

Testimony
Of
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Domestic Policy Subcommittee
Oversight and Government Reform Committee

ONDCP's Fiscal Year 2010 National Drug Control
Budget and the Priorities, Objectives, and Policies
of the
Office of National Drug Control
Policy under the New Administration

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Chairman Kucinich, Ranking Member Jordan, distinguished members of the Subcommittee, thank you for providing the Office of National Drug Control (ONDCP) the opportunity to appear before you today to share our views on the Fiscal Year 2010 National Drug Control Budget and Priorities. I am new to this position, and am pleased to have this opportunity early in my tenure. I hope this is the first of many opportunities I will have to testify before you.

This testimony provides an overview of the authorities Congress vests in my position and ONDCP, the goals Congress established for ONDCP, and describes the actions already taken by this Administration to meet your expectations. First, I will describe our response to one of the major recommendations ONDCP received from an independent panel of the National Academy of Public Administration (NAPA). I will start the testimony by describing the response to this recommendation, because this forms the basis of the entire policy, budget, and strategy development process which I oversee. I will then move to issues of performance management, the FY 2010 Budget, and finally, to the remaining NAPA recommendations.

The Obama Administration understands addiction is a disease, and its treatment needs to be addressed as part of a comprehensive strategy to stop drug use.. Research shows addiction is a complex, biological, and psychological disorder. It is progressive and chronic, and negatively affects individuals, families, communities, and society. In 2007, over 20 million individuals in our country (12 and older) were diagnosed with substance dependence or abuse. However, less than 10% received treatment for their disorder¹.

Treatment is effective. Three decades of scientific research and clinical practice have yielded a variety of effective approaches to drug addiction treatment. Extensive data document drug addiction treatment is as effective as is treatment for most other similarly chronic medical conditions such as diabetes, hypertension, and asthma.

¹ Results from the 2007 National Survey on Drug Use and Health: National Findings, Substance Abuse and Mental Health Services Administration (SAMHSA), 2008, <http://www.oas.samhsa.gov/nsduhLatest.htm>

Essential to my efforts is restoration of the vitality of ONDCP by recommitting the agency to its policy leadership mission. ONDCP was created by the Congress to focus this Nation's efforts toward resolving the drug problem by developing and implementing a balanced, comprehensive National Drug Control Strategy. ONDCP will effectively build consensus on how best to use interdiction efforts, law enforcement, treatment, prevention, and sound research to achieve measurable results in reducing drug use and its consequences. During my tenure, debate will be continuous and inclusive of disparate ideas. Deliberation will be comprehensive and collaborative.

As you are well aware, it is the responsibility of ONDCP to assist the President in the establishment of policies, goals, objectives, and priorities for the National Drug Control Program and to promulgate the National Drug Control Strategy. Already since the transition to the new Administration, major strides have been made toward ensuring that we effectively carry out these important authorities.

NAPA indicated in their report that ONDCP must develop a more comprehensive multi-year National Drug Control Strategy, informed by a variety of data, as well as build a collaborative and consultative environment to increase our effectiveness. I could not agree more.

In response to this recommendation, ONDCP instituted a new process which fully integrates, for the first time, policy, budget development, and outreach. This process will ultimately provide greater internal collaboration among the office components and our inter-agency partners, as well as aid development of the President's National Drug Control Strategy and Budget. The policy and budget development and outreach plan brings together the comprehensive skill sets required to develop the Strategy and more fully capitalizes on the staff's expertise in the formulation of the FY 2011 Budget. We established a Policy/Budget Steering Group, and four Policy/Budget Working Groups representing prevention, treatment, domestic law enforcement, and interdiction and international counterdrug support.

The Policy/Budget Steering Group oversees the Strategy and Budget development process and inter-agency outreach efforts, and provides direction to the four Working Groups. The group

is chaired by the ONDCP Chief of Staff and meets monthly. The group also meets regularly with Departments to solicit their views, ensure policy coordination, and discuss relevant performance issues.

