



Restoring the Integrity of the Office of National Drug Control Policy

**Written Statement of:
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Priorities of the Office of National Drug Control Policy under the New Administration.”***

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Mr. Chairman, Ranking Member, and Members of the Subcommittee, it is indeed a great honor and privilege to submit testimony about the Office of National Drug Control Policy (ONDCP). ONDCP's mission is to lead the nation in setting a course to reduce illicit and illegal drug use and its damaging consequences. In achieving its mission, ONDCP is required to coordinate and collaborate with a multitude of federal agencies and other stakeholders that include state and local governments, non-government organizations, and other stakeholders to shape a national drug control strategy and a federal budget to implement it. This strategy is required to address the nation's needs with evidence-based programs, policies, and practices so that it can achieve its measurable short- and long-term goals and objectives. Recognizing that no one course of action may be perfect, the strategy is also required to include a performance measurement system to provide a feedback mechanism to act as a telltale about its success or failure. This feedback is essential to ensuring that the national strategy is self-correcting and flexible in its response to achieving its desired results and also responsive to dynamic circumstances.

ONDCP is the agency that can do much to save lives and mitigate crime and health consequences associated with drug use. Its leadership is essential to the successful organization of a balanced, coordinated, and comprehensive national drug control strategy, one that can lead this nation and the international community out of the malaise that the drug problem creates. The new leadership now at ONDCP must restore ONDCP's prominence and effectiveness if the agency is to achieve its critical mission.

In my testimony below, I examine ONDCP's past performance relative to its statutorily designed mission. I find that it failed to achieve its mission in the last eight years and recommend a number of actions that might help restore ONDCP's integrity and effectiveness in guiding the nation through all the complex issues related to illicit drug use and its damaging consequences (the so-called drug problem). My testimony also incorporates the recent recommendations of the report by the National Academy of Public Administration (the NAPA Report) that examined ONDCP's capacity and performance in a similar regard. This report, "Office of National Drug

Control Policy, Building the Capacity to Address the Nation’s Drug Problems” offers a series of recommendations, most of which I agree with and some with which I strongly disagree.¹ I will sprinkle in my thoughts on many of the NAPA recommendations throughout my testimony.

ONDCP’s Past Performance

The drug policy of the past eight years had essentially one goal: to reduce youth and adult drug use by 10 percent in two years, by 2004, and by 25 percent in five years, by 2007. Unlike the strategies promulgated by past administration, the previous administration’s national drug control strategy did not offer any goals related to reducing drug availability, nor did it offer any goals related to reducing the health and crime consequences directly related to drug use.² These critical outcome areas were ignored. The ONDCP reauthorization (and previous authorizations of that office) clearly requires goals in these areas.

So how did the past policy fare with regard to its goal of reducing drug use? I believe it is fair to say that the evidence is mixed. According to the National Survey on Drug Use and Health (NSDUH)—the annual survey of illicit and licit drug use provided each year by the HHS’ Substance Abuse and Mental Health Services Administration—illicit drug use among adults (those persons ages 18 and older) remained unchanged since 2002. In 2002, drug use among those 18 years of age or older was 7.9 percent (16.6 million adult drug users). By 2007, it was 7.8 percent (17.4 million adult drug users). The strategy totally failed to achieve any progress in this key goal area established by the previous administration.

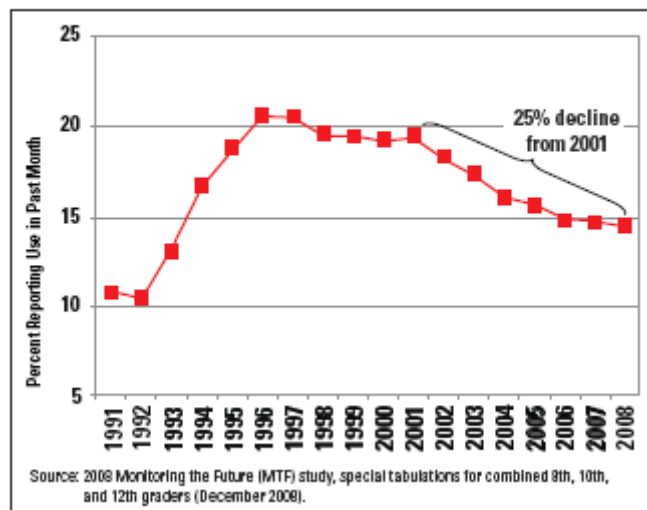
There was progress in reducing youth drug use. According to data Figure 1, in the January 2009 Strategy released by the previous administration, youth drug use as measured by the University of Michigan’s Monitoring the Future Study (MTF) reported a 25 percent decline in drug use over

¹ The NAPA Report was required by the Congress to improve its oversight of ONDCP. The NAPA report was first published in November 2008.

² Drug strategies dating back to the Nixon Administration set performance targets to achieve results in the following three areas: drug use; drug use consequences, which would normally include targets related to drug-related health and crime matters; and drug availability. ONDCP statutorily mandate structure emphasizes supply reduction and demand reduction and lists numerous metrics that fall into these areas. Over the last eight years, ONDCP has targeted only one of these areas: drug use.

the 2002 to 2008 time period from a combined sample of 8th, 10th, and 12th graders. What ONDCP failed to note, but is depicted in the figure, is that this trend actually began after 1996. Past month use of any illicit drug among the combined sample of 8th, 10th, and 12th graders peaked in 1996 at 20.6 percent. By 2002 it had fallen by 11.7 percent to 18.2 percent, achieving half of the 1996 strategy's goal for 2002. The good news for the administration then in charge is that they not only stopped an upward trend in youth drug use that started in 1991, they were able to reverse it. They were, however, unable to achieve the five year goal of reducing youth drug use by 25 percent by 2002. Regardless, the fact that youth drug use declined starting in 1997 means those past efforts to reduce drug use had their foundation and roots in approaches launched within past strategies than within the current strategy. From 1996 to 2008, youth drug use as measured by this same survey fell by 29.1 percent; it fell by 24 percent more between 2001 and 2006, almost hitting the administration's five year goal of 25 percent. It did hit the 25 percent goal one year later in 2008 (see Figure 1).³

