



National Drug Control Strategy

FY 2004
BUDGET SUMMARY

The White House
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National Drug Control Strategy, FY 2004 Budget Summary

Table of Contents

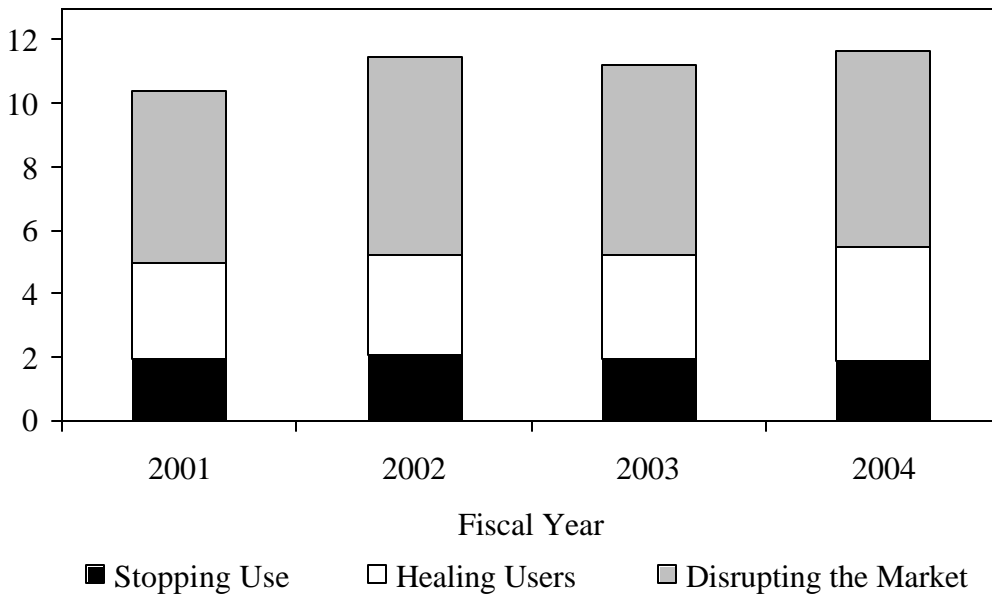
I. Executive Summary.....	1
II. Drug Control Funding Tables	
Federal Drug Control Spending by Function - FY 2002 - FY 2004.....	7
Drug Control Funding: Agency Summary - FY 2002 - FY 2004	8
Historical Drug Control Funding by Function - FY 1995 - FY 2004.....	9
III. Agency Budget Summaries	
Corporation for National and Community Service.....	10
Department of Defense	11
Department of Education.....	18
Department of Health and Human Service	
National Institute on Drug Abuse.....	22
Substance Abuse and Mental Health Services Administration	27
Department of Homeland Security	
Border and Transportation Security.....	35
United States Coast Guard.....	37
Department of Justice	
Bureau of Prisons	45
Drug Enforcement Administration	48
Interagency Crime and Drug Enforcement.....	53
Office of Justice Programs	60
Office of National Drug Control Policy	
Counterdrug Technology Assessment Center	63
Operations.....	69
High Intensity Drug Trafficking Areas.....	73
Other Federal Drug Control Programs	78
Department of State	
Bureau of International Narcotics and Law Enforcement Affairs.....	83
Department of Veterans Affairs.....	91
U.S. Small Business Administration.....	94
Appendix A: ONDCP Circular: Budget Formulation	
Appendix B: ONDCP Circular: Budget Execution	

I. EXECUTIVE SUMMARY

The President's FY 2004 Budget provides the necessary resources to reduce drug use in America. The budget includes funding for each of the *Strategy's* principal priorities. Critical support continues for Priority I of the *Strategy* – Stopping Drug Use Before it Starts. Resources are provided to help teach young people how to avoid drug use. In addition, significant new funding also is provided for Priority II of the *Strategy* – Healing America's Drug Users. This priority emphasizes the crucial need for family, friends, and people with shared experiences to interceded with and support those fighting to overcome substance abuse. Drug users also need the support of institutions and the people who run them – employers, law enforcement agencies, faith communities, and health care providers – to help identify them as drug users and direct those who need it into drug treatment. The budget strongly reinforces these efforts. Further, Priority III of the *Strategy*, Disrupting the Market, addresses the drug trade as a business. Every action that makes this business more costly and less profitable is a step toward “breaking” the market. The budget emphasizes this approach through key enhancements to federal law enforcement activities.