The Working Groups are responsible for managing policy and budget development from inception to completion. These include policy and budget development, budget execution, performance assessment, and outreach/liaison efforts.

Additionally, the Panel recommended that ONDCP establish a working group of subject matter experts to advise ONDCP senior leadership on international, national, and regional/local drug issues. We have recently re-established the Drug Demand Reduction Interagency Working Group. The first meeting was on April 1, 2009 at the White House Conference Center. Approximately 60 individuals representing nearly 30 different agencies attended. Thanks to the Acting Director during the political transition, Ed Jurith, six working groups were developed:

- Military, Veterans, and their Families
- Justice Systems
- Prevention and Education
- Emerging Threats
- Healthcare Delivery
- Performance, Accountability, and Effectiveness

There is an important connection between the external and internal groups. The internal groups are poised to use the information they receive from the external groups to develop policy which will ultimately drive the National Drug Control Strategy and Budget.

In the international arena, ONDCP participates in the Southwest Border-Merida Initiative Interagency Policy Committee and associated Deputy Committee meetings, which address all policy issues concerning domestic Southwest Border issues and the Merida Initiative implementation for Mexico, Central America, and Hispaniola. As well, ONDCP continues to oversee and participate in the interagency working groups that are developing the National Southwest Border Counternarcotics Strategy. These working groups were assembled by the

Department of Homeland Security, Office of Counternarcotics Enforcement, and the Department of Justice, Office of the Deputy Attorney General, in their roles as the designated Executive Agents for the strategy's development. These interagency working groups will continue to support the strategy's implementation in the months ahead. ONDCP also co-chairs, along with the Department of State's Bureau of International Narcotics and Law Enforcement Affairs, the Afghanistan Counternarcotics Working Group, which addresses all counternarcotics policy and implementation issues for Afghanistan.

In the 2006 ONDCP Reauthorization Act, Congress called for an update of the Southwest Border Counternarcotics Strategy every two years. The most current version of this document has undergone an accelerated review and update since the start of the new Administration. The current draft, which will be released in the near future, includes a chapter on weapons, a new chapter on technology, new language on drugs and gangs, and a detailed annex. The 2009 Southwest Border Counternarcotics Strategy also incorporates many of the recent personnel, technology, and infrastructure initiatives being planned or carried out by DHS, DOJ, and other drug control agencies, to intensify our national efforts to combat both the northbound flow of drugs and the southbound flow of bulk currency and weapons. We believe this Strategy, the Merida Initiative led by the Department of State, and other contingency planning and bilateral engagement efforts by DHS, DOJ and others will enable the United States and our partners in Mexico to significantly reduce the threat posed by Mexican drug cartels to law abiding citizens on both sides of the border.

ONDCP has also instituted a Steering Group for Counterdrug Technology which will assist in identifying counterdrug mission-related research efforts and work with the appropriate technical personnel within each of the Steering Group member agencies, which can help coordinate project ideas for research. We will be considering research in the areas of reducing the misuse of prescription drugs and reducing drug trafficking through the Southwest Border. We believe these are important areas that require further emphasis in research. The first meeting was held last week.

With regards to performance measurement, the current system begins to assess the effectiveness of the interagency process in implementing the President's National Drug Control Strategy, but it is not comprehensive or systemic. It utilizes several mechanisms to assess departmental program contributions: the annual budget certification process, the Budget Summary, agency Performance Summary Reports, and technical assistance from ONDCP.

While this system provides an assessment of individual program performance, it does not provide an assessment of interagency progress towards the Strategy's policy goals. When Congress reauthorized ONDCP in 2006, a provision was enacted that required ONDCP to establish two and five-year performance measures and targets for each Strategy goal—reducing drug use, availability, and consequences.

