REPORT BY THE U.S.

General Accounting Office

Reported Federal Drug Abuse Expenditures--Fiscal Years 1981 To 1985

GAO's review centers on the Federal Drug Abuse Budget Summary, a document which describes federal agencies' budget authority and outlays for drug abuse programs, including drug law enforcement and prevention and treatment activities.

On the basis of a sample of federal agencies with drug abuse program responsibilities, GAO determined that the

--summary fairly reflects the overall level of outlays by federal agencies involved in drug abuse programs;

--criteria used to report drug-related expenditures vary among the agencies reviewed;

--increase in total federal drug-related outlays exceeded the inflation rate;

--increases in drug law enforcement outlays have been primarily due to agencies' internal reprogramming, although some new funds have been appropriated; and

--federal drug abuse prevention and treatment outlays have decreased since 1982.

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GENERAL GOVERNMENT
DIVISION

B-217976

The Honorable Charles B. Rangel
Chairman, Select Committee on Narcotics
Abuse and Control
House of Representatives

The Honorable Benjamin A. Gilman
Ranking Minority Member
Select Committee on Narcotics Abuse
and Control
House of Representatives

In your November 15, 1984, letter you asked us to determine: (1) whether the drug abuse budget expenditures for fiscal years 1981 through 1985 reported in the Federal Drug Abuse Budget Summary accurately reflect what each federal agency spends on drug-related programs; (2) the criteria federal agencies use in reporting drug-related expenditures; (3) the real increase or decrease in federal drug-related expenditures after inflation is taken into account; (4) what accounts for the real increase, if any, in federal drug law enforcement expenditures; and (5) what accounts for the decreases in federal drug treatment and prevention expenditures.

The Federal Drug Abuse Budget Summary--sometimes referred to as the "drug abuse budget crosscut"--describes the level of federal budget authority and outlays for drug abuse programs, including drug law enforcement and health-related prevention and treatment activities. The summary is prepared by the White House Drug Abuse Policy Office with the assistance of Office of Management and Budget (OMB) analysts, who collect the data from the agencies. It is an informal document prepared for the use of the Drug Abuse Policy Office, OMB, and interested congressional agencies. Summary charts are included in the National Strategy for Prevention of Drug Abuse and Drug Trafficking, a document published by the Drug Abuse Policy Office which provides information on federal and private efforts to reduce drug abuse.

As agreed with your offices, we interviewed and obtained documentation from budget officials at 15 of the 33 federal agencies which report budget expenditures for drug law enforcement and drug abuse prevention and treatment programs. (See app. I.) These agencies accounted for 81 percent of the total projected drug abuse budget outlays reported for fiscal year 1985. We also contacted officials of the White House Drug Abuse Policy Office and the Office of Management and Budget who are involved in preparing the annual Federal Drug Abuse Budget Summary. Our work was performed during the period November 1984 through March 1985.

FEDERAL DRUG ABUSE BUDGET SUMMARY FAIRLY REFLECTS AGENCIES' OUTLAYS

On the basis of our inquiries, we found that the Federal Drug Abuse Budget Summary prepared by the White House Drug Abuse Policy Office fairly represents the overall level of outlays by federal agencies involved in drug abuse programs. The drug abuse budget summary is not the result of a planning process that deals with agencies' drug abuse mission requirements; it is a report describing the agencies' budget authority and outlays in the drug law enforcement and prevention and treatment areas.