Figure 1.
Teen Drug Use is Down Sharply from 2001



It is important to note that in 2007 and 2008 youth attitudes about the dangers of drug use appear

³ The 1996 National Drug Control Strategy set a goal of reducing youth drug use by 25 percent by 2002. Using the past administration's own data, it is clear that the 1996 strategy was on track and achieved half its stated goal by 2002. Arguably, the reported success in this decade in reducing youth drug use is the result of past administrations efforts.

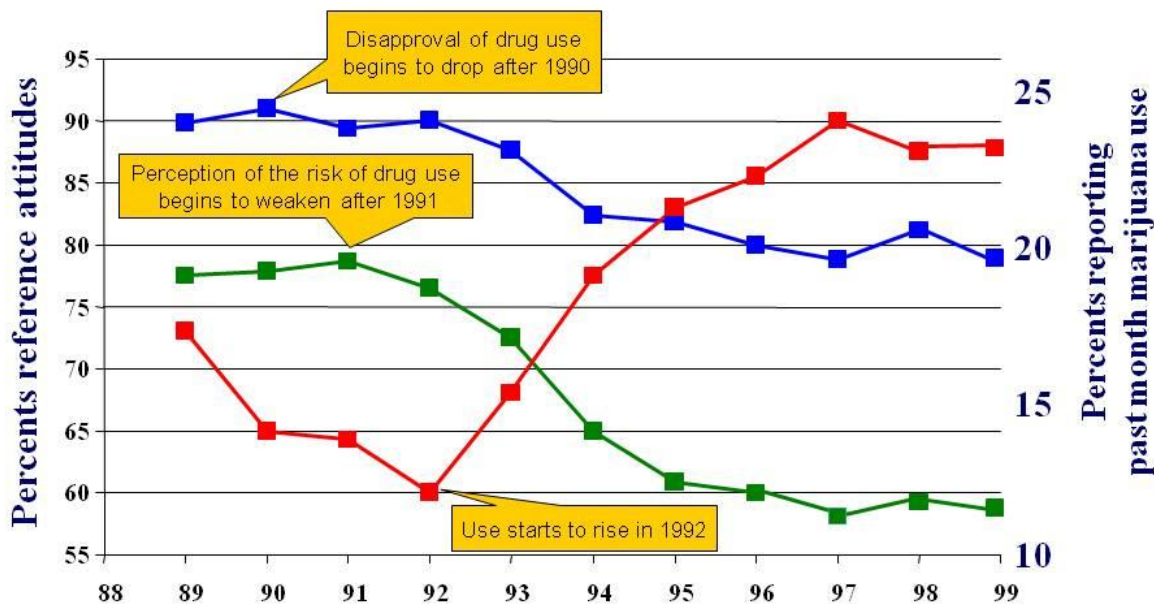
to be softening. According to the Monitoring the Future Study, the rate of disapproval of smoking marijuana regularly among youth in the 12th grade experienced a statistically significant decline between 2007 and 2008, from 83.3 percent to 79.6 percent.⁴ In terms of how these same youth perceive the harmfulness of seeing others use marijuana on a regular basis, the rate also fell from 54.8 percent to 51.7 percent. Though this change was not statistically significant between 2007 and 2008, the decline in perception of harmfulness actually began in 2005, when it was at 58.0 percent—this decline (from 2005 to 2008) is statistically significant.⁵ These changes in “softening” attitudes related to perceived harmfulness and disapproval of drug use do not bode well for the new Administration: it may well inherit a troubling upward trend of increasing youth drug use—with all its attendant problems and costs—if youth attitudes *continue* to soften. Indeed the new leadership could very well be blamed in the future for a serious problem that had its seeds planted well before taking office. As will be pointed out later, the previous administration cut resources for prevention substantially over its eight-year tenure. Perhaps these cuts are behind what now appears to be an emerging drug use problem among youth.

History can help us better understand the importance of these changes. Consider what happened to youth drug use back in 1992. Figure 2 shows that youth drug use spiked upward starting in 1992 when the Clinton administration entered office. The year 1992 represents a period when youth drug use was at its lowest point ever, but was preceded by a trend of a softening in attitudes about the dangers of drug use among youth. This softening in attitudes preceded the upward spike in youth drug use two to three years prior to the spike. No one foresaw this spike, nor was the prevention research field then a mature science as it is today, capable of foreseeing upward trends before they occur. In 1992 youth drug use was starting a five year upswing to almost record levels. If history repeats itself, the current Administration could soon face the same problem.

⁴ University of Michigan, The Monitoring the Future Study, 2008, Table 10.

⁵ Ibid, Table 7 and discussions with University of Michigan staff.

Figure 2
Relating Attitudes to Use



Source: Monitoring the Future Study

In fact, a closer look at the 2007-2008 MTF data reveals an uptick in 8th and 12th grade past year use of any illicit drugs. These increases also occurred for past month use. Though not statistically significant, these trends must be watched closely. My advice to the new administration and the Congress is: hope for the best but wisely prepare for the worst. To prevent the worst case from occurring, resources for population-based prevention program efforts that incorporate environmental strategies as well as those that target high-risk youth must be immediately expanded.