In total, funding recommended for FY 2004 is an estimated \$11.7 billion, an increase of \$440.3 million (+3.9 percent) over the President's FY 2003 request of \$11.2 billion (Figure 1). Funding by Executive Department, consistent with the revised drug budget structure announced in February 2002, is displayed in Table 1.

Figure 1: National Drug Control Budget (\$ Billions)



As reflected in the accompanying table, demand reduction efforts by the Department of Health and Human Services (HHS) will fund innovative approaches for drug treatment. In particular, the President's Budget includes new funding of \$200 million for treatment vouchers. The budgets for HHS, Department of Education, and Office of National Drug Control Policy (ONDCP) also provide funding for basic research on drug use and continue, prevention efforts aimed at children and adolescents. Resources for supply-reduction programs in the Departments of Homeland Security, Justice, State, and Defense will continue enforcement operations targeting domestic sources of illegal drugs, enhance interdiction efforts along trafficking routes to the United States, support security along the Southwest Border, and aid efforts in Colombia, the Andean region, and Mexico.

Table 1: Drug Spending by Department

Budget Authority (\$ Millions)

<u>Department</u>	<u>FY 02 Final</u>	<u>FY 03 Request</u>	<u>FY 04 Request</u>	<u>FY 03-04 Change</u>	<u>% Change</u>
Defense	852.6	871.9	817.4	(54.5)	(6.3%)
Education	669.3	634.3	584.3	(50.0)	(7.9%)
HHS	3,189.6	3,332.6	3,570.9	238.4	7.2%
Homeland Security	1,793.3	1,867.9	2,041.9	174.1	9.3%
Justice	2,941.5	2,460.1	2,565.8	105.8	4.3%
ONDCP	528.1	523.1	523.6	0.5	0.1%
State	871.9	877.5	876.9	(0.6)	(0.1%)
Veterans Affairs	635.7	663.7	690.5	26.7	4.0%
Other Presidential Priorities	3.0	8.0	8.0	0.0	0.0%
Total	11,485.0	11,239.0	11,679.3	440.3	3.9%

Funding by Major Initiative

Stopping Use Before It Starts: Education and Community Action

- ONDCP—National Youth Anti-Drug Media Campaign: \$170 million.** The fiscal year 2004 President's Budget continues funding for ONDCP's Media Campaign, which uses paid advertising and grassroots public outreach to educate the nation's families, parents, and youth about drug use and its consequences. Targeted, high-impact media messages—at both the national and local levels—seek to reduce drug use through changes in adolescents' perceptions of the danger and social disapproval of drugs. In a continuing effort to reach the nation's youth, the Media Campaign has recently undergone a significant revision and instituted a new strategy. This new strategy requires testing of all television advertising for effectiveness before airing; a shift of the youth target audience to focus on ages 14–16, the years during which youth appear to be at greater risk for initiating drug use; reduction in the number of youth-strategic message platforms from three to two, for a more focused

approach; modification of the Media Campaign to focus primarily on the prevention of marijuana use by youth; more oversight by ONDCP in the creative/ad development process; and a harder-hitting ad style.

- **ONDCP—Drug-Free Communities Program: \$70 million.** This program assists community groups in forming and sustaining effective community and anti-drug coalitions that fight the use of illegal drugs. These coalitions work toward reducing substance abuse among youth and strengthening collaboration among organizations and agencies in both the private and public sectors, and serve as catalysts for increased citizen participation in strategic planning to reduce drug use over time. In addition, Drug-Free Community coalitions are expected to synthesize data from all available sources to better document the nature and extent of local drug problems, including the underage use of alcohol and tobacco and any use of illicit drugs and inhalants. To further the efforts of these important coalitions, the Administration proposes an increase of \$10 million over the FY 2003 requested level.
- **Education—Safe and Drug-Free Schools and Communities (SDFSC) Program: \$694 million (\$584 million drug-related).** The FY 2004 President’s Budget determined that this program is ineffective, and recommends the investigation of new strategies for measuring program performance and distributing funds. The budget makes a modest reduction in funding for this school-based drug prevention program, which reaches young people in most of the nation’s school districts, until the program can demonstrate results. SDFSC funds are appropriated directly for State Grants and National Programs. State Grants provide funding to all 50 governors and state education agencies. As part of the National Programs budget in FY 2004, \$8 million is requested for a competitive grant program that will provide for drug testing, assessment, referral, and intervention. Drug testing has been shown to be effective at reducing drug use in schools and businesses across the country. This funding will expand drug testing efforts initiated by the Department of Education in FY 2003.
- **Corporation for National and Community Service—Parents Drug Corps Initiative: \$5 million.** This initiative will establish a program to support and encourage parents to help children stay drug-free. This program will provide matching funds to national parents’ organizations to train thousands of parents nationwide in how to reduce drug abuse and form parent drug prevention groups.