DRUG ABUSE BUDGET CRITERIA VARY AMONG AGENCIES REVIEWED

The White House Drug Abuse Policy Office has not established specific criteria for the agencies to follow in allocating drug-related expenditures, and neither the office nor the reporting agencies prepared formal documentation of reported outlays. Three agencies--the Drug Enforcement Administration, the National Institute on Drug Abuse, and the State Department's Bureau of International Narcotics Matters--include their total budgets in the summary because their missions focus totally on the drug abuse problem. The other 12 agencies in our review made individual determinations as to what portion of their overall expenditures was drug-related based on their development of estimates of outlays. We found no consistent reporting relating to headquarters' overhead expenditures among the organizations. For example, the Federal Bureau of Investigation (FBI) does not include any allocation of headquarters' overhead for drug law enforcement programs in its budget summary, while the U.S. Coast Guard does. The process, while informal, produces the

most complete estimate of total federal outlays for drug abuse programs available.[1]

INCREASE IN TOTAL FEDERAL DRUG-RELATED OUTLAYS EXCEEDED THE INFLATION RATE

Total federal outlays for drug abuse programs grew from $1.11 billion for fiscal year 1981 to a projected $1.56 billion for fiscal year 1985, an increase of more than 40 percent. This increase in outlays exceeded the rate of inflation by approximately 19 percent.[2] (See app. II.) Seventy-eight percent of the 1985 total outlay will go towards drug law enforcement programs, and 22 percent will go towards drug abuse prevention and treatment programs. Law enforcement programs grew from $708 million in 1981 to a projected $1.22 billion in 1985, an increase of more than 72 percent. (See app. III.) Reported outlays for drug abuse prevention and treatment programs (including the minimum required funding provided by the Alcohol, Drug Abuse, and Mental Health Block Grants) declined from $404 million to a projected $338 million, a decrease of about 16

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[1]Federal funding for alcohol abuse efforts, with the exception of alcohol research projects funded by the National Institute on Alcohol Abuse and Alcoholism and the National Highway Traffic Safety Administration, is not included in the drug abuse budget summary. For example, funds for the Bureau of Alcohol, Tobacco and Firearms' alcohol law enforcement efforts and the Veterans Administration's alcohol abuse treatment programs are not reported. Funds identified in the summary are for drug abuse programs related to marijuana, cocaine, heroin, and other dangerous drugs.

[2]Using the gross national product (GNP) final demand deflators for federal government purchases of goods and services as a measure of inflation, we determined that the rate of inflation between 1981 and 1985 was 21.6 percent. The GNP final demand deflator for federal government purchases of goods and services is a statistical measure (essentially a price index) which reveals changes up or down in the price level over a period of years, according to constant values. It is used in estimating in constant dollars growth or decline of the physical volume of GNP.

percent in actual outlays.[3] (See app. IV.) Expenditures for law enforcement programs exceeded the rate of inflation by 51 percent, while prevention and treatment programs spending showed an actual decline.

INCREASES IN DRUG LAW ENFORCEMENT OUTLAYS HAVE BEEN PRIMARILY DUE TO AGENCIES' INTERNAL REPROGRAMMING, ALTHOUGH SOME NEW FUNDS HAVE BEEN APPROPRIATED BY CONGRESS

Although some new funding has been appropriated for drug law enforcement efforts in the last 3 years, increases in drug law enforcement outlays have been primarily due to internal reprogramming by the agencies. For example, the U.S. Customs Service and the U.S. Coast Guard have greatly increased missions designed to interdict drugs being smuggled along the land and sea borders. The FBI, which also has become increasingly involved in drug investigations, has internally reprogrammed funds to that area.

Some new funding has been appropriated to increase drug law enforcement efforts. The major new initiative has been the Organized Crime Drug Enforcement (OCDE) Task Force program, which was appropriated $127.5 million in fiscal year 1983.[4] Additional funding has also been received by the following agencies:

--In fiscal year 1985, the FBI received an appropriation of $9,464,000 to fund 142 new agent positions and 103 support positions, and it received an appropriation of

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[3]We included $85 million in the projected 1985 budget outlay to reflect the minimum required spending for drug abuse prevention and treatment programs provided by the Alcohol, Drug Abuse, and Mental Health Block Grant. Block grant program funds are not included in the budget summary but are shown as a footnote. State block grant spending above the required minimum is not reported and cannot, therefore, be included.