As we begin developing President Obama's first National Drug Control Strategy, I will work collaboratively with my Federal, state, tribal, and local partners to develop a comprehensive Strategy, guided by sound principles of public safety and public health. We will set aggressive policy goals to reduce youth and adult drug use, limit drug availability in the Nation, and mitigate the difficult and costly consequences associated with drug use. When Congress created ONDCP, the intent was to establish an organization that would utilize data to formulate effective policies. I intend to fulfill that commitment by reviewing the research and establishing a more comprehensive interagency performance measurement system. Further, I intend to utilize the reconstituted interagency working groups to develop joint policy targets which reflect our common goals regarding use, availability, and consequences. This new performance system will also enable us to assess the contributions of individual drug control agencies towards these joint targets.

As we move forward, we will conduct a thorough examination of the drug control budget. As the President's representative on drug control policy, my office has the key task of working with interagency partners, outside experts, and collaborating with key Members of Congress on the structure of the Budget. I envision a drug control budget which provides a comprehensive accounting of key Federal drug control resources. Additionally, we intend to fully integrate policy and budget development to ensure policy drives the budget process.

All of these processes assist our development of a comprehensive and research-based National Drug Control Strategy, Budget, and policies. It is my philosophy that this Administration cannot develop a comprehensive Strategy until these processes yield meaningful data for analysis. The Strategy and the Budget will reflect trends and needs, based on analysis of data and consultation with partners and other experts. In nine months, we will deliver a National Drug Control Strategy and Budget that focuses on the nature and scope of the problems as well as the policies and programs that will have the most meaningful impact.

The FY 2010 Budget that was delivered to you last week lays the foundation from which we will build. For example, the budget includes significant treatment and recovery support services for those individuals who come into contact with the criminal justice system, supports research-based prevention efforts, addresses violence associated with narcotics trafficking along the Southwest border area, and continues to support Mexico's efforts to address the drug problem.

The Drug Control Budget is focused on four major policy areas: (1) Substance Abuse Prevention, (2) Substance Abuse Treatment, (3) Domestic Law Enforcement; and (4) Interdiction and International Counterdrug Support. For Fiscal Year 2010, we have requested \$15.1 billion in support of these key policy areas, which is an increase of \$224.3 million, or 1.5 percent, over the FY 2009 enacted level of \$14.8 billion.

For substance abuse prevention programs, the President's budget requests resources totaling \$1.6 billion, which will support a variety of research, education and outreach programs aimed at preventing the initiation of drug use. The prevention budget request in FY 2010 includes \$100.0 million for a new initiative, Improving School Culture and Climate, to support new approaches to assisting schools in fostering a safe, secure, and drug-free learning environment, particularly by using approaches designed to change school culture and climate. The budget continues to fund the Drug-Free Communities (DFC) program (\$90.0 million) and the National Youth Anti-Drug Media Campaign (Media Campaign) (\$70.0 million) at the FY 2009 enacted levels. The DFC program provides grant funding to over 750 local drug-free coalitions to develop plans that combat youth substance abuse problems. The Media Campaign utilizes media channels to

educate and motivate youth to develop anti-drug beliefs and behaviors, and empowers adults to keep youth drug-free.

There continues to be much discussion in the media about whether “personal use” of drugs should be decriminalized. What we cannot lose sight of during this discussion, is that we all agree addiction is a preventable and treatable chronic condition. The Budget dedicates more than \$3.6 billion in Federal funds to drug treatment and intervention efforts in FY 2010, representing an increase of \$150.1 million over the FY 2009 level. U.S. supported research has contributed to major advances in drug treatment. Key discoveries about the safety and efficacy of medications, such as buprenorphine, to treat opiate addiction, have helped thousands of heroin users reduce the urge to use opiates. Recovery from methamphetamine addiction was once thought to be impossible. Now, the promise of healing has brought new-found hope to individuals, families, and communities across this Nation.

