i.e., the amounts of prevention, treatment, law enforcement, interdiction, and international resources—to outcomes related to reducing drug use, availability, and drug use consequences.

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