As for progress in other critical drug use categories, the record is one of failure. New drug epidemics went largely ignored, despite warnings from many circles—particularly many individuals on this subcommittee. Abuse of prescription drugs exploded in this decade and

continues at what most epidemiologists would consider epidemic levels. And it is the same story for methamphetamine. Methamphetamine is an especially harmful drug; the number of individuals in treatment has doubled since 2000, thereby placing a serious strain on our limited treatment resources. The previous administration did eventually address these two areas, but only after the Congress intervened and directed it to do so.

Rates of addiction to illicit drugs (and to alcohol) remain unchanged. Why is this important? Research has shown that those who are addicted represent a small portion of the total drug using population, but are responsible for the majority of illicit drugs used each year and for much of the crime and societal harm that accompanies with drug use. In one study of cocaine, for example, it was found that those who were addicted represented about 20 percent of the population of cocaine users—a seemingly small group—but accounted for over two-thirds of all the cocaine consumed in the nation. Getting their numbers down makes sense as a goal for the national drug control strategy, not only because of the obvious health benefits, but because it means that those who traffic in cocaine will have a smaller drug market to serve. Those individuals on the front lines who try to prevent cocaine from entering the nation and being sold on its streets will have much less work to do if addiction can be reduced. Simply put: a smart demand reduction policy is a good supply reduction programming. It's simply common sense that applies to all drugs of abuse. Reduce demand and you will reduce supply.

As for other performance indicators, ONDCP reports that the potential production of heroin is up over the 2001 to 2005 period, mostly because of an explosion of poppy cultivation in Afghanistan. The exact estimate of heroin availability is unknown, as estimates for some nations are not available for certain minor heroin producing nations like Vietnam, Thailand, and Colombia. Estimates of potential production of cocaine hydrochloride for the 2002 to 2006 period show no change in the estimates. The estimate of 975 metric tons in 2002 is just five tons more than the estimate of 970 in 2006.⁶

⁶ONDCP National Drug Control Strategy Data Supplement 2009 (January 2009), tables 93 and 97.

With regard to measures of health consequences associated with drug use, the news is mixed. We know from research that some factors have a strong, established association to drug use and can serve as proxy measures for trends. For example, health statistics, such as HIV/AIDS rates, can provide insight into intravenous drug use (IDU) since that is a major method of disease transmission. From 2001 – 2006 (the latest year data are available), the bad news is that the number of males living with AIDS increased 37.8 percent from 261,224 to 353,825. However, the good news is that the percentage of these cases which are drug-related, meaning the percentage of the disease which was acquired through IDU, actually decreased from 30.9 percent in 2001 to 23.8 percent in 2006. In fact, the number of males who acquired AIDS through IDU continues a much longer downward trend that began in 1994. Similarly, the story is the same for females. The number of females living with AIDS has increased since 2001 from 71,089 to 131,195 (84%). During the same time period, the percentage who acquired the disease through IDU decreased from 38.2 percent in 2001 to 25.5 percent in 2006. Again, this recent success continues a much longer downward trend, which has been ongoing since 1994 when almost half (49.7%) of female AIDS cases were IDU-related.⁷

Crime is also a variable strongly correlated and associated with drug use. Aside from most substance use being a crime in itself, individuals commit crimes that are drug offenses, such as possession and trafficking: they commit crimes to obtain drugs directly or to obtain money to buy drugs, and they commit crime while under the influence of drugs. When reviewing crime trends from 2001 to 2007, it can be seen that the number of crimes reported to all law enforcement agencies has slightly decreased 5.25 percent overall from 11.87 million to 11.25 million. Property crimes, such as burglary, larceny-theft, motor vehicle theft, are more strongly associated with drug use than violent crimes (murder, rape, robbery, aggravated assault). Between 2001 and 2007, the number of property crimes decreased 5.7 percent from 10.43 million to 9.84 million. However, the number of individuals arrested for drug abuse violations, such as possession and/or drug sales increased 16 percent from 13.7 million in 2001 to 14.21 million in 2007. While the increase in arrests could reflect a change in enforcement policies, the

⁷ ONDCP, Ibid, Table 35.

trend bears watching. Further, the percent of all arrests that drug-related arrests represent, increased from 11.5 percent in 2001 to 13.0 percent in 2007.⁸

In summary, except for progress in reducing youth drug use (which may now be ending), the previous administration failed to achieve results with regard to its goal for adult drug use or in key outcome areas. The NAPA Report found that ONDCP was “heavily reliant on data from a single survey, and [was] focused more on program success than comprehensively assessing the short- and long-term status of the drug problem.”⁹ Eight years were wasted.

Reasons for the Failure of ONDCP’s Past Performance

There are many likely explanations about the failure of ONDCP to achieve its goals and to recognize and respond to emerging drug use trends. Chief among them is its failure to satisfy its statutory responsibility to engage its most critical role of coordinating and collaborating with other federal agencies, other levels of government, non-government organizations, and other experts in drug policy. This failure was compounded by other shortcomings, such as its inability to create a federal drug control budget to *match* the rhetoric of its strategy. It also failed to meet its statutory requirement to *evaluate* its strategy’s progress using its own performance measurement system. It also failed to *recognize* the significant problems that our nation’s seemingly insatiable demand for drugs creates for other nations. These problems and others are highlighted in the NAPA Report, but I will further elaborate on them here.

First, with regard to its responsibility to coordinate policy formulation—the drafting of the national drug control strategy that is responsive to the nation’s drug problem—ONDCP acted almost in total isolation from its other stakeholders. One easy example of this is the disbanding of federal interagency working groups to manage and coordinate demand reduction and supply reduction policies, programs, and resources. To my knowledge, based on discussions with ONDCP and NAPA staff, such meetings were not held. This meant that those in the federal community involved in drug policy were not consulted for their ideas about how best to shape a

⁸ ONDCP, *Ibid*, tables 39 and 40.