Therefore, the FY 2010 Budget includes numerous requests in the HHS portion of the Budget, including a request of \$29.1 million for Screening, Brief Intervention, and Referral to Treatment (SBIRT). The SBIRT grant program uses cooperative agreements to expand and enhance a state or Tribal organization’s continuum of care by adding screening, brief intervention and treatment services within general medical settings. Further, HHS actuaries estimate \$240.0 million in FY 2010 Medicaid spending for States that will have adopted two Healthcare Common Procedure Coding System (HCPCS) codes that the Centers for Medicare & Medicaid Services developed for alcohol & drug screening and brief intervention. Further expanding this valuable tool to a range of medical settings will enable clinicians to screen more patients for substance abuse disorders, prevent use and treat individuals, and ultimately reduce the burden of addictive disorders on the Nation, communities, and families. The National Institute on Drug Abuse has also recently launched NIDAMED - a new initiative providing research-based screening tools and resources to help broaden screening for drug use in medical settings.

Additionally, \$99.0 million is requested for the Access to Recovery Program (ATR), which seeks to expand access to substance abuse treatment and recovery support services, including

those provided by community and faith-based organizations. ATR allows individuals to tailor treatment services to best meet their needs, such as including services focused on methamphetamine treatment and those which support sustained recovery, like child-care, employment training, and housing.

Unfortunately, those who are addicted to drugs often interface with the criminal justice system, either primarily or secondarily, due to their addiction. This must be treated as an opportunity. Addressing drug abuse at every point in the criminal/juvenile justice spectrum—beginning with law enforcement, through adjudication, into correctional facilities, and back into communities through the re-entry process—is imperative to breaking the cycle of substance abuse and associated criminal behavior. With nearly 50 percent of jail and prison inmates meeting clinical criteria for abuse or addiction², the justice system can play a significant role not only in protecting citizens from crime, but also in reducing substance abuse through the expansion of drug courts and other problem-solving courts, re-entry programs, and treatment programs within correctional facilities.

In the HHS account, the FY 2010 Budget seeks \$58.9 million for the Adult, Juvenile, and Family Drug Courts program, \$23.2 million for Prisoner Re-entry, and \$95.4 million for Alcohol and Substance Abuse on or near reservations to the Indian Health Service (IHS) programs to support Community Rehabilitation and Aftercare, Regional Treatment Centers, and prevention and treatment of methamphetamine abuse.

In the Department of Justice account, the budget provides \$59.0 million for Drug, Mental Health and Problem-Solving Courts Program, \$30 million for the Second Chance Act, and \$30 million for Residential Substance Abuse Treatment. According to the Bureau of Justice Statistics, more than 700,000 prisoners leave our state and Federal prisons each year.³ It is imperative that we support prisoners in their recovery upon release by ensuring they have access

² Karberg & James (2005). Substance dependence, abuse, and treatment of jail inmates, 2002. Washington, DC: Bureau of Justice Statistics, U.S. Dept. of Justice; Fazel et al. (2006). Substance abuse and dependence in prisoners: A systematic review. *Addiction*, 101, 181-191.

³ Department of Justice, Office of Justice Programs, Bureau of Justice Statistics, (2008). Prison inmates at midyear 2007. Bulletin June 2008, p.4.

to recovery support services such as counseling, job training, and continued drug treatment so they are successfully reintegrated into society.

Drug Courts have demonstrated their effectiveness in reducing criminal recidivism rates. Researchers have found that drug courts reduce recidivism among target populations and among program participants, in contrast to comparable probationers. Across various studies, reductions in recidivism have ranged from 17 percent to 26 percent.

The Second Chance Act, passed in the last Congress, shifts priority from policing those on parole to more effectively rehabilitating them. The parole system has a greater obligation to help Federal offenders successfully re-enter society. Re-entry programs mentioned in the Act include treatment, job training, employment assistance, life skills training, and other services leading to successful parole and avoiding a recurrence of crime and drug abuse.

Research indicates that re-entry programs improve recidivism rates and encourage an offender's sustained recovery from illicit drug abuse. According to the Center for Drug and Alcohol Studies at the University of Delaware, participation in work-release Therapeutic Communities during the transitional period between prison and re-entry into the community have a substantial impact on the timing, incidence, and duration of subsequent drug use. In fact, the proportion of those treated who remain abstinent is approximately three times that for those without treatment.