Healing America’s Drug Users: Getting Treatment Resources Where They Are Needed

- **Substance Abuse and Mental Health Services Administration (SAMHSA) – President’s Drug Treatment Initiative: +\$200 million.** The President has committed to add \$1.6 billion to the drug treatment system over five years. As part of this effort, the FY 2004 Budget includes new funding of \$200 million in indirect aid for substance abuse treatment and other supportive services. People in need of treatment, no matter where they are – emergency rooms, health clinics, the criminal justice system, schools, or the faith community – will receive an evidence-based assessment of their treatment need and will be issued vouchers for the cost of providing that treatment.

- **Office of Justice Programs—Drug Courts Program: \$68 million.** The Administration proposes an increase in the Drug Courts program of \$16 million above the FY 2003 requested level. This enhancement will expand the number of drug courts; increase retention in, and successful completion of, drug court programs by expanding the scope and improving the quality of drug court services; and generate drug court program outcome data. Successful drug courts provide alternatives to incarceration by using the coercive power of the court to force abstinence and alter behavior with a combination of escalating sanctions, mandatory drug testing, treatment, and strong aftercare programs.
- **National Institute on Drug Abuse (NIDA): +\$36 million.** This proposed increase would enable NIDA to fund ongoing commitments, undertake research collaborations with other National Institutes of Health organizations, and embark on new initiatives to advance treatment and prevention. NIDA projects that are instrumental in helping to meet the drug use reduction goals outlined by the President include the National Prevention Research Initiative, National Drug Abuse Treatment Clinical Trials Network, and Research-Based Treatment Approaches for Drug Abusing Criminal Offenders.

Disrupting the Market: Attacking the Economic Basis of the Drug Trade

- **Drug Enforcement Administration (DEA)—Priority Targeting Initiative: +\$39 million.** This proposal includes 329 positions to implement DEA’s plan for addressing the nation’s illegal drug threats. This initiative will target Priority Drug Trafficking Organizations involved in the manufacture and distribution of illegal drugs, as well as those involved in the diversion of precursor chemicals used to manufacture these products.
- **Organized Crime Drug Enforcement Task Forces (OCDETF) Program—**The FY 2004 Budget restructures the OCDETF program by consolidating funding within the Department of Justice. In addition, the budget includes resources for the following initiatives to strengthen these critical interagency investigations:
 - **Automated Tracking Initiative: +\$22 million.** This proposal will establish the automated capacity, using existing Foreign Terrorist Tracking Task Force technology, to rapidly scan, analyze, and disseminate the voluminous drug investigative information of participating OCDETF agencies. This capacity is especially important in identifying components of those organizations on the Attorney General’s CPOT list.
 - **Consolidated Priority Organization Target List (CPOT) Initiative: +\$26 million.** This proposal includes 192 positions to generate and advance investigations of command and control targets linked to the Attorney General’s CPOT list. The requested funds will provide agents, analysts, and Assistant U.S. Attorneys dedicated to CPOT-linked investigations.
 - **Financial and Money Laundering Initiative: +\$10 million.** This enhancement includes 83 positions to expand OCDETF financial and money laundering investigations. This improvement will fund financial investigative efforts, including intelligence

gathering, document exploitation, and undercover operations. It also will support financial analysts dedicated to analyzing traffickers' financial information and uncovering their assets.