⁹ NAPA Report, page xiii.

national evidence-based policy to address drug use and its consequences. In fact, the NAPA Report recommends that ONDCP “build a collaborative and consultative culture” with regard to external relationships.¹⁰ The disbanding of the federal interagency working groups is only a single example, but a critical one.

Second, ONDCP managed to implement a federal drug control budget that was completely at odds with its one strategic goal of reducing drug use. As Table 1 shows, federal resources during the previous administration for supply reduction grew the most during the FY 02 to FY 08 period by 64 percent. In fact, supply reduction resources now represent nearly two-thirds of the total federal drug control budget. By comparison, resources for demand reduction grew by less than 9 percent and its share of total resources now represents just slightly more than one-third of all resources.

What drug control policy and funding approaches are truly *most* effective?? Research suggests that treatment and prevention programs are very effective in reducing drug demand, saving lives, and lessening health and crime consequences. It has demonstrated that attacking drugs at their source, by focusing on eradication, is expensive and not very effective. It has demonstrated that interdiction has little effect on drug traffickers’ ability to bring drugs into the United States and on to our street corners where they are sold. It has also shown that law enforcement and the broader criminal justice system can be a powerful partner in using its coercive powers to help drug users stop using drugs and committing drug-related crime.

In budget terms, and considering the lessons offered by research, one would expect marginal changes in the drug budget emphasizing treatment, prevention, and law enforcement over source country programs and interdiction, yet the federal drug budget does not currently heed the evidenced-based course of action.

¹⁰ NAPA Report, page xiv.

TABLE 1

**Bush Administration Record on
Federal Drug Control Spending, by Function
FY 2002–FY 2009**
(Budget Authority in Millions)

	FY 2002 Final	FY 2003 Final	FY 2004 Final	FY 2005 Final	FY 2006 Final	FY 2007 Final	FY 2008 Final	FY 2009 Enacted	FY 02 - FY 09	
									Dollar Change	Percent Change
By Function:										
Treatment (w/Research)	\$2,785	\$2,876	\$3,028	\$3,053	\$2,942	\$3,061	\$3,255	\$3,416	\$631.3	22.7%
<i>Percent</i>	26.2%	25.9%	25.5%	24.1%	22.6%	22.1%	24.5%	23.0%		
Prevention (w/Research)	\$1,996	\$1,937	\$1,956	\$1,952	\$1,863	\$1,842	\$1,750	\$1,791	-\$205.0	-10.3%
<i>Percent</i>	18.8%	17.5%	16.5%	15.4%	14.3%	13.3%	13.2%	12.1%		
Domestic Law Enforcement	\$2,867	\$3,018	\$3,190	\$3,318	\$3,475	\$3,749	\$3,544	\$3,654	\$786.7	27.4%
<i>Percent</i>	26.9%	27.2%	26.9%	26.2%	26.7%	27.1%	26.7%	24.6%		
Interdiction	\$1,914	\$2,148	\$2,534	\$2,928	\$3,286	\$3,176	\$2,901	\$3,836	\$1,923	100.5%
<i>Percent</i>	18.0%	19.4%	21.4%	23.2%	25.3%	22.9%	21.9%	25.8%		
International	\$1,085	\$1,105	\$1,159	\$1,393	\$1,435	\$2,017	\$1,825	\$2,148	\$1,063	98.0%
<i>Percent</i>	10.2%	10.0%	9.8%	11.0%	11.0%	14.6%	13.7%	14.5%		
Total	\$10,646	\$11,083	\$11,867	\$12,644	\$12,999	\$13,844	\$13,276	\$14,845	\$4,199	39.4%
By Supply/Demand Split										
Supply	\$5,865	\$6,271	\$6,883	\$7,639	\$8,195	\$8,941	\$8,270	\$9,638	\$3,772	64.3%
<i>Percent</i>	55.1%	56.6%	58.0%	60.4%	63.0%	64.6%	62.3%	64.9%		
Demand	\$4,781	\$4,813	\$4,984	\$5,005	\$4,805	\$4,903	\$5,006	\$5,207	\$426	8.9%
<i>Percent</i>	44.9%	43.4%	42.0%	39.6%	37.0%	35.4%	37.7%	35.1%		
Total	\$10,646	\$11,083	\$11,867	\$12,644	\$12,999	\$13,844	\$13,276	\$14,845	\$4,198	39.4%
Source: ONDCP Budget Summaries, 2003 through 2009. Trends and calculations by Carnevale Associates, LLC. May 2009.										
Note: Budget estimates assume the drug budget accounting methodology used during the Bush Administration.										

The previous table shows the following:

- Interdiction grew the most over the FY02-09 period, increasing by 101 percent, or \$1,923 million, from about \$1,914 million to \$3,836 million.
- Source country resources grew the second fastest, by 98 percent, or \$1,063 million, from \$1,085 million to \$2,148 million.
- Law enforcement grew the third fastest, increasing by 27 percent, or \$786.7 million, over the period from \$2,867 million to \$3,654 million.
- Treatment places fourth place, increasing by 23 percent, or \$631 million, from \$2,785 million to \$3,416 million.
- Prevention is dead last, with resources actually declining by 10 percent, or a negative \$205 million, from \$1,996 million to \$ 1,791 million over the FY 02-09 period.

Given the past administration's emphasis on demand reduction, one would have expected exactly the opposite ordering of federal resources. Instead, compared to demand reduction resources, resources for supply reduction witnessed a nine-fold increase thereby creating budget/policy mismatch and likely contributing to ONDCP's poor performance in achieving results.