[4]The OCDE Task Forces were initially funded in 1983 from a single appropriation. However, for 1984 the method of Task Forces funding changed in that funding for the Department of Treasury agencies was provided directly to those agencies. This decentralized funding approach was extended to all participating agencies for 1985. Because of this new approach, we could not identify the total funding of the program for fiscal years 1984 and 1985.

$500,000 for intelligence programs in the drug investigations area.

--In fiscal years 1984 and 1985, the U.S. Coast Guard was appropriated a total of $800,000 to develop a radar system and a marine vehicle for use along the border.

--In fiscal year 1984, the U.S. Customs Service received one-time appropriations of $3 million for its marine program communications system and $25 million to purchase planes for its air interdiction program.

FEDERAL DRUG ABUSE PREVENTION AND TREATMENT OUTLAYS HAVE DECREASED

Federal drug abuse prevention and treatment outlays have decreased with the implementation of the Alcohol, Drug Abuse, and Mental Health (ADAMH) Block Grant in 1982. National Institute on Drug Abuse (NIDA) categorical grants to state governments were consolidated into the ADAMH block grant program and funding was reduced to reflect savings in federal overhead expenditures which were expected to result from direct program administration by the states. NIDA officials estimated that the reduction in NIDA funds due to expected overhead savings was about 20 to 25 percent of the former categorical grants program. The block grant program gives the states more discretion in how funds will be spent and broader administrative responsibilities. The program requires that certain minimum levels of funding received by the states go to drug abuse programs. Inclusion of the block grant program in the federal drug abuse budget would more accurately reflect the amount of this federal expenditure, but NIDA budget officials told us that the states do not report expenditures on drug abuse programs funded by the block grant program.

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Despite some inconsistencies relating to reporting overhead expenditures, the present Federal Drug Abuse Budget Summary fairly represents the overall level of outlays by federal organizations involved in drug law enforcement and drug prevention and treatment programs. If the Congress requires either a more precise accounting of total federal outlays in the drug abuse area or a more detailed justification for specific drug program expenditures, then a more sophisticated system for accounting and reporting than currently exists would be needed.

We trust this information will be helpful to you in your oversight responsibilities. Pursuant to your offices' request, we did not obtain agency comments on this report. As arranged with your offices, unless you publicly announce its contents

earlier, we plan no further distribution of this report until 30 days from the date of the report. At that time we will send copies to the White House Drug Abuse Policy Office, the Office of Management and Budget, and the Attorney General. Copies will be made available to others upon request.

W. J. Anderson

William J. Anderson
Director

Federal Agencies With Drug Abuse Program Responsibilities and Their Projected FY 1985 Outlays

Federal agencies contacted	Agencies' drug abuse program responsibilities	Drug law enforcement projected FY85 outlays		Drug abuse prevention and treatment programs projected FY85 outlays	
		$ millions as reported by drug abuse summary	% of total outlays-drug abuse summary	$ millions as reported by drug abuse summary	% of total outlays-drug abuse summary
Department of Justice: Drug Enforcement Administration	Drug trafficking investigations, drug intelligence and regulatory control.	327.7	26.8		
Federal Bureau of Investigation	Concurrent jurisdiction in drug investigations, investigation of other criminal activities associated with drug trafficking.	93.2	7.6		
Department of Treasury: U.S. Customs Service	Border control, air and marine interdiction, currency investigations.	251.9	20.6		
Internal Revenue Service	Intelligence, income tax, and money laundering investigations related to the financial aspects of illegal drug trafficking.	58.3	4.8		
Department of State: Bureau of International Narcotics Matters	Coordination and direction of U.S. drug control efforts overseas. International drug control policy development, assistance, and funding for foreign crop control and interdiction programs.	42.8	3.5		
Department of Transportation: U.S. Coast Guard	Border control and interdiction of drug smugglers on the high seas. Treatment and rehabilitation of personnel, prevention and education programs.	245.1	20.1	1.6	0.5
National Highway Traffic Safety Administration	Research and technical support for drunk and drugged driving programs.			2.7	0.8
Department of Health and Human Services--Alcohol, Drug Abuse, and Mental Health Administration	Administers Alcohol, Drug Abuse, and Mental Health (ADAMH) Block Grant, which provides funding for drug abuse prevention and treatment programs at the state level.			85.0[a]	25.2