- **Container Security Initiative (CSI): +\$62 million.** This proposed increase will expand Border and Transportation Security's (BTS) CSI presence in 20 seaports by the end of FY 2004. CSI is a program designed to minimize the risk that a terrorist organization could ship a weapon of mass destruction to the United States in a sea container. High-risk containers are targeted and screened at foreign ports by BTS personnel and their foreign counterparts before these containers are shipped to the U.S. Although the main focus of CSI is counterterrorism, the increased BTS presence in seaports will benefit the counterdrug mission as well.
- **Border Security Technology and Equipment: +\$119 million.** This proposed increase will fund the purchase of non-intrusive inspection technology and related equipment by BTS. While this enhancement is largely counterterrorism, it will also benefit the counterdrug effort.
- **U.S. Coast Guard -- Integrated Deepwater System: \$500 million.** This request continues support for the Coast Guard's Deepwater Project. This effort focuses on the re-capitalization and modernization of the Coast Guard's aging and obsolete assets, including cutters, aircraft and command centers. Although only a portion of this initiative is related to drug control, the re-capitalization of these assets will enhance Coast Guard's ability to conduct counterdrug activities.
- **Department of State—Andean Counterdrug Initiative: \$731 million.** The FY 2004 request maintains funding to support various programs in Colombia, Bolivia, Peru, and the Andean region. This initiative includes resources for critical drug law enforcement programs, as well as other efforts associated with security in drug-producing areas, illicit crop reduction, alternative development, institution building, the administration of justice, and human rights programs. For Colombia, funding includes several broad categories to include operations and maintenance of air assets, Colombian National Police and Army Counterdrug Mobile Brigade operational support, and crop eradication programs. This request also supports USAID-implemented humanitarian, social, economic, and alternative development programs, as well as support for vulnerable groups and resources for justice sector reform projects.
- **Department of Defense—Expanded Support to Colombia: +\$25 million.** This initiative adds \$25 million to current funding of close to \$116 million in support of counterdrug activities in Colombia. The expanded support will be used to fund various programs to conduct a unified campaign against both terrorism and drugs. These programs include counternarcotics training for Colombian ground and aviation units, riverine and coastal interdiction support activities and training, and improvements to intelligence, surveillance, and reconnaissance capabilities.

Restructured National Drug Control Budget

The FY 2004 National Drug Control Budget reflects a significant restructuring from prior years. This modified display was outlined in the Fiscal Year 2003 Budget of the President. These changes also were highlighted in the FY 2003 *Budget Summary* that accompanied the *National Drug Control Strategy*. The modified drug budget was put in place on May 30, 2002 through two government-wide circulars issued by ONDCP – *Budget Formulation* and *Budget Execution*. Together, these circulars define the new drug control budget account structure by department, bureau, and program. These circulars are included as appendices to this document. To the maximum extent possible, resources included in this, and future drug budgets, will now tie directly to identifiable line items in the Budget of the President or to agency budget justifications for Congress, accompanying the budget.

In addition, several accounts previously included in the Drug Control Budget are no longer displayed. Some accounts are omitted because drug funds in those accounts were either very small portions of the agency's budget; e.g., drug funding in the National Park Service represented about 0.4 percent of the agency's total budget. Others accounts are not displayed because the reported drug-related spending was simply a derivation from the agency's budget, which provided a gross estimate of a secondary cost of drug use (e.g., approximately 60 percent of the Bureau of Prisons budget was previously reported as drug spending because that portion of federal prisoners were serving a sentence due to a drug conviction.)

The drug budget now reflects only those expenditures aimed at reducing drug use, rather than those associated with the consequences of drug use. These latter costs will continue to be periodically reported by ONDCP in the *Economic Costs of Drug Abuse in the United States*. The modified drug budget, as presented in this volume, provides a more realistic basis for policymakers to consider tradeoffs between spending for prevention, treatment and law enforcement programs.

This *Budget Summary* is a technical companion to the *National Drug Control Strategy*. It is prepared as a helpful reference document, as part of ONDCP's continuing efforts to keep policymakers and the public apprised of important federal drug control programs and priorities. In addition to a brief description of key FY 2004 budget initiatives, other sections of this volume include detailed tables summarizing FY 2002 to FY 2004 drug control funding (Section II) and a bureau-by-bureau explanation of drug control funding proposed for FY 2004 (Section III).