I am also concerned about the current administration's FY 2010 proposed budget with respect to its proposal to further cuts to prevention, particularly if the State Grants portion of Safe and Drug Free Schools and Communities is terminated. The requested increase for substance abuse treatment is too small to make much of a difference in reducing the demand for drugs. I hope our new drug czar who arrived too late to influence the FY 2010 budget request will make the expansion of resources for treatment and prevention much more of a priority in the out years to ensure the strategy's future success in reducing drug use and its consequences.

Third, ONDCP failed to meet the requirements of law by developing a performance measurement system linking the nation's actions to address the drug problem with its programs, policies, and practices enacted through the budget process. Rather than evaluating the performance of the strategy, ONDCP relied on the Office of Management and Budget Performance Assessment Rating Tool (PART).¹¹ PART, by its very design, looks at the effectiveness of individual programs; in this case, programs that are funded by the federal drug control budget. What PART fails to do is to evaluate the efficacy of the strategy's goals and objectives. In other words, one cannot use PART to evaluate whether the doubling of the interdiction budget over the course of the previous administration contributed in any way to results. PART may look at an individual interdiction program such as the DHS's Air and Marine Program, but this information alone is not sufficient to explain whether all interdiction programs are achieving their desired results. The same argument holds for the other four main ingredients of a drug strategy (prevention, treatment, law enforcement, and international efforts). ONDCP should have designed a system to provide a feedback mechanism to tell if the choice of programs, as reflected by its budget, was having any impact. Had it done so, perhaps we would not now be witness to the lack of progress in addressing this nation's drug problem.

The NAPA Report is not too keen on ONDCP engaging in performance measurement, as it views the OMB PART process as paralleling the requirement for performance measurement. In this regard, the NAPA Report is off the mark.¹² It recommends that ONDCP no longer require performance reports.¹³ The problem with this recommendation is that the NAPA panel did not recognize the critical difference between program versus policy (strategy) evaluation. By law, ONDCP is required to assess the performance of its strategy, which means that it is to see if the mix of the five main ingredients of its strategy—prevention, treatment, law enforcement, interdiction, and international programs—is having the desired effect on achieving results in three key performance results areas—drug use, availability, and drug use consequences. PART

¹¹ It is my understanding that PART will be supplanted by another approach in the Obama administration.

¹² NAPA Report, page xv.

¹³ NAPA Report, page 133.

is program based and is not an adequate tool to use to evaluate the efficacy of a drug policy. ONDCP must rebuild a state-of-the-art performance measurement system: such a system should at least match the level of sophistication of the former system in place in the late 1990's.¹⁴

Finally, by targeting interdiction and international programs, ONDCP was in essence taking the approach that supply reduction was the best way to reduce demand. Research suggests otherwise.¹⁵ In fact, one prominent researcher has opined that such programs are designed to blame other nations' inabilities to curb cultivation and production for our own demand.¹⁶ Blaming other nations for our own problems is not the solution for reducing our demand for drugs. In fact, one could argue the reverse: that it is our demand that is creating problems for other nations. The terrible drug-related violence now being experienced in Mexico is one clear and close example of the failure of our past drug control policy to reduce rates of addiction. As was stated earlier, our overall drug use—particularly rates of addiction—is the main reason that nations that are major supply contributors to the U.S. drug market have drug trafficking organizations fighting for the substantial profits brought about by the drug trade. I believe it is time for this nation to fully accept its responsibility for the role that its drug demand plays in fostering drug production, trafficking, and drug-related violence in other parts of the world.

ONDCP's Road to Recovery

Rather than to continue to dwell on ONDCP's failures, it is more useful and constructive to look ahead and discuss what is needed to create an effective national drug policy. The first step is to restore the ONDCP's integrity by recommitting the agency to its policy leadership mission. That Office was created by the Congress to focus this nation's efforts to solve the drug problem by developing and implementing a balanced, comprehensive national drug control strategy. To do

¹⁴ For more information about the Performance Measurement System implemented by ONDCP in the 1990's, see Patrick Murphy and John Carnevale, "The Challenge of Developing Cross Agency Measures: A Case Study of the Office of National Drug Control Policy," The PricewaterhouseCoopers Endowment for the Business of Government, August 2001. The performance measurement system was endorsed by a "Sense of Congress" in ONDCP's 1998 reauthorization.

¹⁵ RAND, *Controlling Cocaine*, 1992.

¹⁶ See Peter Reuter, "Do No Harm: The Global Dimension of the War on Drugs Needs Downsizing," *The American Interest* • Volume IV, Number 4, Spring (March/April) 2009.

this, the ONDCP must, at the very minimum, restore and expand the critical coordination and collaboration efforts within the federal community, among all levels of government, as well as with non-governmental organizations. Only then can ONDCP effectively build consensus on how best to use law enforcement, the treatment and prevention communities, and international efforts to achieve measurable results in reducing drug use and its consequences.

When Congress first created ONDCP in 1988 (P.L. 100-690), it intended that ONDCP adopt a comprehensive approach to the formulation of the nation's effort to reduce drug use and its consequences. This included the requirement that ONDCP develop a comprehensive accounting of federal drug control spending. In FY 2004, ONDCP changed its budget accounting methodology by discarding what I and others such as NAPA consider essential agencies and programs that are drug-related. In the 2006 reauthorization of ONDCP, Congress stepped in to require ONDCP to comply with the requirement for a comprehensive accounting of federal drug control spending. ONDCP's budget document now includes a table in an appendix that includes resources for agencies that were discarded in FY 2004, but there is no explanation of what these agencies actually do with regard to helping the national drug control strategy achieve its goals and objectives. ONDCP must provide such an explanation if policymakers and stakeholders are to be informed about how the budget supports the strategy. A comprehensive accounting must be re-introduced and implemented. The NAPA Report also includes a similar recommendation.¹⁷