APPENDIX I

Federal agencies contacted	Agencies' drug abuse program responsibilities	Drug law enforcement projected FY85 outlays: $ millions as reported by drug abuse summary	Drug law enforcement projected FY85 outlays: % of total outlays-drug abuse summary	Drug abuse prevention and treatment programs projected FY85 outlays: $ millions as reported by drug abuse summary	Drug abuse prevention and treatment programs projected FY85 outlays: % of total outlays-drug abuse summary
National Institute on Drug Abuse	Primary agency for drug abuse health issues, including treatment technology, biomedical, applied and epidemiological research, and development and dissemination of drug abuse prevention information.			73.7[b]	21.8
National Institute on Alcohol Abuse and Alcoholism	Research on alcohol abuse and alcoholism; dissemination of alcohol abuse information; and cooperation with federal, state, and local groups on alcohol abuse prevention efforts.			3.8[b]	1.1
National Institute on Mental Health	Research on relationships between mental health and drug or alcohol abuse.			0[b]	0
Social Security Administration	Treatment and rehabilitation program for disabled beneficiaries with drug or alcohol problems.			0.7	0.2
Veterans Administration	Research on drug and alcohol abuse; treatment and rehabilitation of veterans.			69.7	20.6
Department of Education	Drug and alcohol abuse education in public elementary and secondary schools.			2.9	0.9
ACTION	Encouragement of volunteer and private sector efforts, coordination of selected prevention activities, dissemination of drug and alcohol abuse information.			6.9	2.0
White House Drug Abuse Policy Office	Coordination of federal drug abuse efforts and development of National Strategy For Prevention Of Drug Abuse And Drug Trafficking.			0.2	0.1
Total		$1,019.0	83.4	$247.2	73.2
Federal agencies not contacted[c]		202.7	16.6	90.7	26.8
Total		$1,221.7	100	$337.9	100