II. Drug Control Funding Tables

Table 2: Federal Drug Control Spending By Function

FY 2002 – FY 2004

(Budget Authority in Millions)

	FY 2002 Final	FY 2003 Request	FY 2004 Request	FY 03 – FY 04 Change	
Function:					
Treatment (w/ Research)	\$3,151.9	\$3,282.2	\$3,552.9	270.6	8.2%
<i>Percent</i>	<i>27.4%</i>	<i>29.2%</i>	<i>30.4%</i>		
Prevention (w/ Research)	2,064.5	1,954.9	1,908.1	(46.7)	(2.4%)
<i>Percent</i>	<i>18.0%</i>	<i>17.4%</i>	<i>16.3%</i>		
Domestic Law Enforcement	3,270.3	2,937.9	3,036.1	98.3	3.3%
<i>Percent</i>	<i>28.5%</i>	<i>26.1%</i>	<i>26.0%</i>		
Interdiction	1,913.7	1,960.9	2,103.3	142.3	7.3%
<i>Percent</i>	<i>16.7%</i>	<i>17.4%</i>	<i>18.0%</i>		
International	1,084.5	1,103.1	1,078.9	(24.2)	(2.2%)
<i>Percent</i>	<i>9.4%</i>	<i>9.8%</i>	<i>9.2%</i>		
Total	\$11,485.0	\$11,239.0	\$11,679.3	\$440.3	3.9%
Supply / Demand Split:					
Supply	\$6,268.6	\$6,001.9	\$6,218.3	\$216.4	3.6%
<i>Percent</i>	<i>54.6%</i>	<i>53.4%</i>	<i>53.2%</i>		
Demand	5,216.4	5,237.1	5,461.0	223.9	4.3%
<i>Percent</i>	<i>45.4%</i>	<i>46.6%</i>	<i>46.8%</i>		
Total	\$11,485.0	\$11,239.0	\$11,679.3	\$440.3	3.9%

(Detail may not add to totals due to rounding)

Table 3: Drug Control Funding: Agency Summary
FY 2002 – FY 2004
(Budget Authority in Millions)

	FY 2002 Final	FY 2003 Request	FY 2004 Request
Department of Defense ¹	852.6	871.9	817.4
Department of Education	669.3	634.3	584.3
Dept. of Health & Human Services			
National Institute on Drug Abuse	885.2	960.0	995.6
Substance Abuse and Mental Health Services Administration	2,304.4	2,372.6	2,575.3
Total, HHS	3,189.6	3,332.6	3,570.9
Department of Homeland Security			
Border and Transportation Security ²	1,183.6	1,271.8	1,372.9
U.S. Coast Guard	609.7	596.1	669.1
Total, DHS	1,793.3	1,867.9	2,041.9
Department of Justice			
Bureau of Prisons	39.4	43.5	45.2
Drug Enforcement Administration	1,562.5	1,659.6	1,677.3
Interagency Crime and Drug Enforcement ³	446.5	470.3	541.8
Office of Justice Programs	893.2	286.7	301.5
Total, DOJ	2,941.5	2,460.1	2,565.8
ONDCP			
Operations	25.2	25.5	27.3
High Intensity Drug Trafficking Area Program	221.3	206.4	206.4
Counterdrug Technology Assessment Center	42.3	40.0	40.0
Other Federal Drug Control Programs	239.3	251.3	250.0
Total, ONDCP	528.1	523.1	523.6
Department of State			
Bureau of International Narcotics and Law Enforcement Affairs	871.9	877.5	876.9
Department of Veterans Affairs			
Veterans Health Administration	635.7	663.7	690.5
Other Presidential Initiatives ⁴	3.0	8.0	8.0
Total, Federal Drug Budget	\$11,485.0	\$11,239.0	\$11,679.3

¹ The FY 2003 funding level for the Department of Defense reflects enacted appropriations.

² Drug Control components displayed include the U.S. Customs Service and the Border Patrol.

³ The FY 2004 Budget proposes the merger of the Treasury ICDE account into Justice's ICDE account. This merger is reflected retrospectively.

⁴ This includes \$5 million for the Corporation for National Service's Parents Drug Corps beginning in FY 2003 and \$3 million for SBA's Drug-Free Workplace programs for all three fiscal years.