Nearly \$3.7 billion in Federal resources support critical domestic law enforcement efforts in FY 2010, an increase of \$83.3 million over the FY 2009 level. The Departments of Justice, Homeland Security, and Treasury, with support from the Department of Defense's National Guard, provide key law enforcement and support to state and local law enforcement agencies. The budget includes over \$67 million in enhanced funding for the Departments of Justice and Homeland Security to combat drug trafficking on the Southwest border (SWB). Narcotics smuggling in the SWB region is a significant vulnerability to U.S. security which requires increased national-level attention and unity of effort. To enhance national security, protect the American people, the economy, and our way of life from the corrosive effects of illegal drug

smuggling across the Southwest border, the Administration is fully engaged to ensure coordination and facilitation of U.S. Government counterdrug and border security initiatives. We will achieve a comprehensive national effort involving Federal, state, tribal, local, and private sector entities.

Finally, over \$6.1 billion in Federal resources support programs to disrupt the flow of illicit drugs into the United States, and provide crucial support to partner nations such as Afghanistan, Mexico, and Colombia. This represents an increase of \$180.6 million over the FY 2009 level, which includes an additional \$109.2 million for Department of State support for Mexico, including Merida Initiative funding. The Department of Homeland Security and the Department of Justice provide the necessary assets and personnel to interdict drugs along the Nation's borders, while the efforts of the Department of Justice to suppress and prevent the flow of drugs from ever reaching our borders continues. The Department of Justice's Drug Flow Attack Strategy targets drug source and transit zones, where seizures are frequently measured in ton quantities, in addition to utilizing intelligence resources, i.e., the El Paso Intelligence Center to provide a forward defense at arrival zones. These drug control efforts are complemented by detection and monitoring efforts of the Department of Defense and partner nation support, eradication, and alternative development programs sponsored by the Department of State.

Apart from the current Budget and future Budgets and Strategies, I am pleased to share with you a number of actions ONDCP has recently undertaken to address the recommendations received in the FY 2008 study completed by an independent panel of the NAPA. Specifically, NAPA was contracted by ONDCP to gain "insights into changes and improvements that could make ONDCP more effective in the future."

Earlier in my testimony, I outlined what we are doing to address NAPA's recommendation that ONDCP develop a comprehensive multi-year National Drug Control Strategy, informed by a variety of data, as well as build a collaborative and consultative environment to increase our effectiveness. NAPA also recommended that ONDCP streamline its organizational culture; rebalance its workforce; implement effective human capital policies and practices; increase

transparency; and increase employee engagement. ONDCP has undertaken a number of steps to address these recommendations.

NAPA commented on the declining racial/ethnic diversity and female representation within ONDCP. To address this concern, ONDCP has implemented new initiatives underscoring its continuing commitment to equal opportunity, including posting and sending vacancy announcements to approximately 100 agencies, schools, and groups listed in ONDCP's Diversity Referral Database. ONDCP continues to progress in all facets of hiring.

NAPA recommended that there should be no political questions included on the student intern applications. To respond to this recommendation, ONDCP has returned to the process of an agency-specific Internship Program. There are no longer questions in the application process regarding political experience or voting. The questions are specifically tailored to working at ONDCP.

NAPA recommended creating a term limit for membership in the Senior Executive Service Performance Review Board. ONDCP has established new membership on the Performance Review Board with term limits of one year. As prescribed by regulation, members were announced in the Federal Register on March 20, 2009.

I am considering NAPA's recommendations and action items concerning the office's budget oversight responsibilities; however, I have concerns. The recommendations concerning ONDCP's budget oversight functions included action items which indicate ONDCP should no longer review and certify departmental/bureau budgets, or prepare annual accounting and performance reports, but should rely on the Office of Management and Budget (OMB) during the budget review process to ensure its funding priorities are considered.