ONDCP is also required by law to run a budget formulation process for drug control spending which parallels what OMB does for the entire President's budget (drug and non-drug). Congress intended that ONDCP ensure that federal drug control agencies shape their budgets to reflect the President's drug control priorities as expressed in the national drug control strategy. The parallel process was intentionally designed by Congress to be independent of the OMB process to ensure the close nexus between policy and budget. This budget formulation role must remain part of ONDCP's core mission for reasons that are discussed below with regard to the systems approach

¹⁷ NAPA Report, page 131.

that is implicit in the ONDCP authorization. With regard to this process, NAPA would jettison the requirement that ONDCP formulate the drug control budget using this independent, parallel process.¹⁸ I disagree. If NAPA's recommendation were to stand, ONDCP would no longer review and certify departmental/bureau budgets, but would instead blindly rely on OMB to consider funding priorities. This would create a number of problems and complications, perhaps catastrophic and far-reaching ones, that could obviate the need for ONDCP:

- ONDCP would become completely reliant upon OMB to ensure that federal drug control funds are adequate to meet the needs of the strategy.
- Faced with competing priorities, OMB would not give the strategy adequate representation in the budget formulation process because of finite resources. In effect, the critical connecting "match" between policy and budget, so essential to efficacy, would be severed.
- Congress would no longer get the strong, executive office level advocacy for drug control resources that it envisioned when it created ONDCP.

ONDCP must re-establish its role in formulating the President's drug control budget to implement that policy and support it with a performance accountability system that can track the success of that policy.

Congressional Intent for a Systems Approach

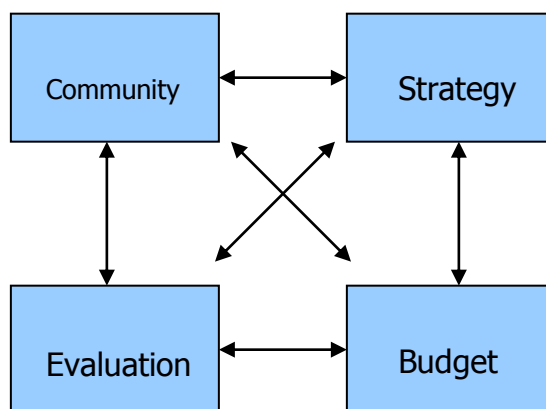
What is ultimately required to re-establish the efficacy of ONDCP is for the current administration to address what Congress intended when it created ONDCP: a systems approach to the formulation of the nation's drug control strategy. The systems approach that Congress ultimately enacted into law included a strong budget formulation role that has been continued and strengthened in each subsequent reauthorization of ONDCP. The systems approach is logic-

¹⁸ NAPA Report, page 132.

based. It has been described in detail in a 2005 article.¹⁹ It builds on a detailed, systemic, extensive needs assessment (sometimes called situational analysis) to determine the underlying problem or problems facing a community or nation. The needs assessment will include identifying the underlying drug problem, its costs, and existing government and non-government efforts to address that drug problem measured by such things like funding, operations, staffing, workload statistics, effectiveness measures, administration, support functions, existing evaluations/audits, and all other areas required by the final scope of services. It serves as a benchmark or baseline from which to begin the development of the strategic plan and to assess future progress.

The systems approach is intended to bring simple, practical solutions that stakeholders can effectively use to address the range of problems confronting their community. This approach results in an action-oriented, performance- and evidence-based strategic plan that is based in an environment that also includes the community, budget and resources, and performance evaluation.

This approach, as depicted in the following diagram, involves all stakeholders in the community coming together develop solutions reduce substance abuse, strengthen law enforcement, and ultimately promote healthy lifestyles.



¹⁹ The systems approach is described in the study by Ronald Simeone, John Carnevale, and Annie Millar: “A Systems Approach to Performance Based Management: The National Drug Control Strategy,” Public Administration Review, March/April 2005.

Community refers to stakeholders, or the constituent elements that have a stake in the pursuit to solve a particular drug problem. They get together in response to the drug problem. It is very important that the community of stakeholders truly represents everyone in the community who not only benefit from the outcome of a successful drug plan or strategy, but who may also be change agents (e.g., representatives from the government's budget office who are responsible for funding programs and operations). It is the community of stakeholders who conduct the original situation (or needs) assessment that defines the drug problem, which then becomes the basis of the strategic plan or strategy. It is in this area that ONDCP failed the most in the last eight years. The lack of coordination and collaboration as documented in the NAPA Report is the main reason why it "missed the boat" on emerging drug trends, linking the budget to the strategy, and representing the nation's interest in addressing the drug problem.

Strategy is the mechanism that allows goals and objectives to be pursued; it is an organized plan that strategically enables desires to become actionable items. It is important to remember that by definition a strategy or plan is nothing more than a document to guide decision making. Whenever an entity proposes a program, decision makers should refer to the guide first. Otherwise, the strategy will not be evidence-based. Strategy is the means by which the community of stakeholders addresses problems identified through their needs assessment. Congress intended a full consultative process in the formulation of the strategy. According to the NAPA Report, because of the failure to include all stakeholders in the consultative process, the strategy that emerged was no more than a plan unknown within the federal community and therefore unincorporated into federal agency drug control programs, policies, and practices.

Budget refers to the resources to implement the Strategy. It is the means by which actions identified by the strategy are funded and implemented. By design, Congress intended that the national drug control strategy be the driving force in shaping the national drug control budget. If ONDCP was reduced to merely its strategy formulation role, in other words, if it were no longer

required to push for federal resources to implement its strategy, then U.S drug policy would fail to achieve results. Policy must drive the budget process—as the Congress originally intended—for ONDCP to successfully engage the nation in reducing drug use and its consequences. NAPA recommends that ONDCP’s budget role is duplicative of OMB’s budget role. This view is absolutely wrong.