Table 4: Historical Drug Control Funding by Function

FY 1995 - FY 2004

(Budget Authority in Millions)

FUNCTIONAL AREAS:	FY 1995 Actual	FY 1996 Actual	FY 1997 Actual	FY 1998 Actual	FY 1999 Actual	FY 2000 Final	FY 2001 Final	FY 2002 Enacted	FY 2003 Request	FY 2004 Request
Demand Reduction										
Drug Abuse Treatment	\$ 2,175.8	\$ 1,982.2	\$ 2,188.7	\$ 2,002.5	\$ 2,230.8	\$ 2,296.8	\$ 2,549.4	\$ 2,604.1	\$ 2,691.4	\$ 2,941.9
Drug Abuse Prevention	1,104.1	954.5	1,162.3	1,385.5	1,461.9	1,500.5	1,598.1	1,697.1	1,558.3	1,496.3
Treatment Research	262.0	281.6	309.6	322.2	373.5	421.6	489.0	547.8	590.8	611.0
Prevention Research	178.6	187.4	206.5	219.6	249.9	280.8	326.8	367.4	396.5	411.8
Total Demand Reduction	3,720.5	3,405.8	3,867.0	3,929.8	4,316.0	4,499.6	4,963.4	5,216.4	5,237.1	5,461.0
<i>Percentage</i>	<i>52.8%</i>	<i>50.0%</i>	<i>47.8%</i>	<i>48.0%</i>	<i>44.2%</i>	<i>42.0%</i>	<i>47.7%</i>	<i>45.4%</i>	<i>46.6%</i>	<i>46.8%</i>
Domestic Law Enforcement	1,993.4	2,052.1	2,284.3	2,378.7	2,542.2	2,679.9	2,925.3	3,270.3	2,937.9	3,036.1
<i>Percentage</i>	<i>28.3%</i>	<i>30.1%</i>	<i>28.2%</i>	<i>29.1%</i>	<i>26.0%</i>	<i>25.0%</i>	<i>28.1%</i>	<i>28.5%</i>	<i>26.1%</i>	<i>26.0%</i>
Interdiction	1,099.3	1,106.7	1,549.3	1,406.5	2,155.6	1,904.4	1,895.3	1,913.7	1,960.9	2,103.3
<i>Percentage</i>	<i>15.6%</i>	<i>16.3%</i>	<i>19.1%</i>	<i>17.2%</i>	<i>22.1%</i>	<i>17.8%</i>	<i>18.2%</i>	<i>16.7%</i>	<i>17.4%</i>	<i>18.0%</i>
International	232.5	243.6	389.9	464.0	746.3	1,619.2	617.3	1,084.5	1,103.1	1,078.9
<i>Percentage</i>	<i>3.3%</i>	<i>3.6%</i>	<i>4.8%</i>	<i>5.7%</i>	<i>7.6%</i>	<i>15.1%</i>	<i>5.9%</i>	<i>9.4%</i>	<i>9.8%</i>	<i>9.2%</i>
TOTALS	\$ 7,045.6	\$ 6,808.2	\$ 8,090.6	\$ 8,179.0	\$ 9,760.1	\$ 10,703.0	\$ 10,401.4	\$ 11,485.0	\$ 11,239.0	\$ 11,679.3

III. Agency Budget Summaries

CORPORATION FOR NATIONAL AND COMMUNITY SERVICE

I. RESOURCE SUMMARY

(Budget Authority in Millions)

	2002 Final	2003 Request	2004 Request
Drug Resources by Drug Control Function			
Prevention	\$0.000	\$5.000	\$5.000
Drug Resources by Budget Decision Unit			
Parents Drug Corps	<u>\$0.000</u>	<u>\$5.000</u>	<u>\$5.000</u>
Total	\$0.000	\$5.000	\$5.000
Drug Resources Personnel Summary			
Total FTEs (direct only)	0	0	0
Information			
Total Agency Budget	\$735.9	\$1,032.4	\$962.4
Drug Percentage	0.0%	0.5%	0.5%

II. PROGRAM SUMMARY

- The program consists of the Parents Drug Corps. The Corporation for National and Community Service has requested initial funding for this program in FY 2003.

III. BUDGET SUMMARY

2003 Program

- Parent Drug Corps will support the formation of parent drug prevention groups and activities. This effort will promote cooperation among national parent efforts and enable them to have a significant impact by working through community anti-drug coalitions nationwide and with other local and state anti-drug efforts. At the \$5 million funding level, the Parent Drug Corps will engage 10,000 parent volunteers.

2004 Request

- The total drug control request for FY 2004 is \$5 million, which maintains funding at the FY 2003 request level to support the Parents Drug Corps Initiative. This initiative will support and encourage parents to help children stay drug-free.