APPENDIX I

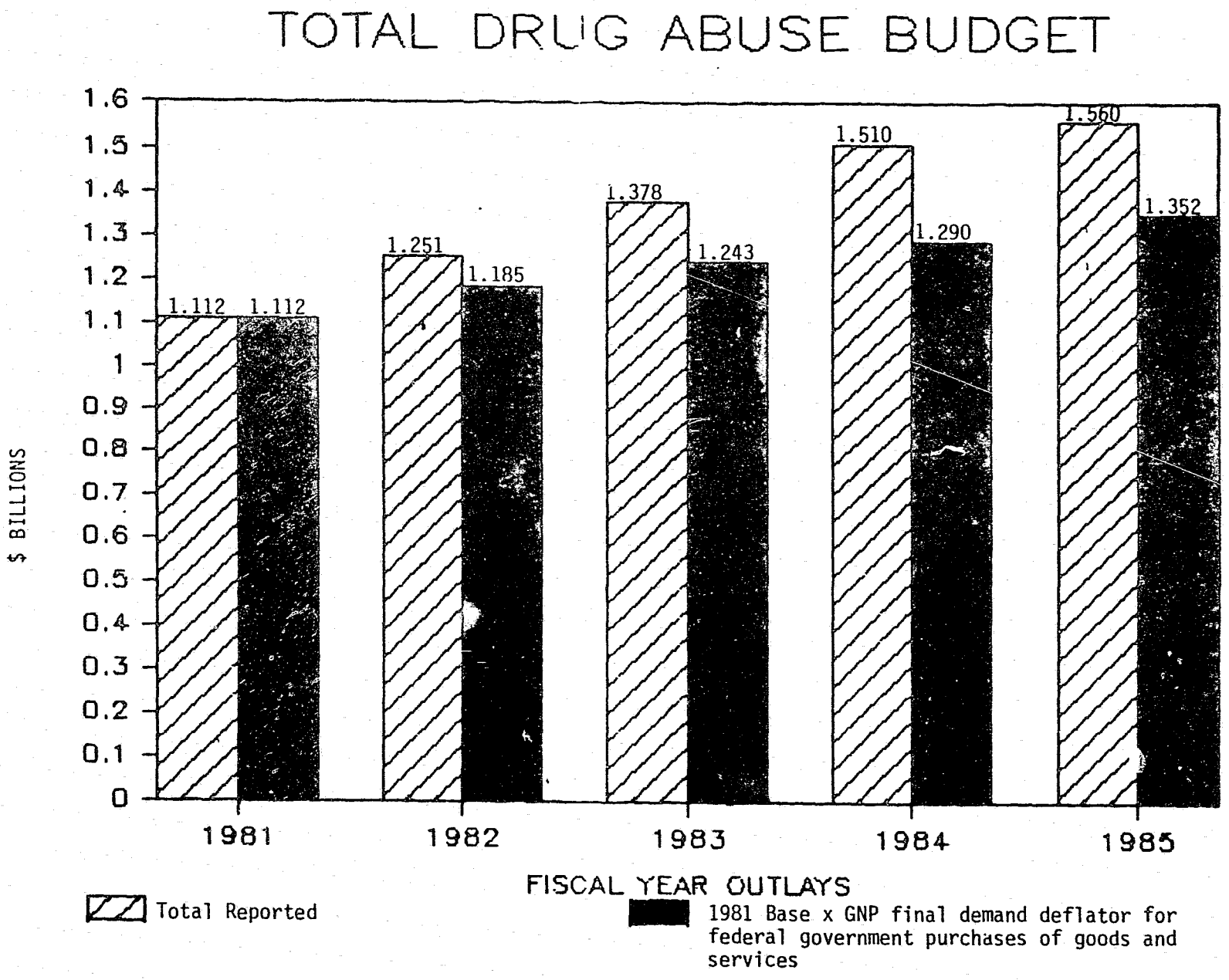
Table Notes

[a]This amount reflects the FY85 minimum required spending for drug abuse prevention and treatment programs provided by the ADAMH Block Grant.

[b]In addition to the $85.0 million amount for the ADAMH Block Grant drug programs, these amounts reflect spending on research projects and development and dissemination of drug information.