Evaluation is the feedback mechanism that informs the community of its progress in achieving its strategic goals and objectives. It is based on performance measurement. Evaluation includes an examination of the overall strategy or plan’s ability to achieve its stated measureable goals and objectives. It also includes the examination of the very programs selected by the community of stakeholders to implement the strategy or plan. As was previously stated, ONDCP has relied on OMB’s PART review to satisfy this requirement. The result was clearly unsatisfactory; the *lack of progress* in achieving the goal for reducing adult drug use and other areas related to addiction, drug availability, and health and crime consequences, *appears to have gone unnoticed*. Evaluation, when done properly, allows the community of stakeholders to make prompt, alert, and responsive corrective action in both the strategy and its budget.

This systems approach provides program and policy options for the community of stakeholders to implement evidence-based approaches. It also provides feedback with respect to outcomes or expected results. It also recognizes the importance of bottom-up input in promoting community-based behavioral change, is anchored in the latest knowledge about risk and protective factors, and provides a feedback mechanism to monitor results. The benefits derived from this particular systems approach often spill over into other policy areas, such as violence prevention.

Ultimately, the use of this systems approach will result in a planning process that will ensure lasting results.

Fixing the Budget Formulation Process

The previous administration substantially changed how it accounts for federal drug control spending in two ways. First, in FY 2004, it dropped a number of federal agencies from its

accounting for federal drug control spending even though they were involved in drug control activities. By law, ONDCP is required to provide a full accounting of federal drug control spending. While drug control budget accounting may be an imprecise science, the changes introduced in FY 2004 lessened the ability of policy makers to understand how federal spending supports the national drug control strategy.²⁰

Second, ONDCP substantially changed what is referred to in law as the budget certification process. Budget certification refers to a process by which ONDCP reviews each drug control agency's budget when it is submitted to OMB and states in writing whether that budget is adequate to achieve the goals and objectives of the President's national drug control strategy. Certification is a labor-intensive process. It once involved over fifty federal drug control agencies, which meant that ONDCP had to certify this many agencies in the fall. In theory, and under the law, by dropping drug control agencies from the budget formulation process, ONDCP could no longer attest to whether all federal agencies providing some form of drug control programming were acting in accordance with the requirements of the national drug control strategy.

I am repeating myself, but this is the crux of the systems approach. If ONDCP was to adopt NAPA's recommendation to modify the budget formulation process in which it works directly with OMB to establish annual funding priorities, the valuable certification process would be lost. The Government Accounting Office in 1999 reviewed and determined that "Certification allows ONDCP to influence agency drug budgets early in the budget development process and bring any drug budget shortfalls to the attention of budget decisionmakers."²¹ In other words, certification had achieved what the Congress had intended with regard to shaping the federal drug control budget to effectively implement the national drug control strategy. Why NAPA would jettison this ONDCP's independent authority to represent the President's interest in

²⁰ For more information about the change in the methodology and its implications for policy, see the draft manuscript prepared by John Carnevale and Scott Chronister, "How Well Does the U.S. Drug Budget Match Policy and Program Realities?" February 2005.

²¹ United State Government Accounting Office, "Drug Control: ONDCP's Efforts to Manage the National Drug Control Budget," May 1999 (GAO/GGD-99-80).

shaping the drug control budget through the certification process in the face of such evidence is an enigma. As for the road ahead, certification has its place as does the need for a comprehensive or full accounting of federal drug control spending. There are problems that must be corrected with regard to how some agencies estimate their spending for drug control, as was clearly delineated as far back as in the 1992 Rand Study.²² ONDCP should implement the recommendation of that study to review and improve on an ongoing basis how agencies estimate their drug control spending when direct line items for drug spending are not included in their appropriations.

In thinking about how certification might be improved, it is possible that some changes could reduce ONDCP's workload without compromising its budget formulation role. What I am about to suggest is a *modified budget certification process* Built on the premise that not all drug control agencies are created equal when it comes to policy significance in the national drug control strategy. Federal drug control agencies like the Bureau of Prisons (BoP), which incarcerates over 50 percent of its population for drug-related crimes, cannot be considered an active policy participant in supporting the strategy. The strategy cannot set a goal calling for BoP to increase its percentage of the population in its prisons for drug-related reasons simply because it is at the back end of the criminal justice system. Increasing resources for investigations that lead to more arrests (say, by adding resources for DEA or FBI agents) can ultimately affect BoP's percentage. The drug budget should account for resources needed to incarcerate such persons, if for no other reason but to ensure that BoP can maintain its capacity to do so. For purposes of certification, therefore, BoP's budget should be reviewed to ensure that its drug accounting methodology is sound, but in such as case, not much more needs to be done. Continuing with this example, other agencies like the DEA and the FBI, which may be required by a national strategy to contribute more effort to investigations should be reviewed for purposes of certification.

To be more specific, I recommend that federal drug control agencies be divided into two tiers: those that are actively addressing policy needs and those that are not. Certification need only

²² RAND, Improving Anti-Drug Budgeting, 2000.

occur once, in the fall when OMB is involved in the formulation of the President's budget. However, during the summer, ONDCP must review all budgets, but it would place emphasis on those budgets that are among the first tier. Summer budgets would receive letters stating that as formulated ONDCP intends to certify its request to OMB in the fall submission (assuming that they are in compliance with ONDCP drug budget directives issued in the Spring) and that it concurs with the drug budget methodology. Second tier agencies would be reviewed in the summer to see if their budget accounting methodologies are sound (which would also use the input from each agency's own Inspector General drug budget methodology reviews as currently required by law). What is most important is that OMB is made aware of ONDCP's views on the drug portion of an agency's budget and acts accordingly in the best interest of the national drug control strategy. ONDCP would retain its authority to appeal OMB's budget recommendations to the President, as it once did early in its history.