Under the process proposed by NAPA, ONDCP would not issue funding guidance to Departments and Bureaus in the spring, but would issue joint funding guidance with OMB prior to department budget submissions in September of each year. In addition, the summer budget review (which provides Departments/Bureaus with an evaluation of how their submission

corresponds to the budget guidance), the certification of the fall budget submissions (to ensure their adequacy), and the preparation and submission to Congress of the annual accounting and performance summary reports would all be eliminated. NAPA believes such a process would “be a more efficient way for ONDCP to get the requisite funding included to support high-priority” initiatives. However, such a process is inconsistent with the statutory requirements as outlined in 21 USC §1703 (c).

While worth further study, it is my perspective that the use of such a process would be detrimental to the resourcing of the Nation’s drug control efforts. Congress, in creating ONDCP, envisioned the Director of National Drug Control Policy as a strong advocate for drug control funding. By the nature of this role, I am tasked with taking a proactive view towards drug control policy. Many Federal agencies involved in drug control activities are responsible for multi-mission operations (i.e., drug and non-drug operations). Due to competing requirements throughout the year, agencies must make resource allocation decisions which affect drug control programs. Without ONDCP’s budget authorities, my ability to influence the outcome of critical resourcing decisions affecting the President’s National Drug Control Strategy could be limited.

The NAPA report finds it disappointing that ONDCP has used its decertification authority only once. In actuality, this highlights the success that ONDCP has had with its summer budget review and fall certification process in identifying and advocating key priorities. ONDCP’s oversight of Department and Bureau budgets afford ONDCP the opportunity to get priorities placed into the budget early on in the process. It is much harder to get priorities funded during the final stages of budget development. However, through ONDCP’s annual budget guidance and summer and fall budget reviews, priorities are more likely to be funded.

The NAPA report questions the utility of the annual accounting and performance reports. These reports have proven useful to ensure that agency accounting systems of records are properly reporting drug control resources, and that funds were spent in accordance with Presidential priorities and direction.

It is early in the Administration, and I have an important job to accomplish. Drug use and

addiction destroy individuals, families, and communities. I commit to you today that I will work to deliver to you a balanced and comprehensive Strategy and that I will develop drug policy which is:

- Based upon the best possible understanding of the drug threat, and incorporates a science-based approach to public policy;
- Vigorously implemented through development of a national drug budget which contains proven, effective programs; and
- Rigorously assessed and adapted to changing circumstances.

The Administration believes, even before the development of a Strategy is complete, that there are some specific areas where attention should be paid, and progress can be made in reducing use and dependence, lowering availability, and positively impacting the negative consequences associated with drug use.

It is only through a balanced approach – combining tough, but fair, enforcement with robust prevention and treatment efforts – that we will be successful in stemming both the demand and supply of illegal drugs in our country. Measurable and sustained progress against drug abuse can be made only when the efforts of local communities, state agencies, and the Federal government are coordinated and complementary. If we are to succeed, the natural silos between the prevention, treatment, and law enforcement communities must be broken down – and the greatest use must be made of the finite resources at our disposal.

I will work diligently to ensure our efforts are supported by a Federal drug control budget which logically implements research-based programs to support and implement our Strategy. There will be a renewed focus on evidence-based approaches to reduce demand for drugs, through prevention as well as treatment. Additionally, we must also work to create strong partnerships to reduce the overall impact of drug trafficking and use.

Our Nation's demand for drugs fuels drug production and trafficking, as well as violence and corruption, within other nations. Domestic drug use is a significant factor in the terrible drug-related crime currently wracking Mexico and fuels illegal armed groups in Colombia. Our

international drug control programs help strengthen law enforcement and judicial institutions.

While these international supply reduction programs play a vital role in improving security, supporting the rule of law, and denying terrorist and criminal safe havens around the world, the greatest contribution we can make toward stability is to reduce our demand for illicit drugs.

I know that you will remain engaged in the work of ONDCP as we build solid, forward-looking strategies, budgets, and policies. I look forward to meeting with each of you to establish a working relationship. We have the greatest chance of success if Congress and ONDCP are communicating openly, and working on these issues together. I look forward to answering any questions the Committee may have.