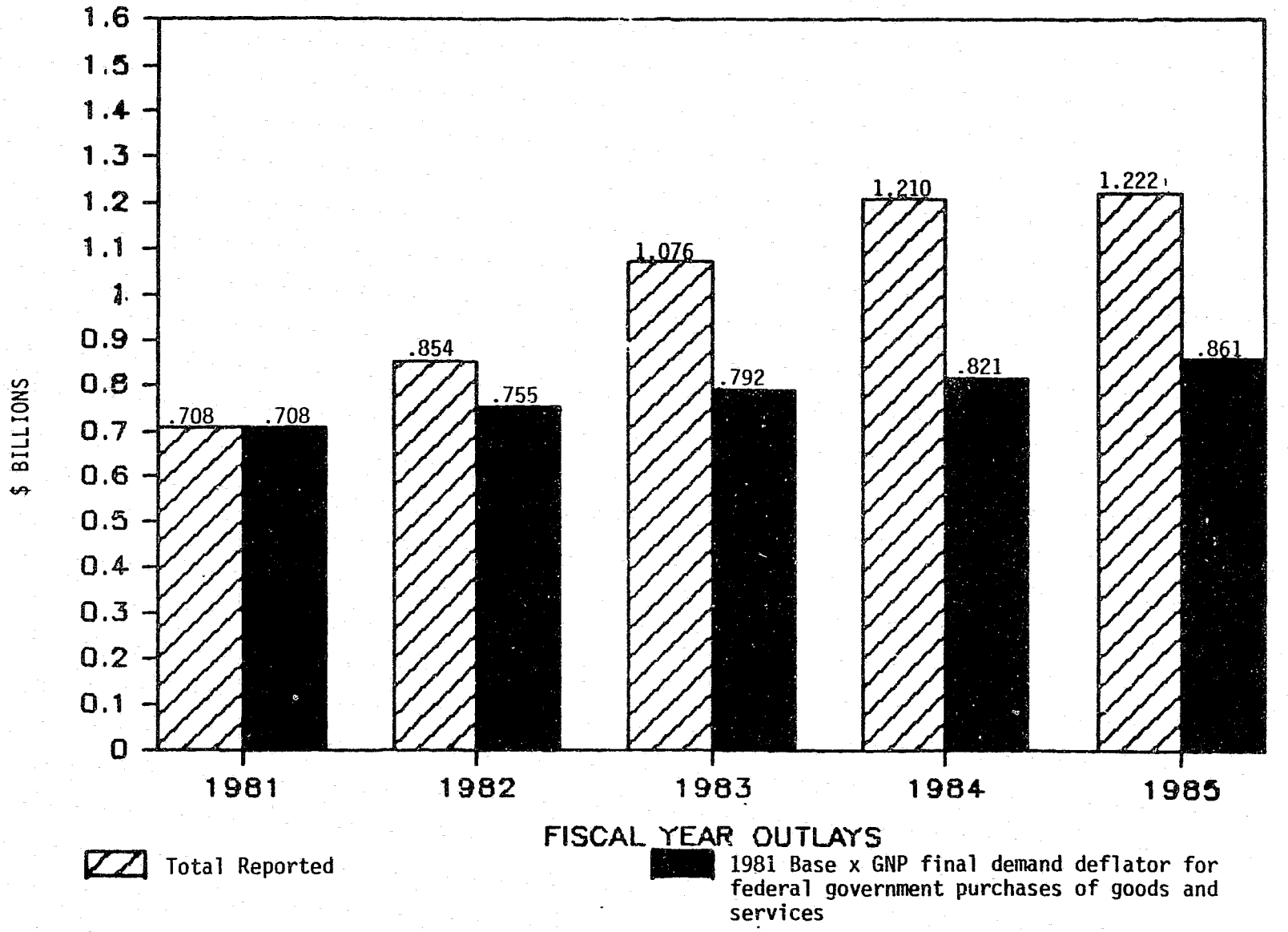
[c]Federal agencies not contacted during our review include: Department of Justice--Criminal Division, Tax Division, U.S. Attorneys, U.S. Marshals Service, Organized Crime Drug Enforcement Task Force Program, Immigration and Naturalization Service, Bureau of Prisons, Office of Justice Assistance, Research and Statistics; Department of Treasury--Bureau of Alcohol, Tobacco and Firearms; Department of State--Agency for International Development; Department of Defense; Department of Transportation--Federal Aviation Administration, Federal Railroad Administration; Department of Health and Human Services--Office of Human Development, Food and Drug Administration; Department of Agriculture--Agricultural Research Service, U.S. Forest Service; Department of Labor--Employment and Training Administration.

APPENDIX I


TOTAL DRUG ABUSE BUDGET
$ BILLIONS
1.6
1.5
1.4
1.3
1.2
1.1
1
0.9
0.8
0.7
0.6
0.5
0.4
0.3
0.2
0.1
0
1.112
1.112
1.251
1.185
1.378
1.243
1.510
1.290
1.560
1.352
1981
1982
1983
1984
1985
FISCAL YEAR OUTLAYS
Total Reported
1981 Base x GNP final demand deflator for federal government purchases of goods and services