Another recommendation applies to how OMB manages the drug budget formulation process. Currently, the General Government Programs Division of OMB has the lead for coordinating internally all the budget examiners who oversee federal agency budgets that are designated by the Director of ONDCP as drug related. This Division has had this responsibility going back to the 1980's when drug policy focused heavily on drug interdiction and international programs. This division managed the Coast Guard, FBI, DEA, Customs, Border Patrol, the Secret Service, which were the primary agencies accounting for most of the resources in the drug control budget. This also made sense at the time because the national focus on drug policy heavily involved a criminal justice approach. Times have changed and so has the requirements for a sound, balanced, comprehensive drug control policy. Demand reduction now plays a greater role and that role will likely increase as the nation engages in health care reform, which will most assuredly move the federal government's drug policy more into the health care arena. Research into best practices and the science of addiction are also playing a much greater role. The point is: OMB needs to upgrade the standard of its coordination of drug policy to a higher level, one which effectively oversees and coordinates drug policy, not just from the division that is heavily focused on criminal justice matters, but to a more neutral position that balances demand

reduction and supply reduction budgets.

Emphasizing Demand Reduction

We know that drug demand in all its form is the heart of this nation's and other nations drug problems. Addiction is a chronic disease—but one that can be prevented, managed, and successfully treated. Taking the necessary steps to ensure that drug use is prevented to the maximum extent possible and that those who are addicted receive treatment is not only smart demand reduction policy, but is also exceedingly smart supply reduction policy precisely because it will reduce both the societal impact of that drug use and the amount of work required by our front line law enforcement and border security officers to stem the tide of drugs hitting our shores.

With regard to the road ahead, it is also important that the strategy again emphasize demand reduction and domestic law enforcement and place much less emphasis on interdiction and international programs. This is what research says works best in reducing drug use and its consequences. It is equally important that the budget be completely realigned to achieve the goals and objectives of the strategy. This means a complete and exact reversal of the budget priorities establish over the last eight years. It's time that we join together to more effectively address this nation's demand for drugs, not only to reduce human suffering, but also to alleviate the pressure on law enforcement and those who work day-in and day-out to target drug traffickers so that they might direct their energies elsewhere.

Recognizing Our Obligation to Help Our Nation's Warriors

Before closing, I want to take a moment to talk about our obligation as a nation to help returning warriors and veterans deal with the consequences of war-related trauma that may manifest itself in the form of substance abuse and addiction. According to national statistics, drug use is just one of many manifestations resulting from the trauma of war. The NSDUH shows that in 2003, an estimated 56.6 percent of veterans used alcohol in the past month compared with 50.8 percent of comparable nonveterans. An estimated 13.2 percent of veterans reported driving while under

the influence of alcohol or illicit drugs in the past year compared with 12.2 percent of comparable nonveterans. An estimated 18.8 percent of veterans reported that they smoked cigarettes daily in the past month compared with 14.3 percent of comparable nonveterans. Expectations are that the disparities among these various categories of use will worsen. As a nation, we owe it to these heroes—our nation’s heroes—to provide the medical and behavioral health services they may now or will need to live healthy lives in their communities.

Conclusion

To be successful, the strategy must be firmly based on what research tells us is effective in reducing the demand and supply of illicit drugs. Drug policy should not be informed by personal opinion or ideology. Nor should it be supported by a drug budget that is completely at odds with what research says important to achieving the goals and objectives. It is time that drug policy support a much more balanced federal drug control budget—one that logically implements research-based programs to support and implement that Strategy. Ultimately, the so-called national drug control problem is the summation of a series of heterogeneous local drug problems. To be successful, the national strategy should promulgate programs and approaches that are evidence-based and flexible enough to enable each community to adapt programming to best meet their special circumstances.

A return to the proven success of demand reduction programs—treatment and prevention—and critical efforts to improve and expand those programs is what is most needed at this time to achieve progress on all fronts. We do know a lot about what works—for example, programs like the Drug-Free Communities Anti-drug Coalitions program, Safe and Drug Free Schools, Drug Courts, and the Weed and See, specialized treatment, and other locally-based programs—must be further developed and brought to scale. Local innovation must be encouraged. Efforts to foster collaboration among law enforcement at all levels—as best exemplified by the High Intensity Drug Trafficking Areas program—are known to be effective and must also be strengthened and expanded. Research to inform what we know about effective supply reduction and demand reduction programs as well as identifying the benefits from the use of medications

in support of treatment, health information technology, and substance abuse parity legislation must blossom. And efforts to unite the international community must also be included in any comprehensive strategy. We must become better partners with key international government and non-government bodies that coordinate global and western hemispheric drug control demand reduction and supply reduction efforts to learn about what works elsewhere. We must work to create a strong partnership with them to reduce the overall impact of drug use.

Finally, with regard to performance measurement, our nation's new drug czar, Gil Kerlikowske recently said it best in his confirmation hearing when he said that "if you can't measure it, you can't improve it."²³ He correctly noted that performance evaluation is critical to both validating and tracking the efficacy of the strategic goals and objectives and the individual programs that are funded to support it. A performance accountability system will enable everyone to be better able to report on our progress, justify the level of funding requested, and satisfy the interest of the citizens of this nation that their money is being well-spent and that their needs for a safer and more secure environment are being met.

I want to thank you again for the opportunity to appear before you today.

²³ Written statement of Chief Gil Kerlikowske before the Senate Judiciary Committee, April 1, 2009.