APPENDIX II

DRUG LAW ENFORCEMENT PROGRAMS



APPENDIX III

PREVENTION/TREATMENT PROGRAMS

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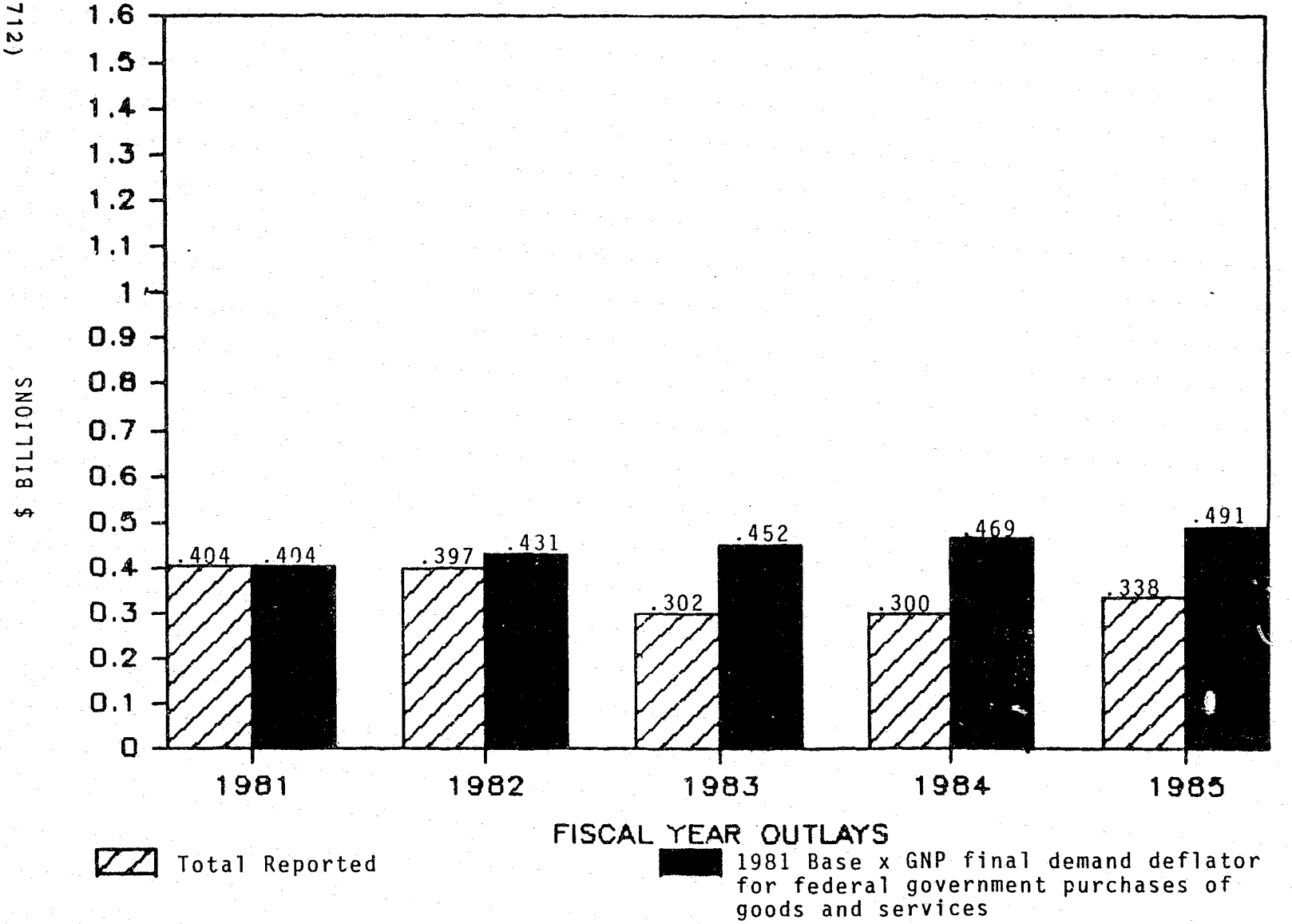

APPENDIX IV