IV. PROGRAM ACCOMPLISHMENTS

- The program is proposed to begin in FY 2003.

DEPARTMENT OF DEFENSE

I. RESOURCE SUMMARY

(Budget Authority in Millions)

	2002 Final	2003 Enacted	2004 Request
Drug Resources by Function			
Intelligence ¹	\$119.402	\$121.884	\$121.744
Interdiction	374.525	401.026	413.313
Investigations ²	66.154	64.481	44.754
State and Local Assistance	145.695	160.372	103.099
Prevention	107.497	103.761	109.292
Treatment	6.013	6.112	6.763
Research and Development	<u>22.441</u>	<u>14.272</u>	<u>18.407</u>
Subtotal	\$841.725	\$871.907	\$817.371
Plan Colombia ³	<u>10.903</u>	<u>0.000</u>	<u>0.000</u>
Total	\$852.628	\$871.907	\$817.371
Drug Resources by Decision Unit			
Central Transfer Account ⁴	\$852.628	\$871.907	\$817.371
Total	\$852.628	\$871.907	\$817.371
Drug Resources Personnel Summary			
Total FTEs (direct only)	1,373	1,394	1,359
Information			
Total Agency Budget (Billions)	\$345.1	\$364.1	\$379.9
Drug Percentage	0.2%	0.2%	0.2%

¹ These resources were previously classified as interdiction in the FY 2003 Budget Summary. These programs support collecting, analyzing and disseminating intelligence on drug activity.

² Provides support to Federal Law Enforcement agencies.

³ Of the \$300.6 million appropriated for Plan Colombia in the FY 2000 Emergency Supplemental, \$186.4 was allocated in FY 2000, \$103.3 million was allocated in FY 2001, and \$10.9 million was allocated in FY 2002.

⁴ For FY 2002, the Central Transfer Account includes a transfer of \$5 million from ONDCP's HIDTA account.

II. PROGRAM SUMMARY

- The Department of Defense (DoD) performs counternarcotics missions that execute its:
 - mandatory detection and monitoring missions;
 - demand reduction activities;
 - permissive support to domestic and host nation law enforcement and/or military forces; and
 - other missions that support the war on terrorism, readiness, national security, and security cooperation goals.

- The DoD carries out these missions by:
 - acting as the single lead federal agency to detect and monitor the aerial and maritime transit of illegal drugs toward the U.S.;
 - collecting, analyzing and disseminating intelligence on drug activity; and
 - providing training for U.S. and foreign drug law enforcement agencies and foreign military forces with drug enforcement responsibilities.
- The DoD also approves and funds Governors' State Plans for National Guard use, when not in federal service, to support drug interdiction and other counternarcotics activities, as authorized by state laws.
- In accordance with its statutory authorities, DoD will use its counternarcotics resources as effectively and efficiently as possible to achieve national and Department counternarcotics goals. DoD will focus on programs that fulfill statutory responsibilities and use military-unique resources and capabilities. DoD will continue to advance the national priorities of the *National Drug Control Strategy*.
- While the DoD carries out certain drug demand reduction programs that help maintain the Armed Forces as an effective fighting force, most of its activities combat drug activity and, where possible, the movement of other threats to the United States, its friends and allies. DoD's new counternarcotics policy guidance, issued July 31, 2002, states that DoD will execute drug detection and monitoring and other programs using military command, control, communications and intelligence resources, as well as military operational planning capabilities. Accordingly, DoD will focus on counternarcotics programs that will: enhance readiness; satisfy its mandatory detection and monitoring responsibilities; contribute to the war on terrorism; advance its security cooperation goals; or enhance national security.
- These programs will also support U.S. and foreign law enforcement counternarcotics activities as they interdict illegal drug movements toward the United States.
- The Fiscal Year 2002 supplemental budget action provided DoD with additional authority to support Colombia's unified campaign against narcotics traffickers and terrorist organizations. Colombia is of particular importance because illegal drug trafficking there and its connections to terrorists threaten U.S. interest in a peaceful and secure Colombia and Andean region. The United States Government (USG) has made it a matter of national priority to support the creation or enhancement of Colombian counternarcotics capabilities.
- The Office of Counternarcotics, with oversight from the Under Secretary of Defense for Policy, is the single focal point for DoD's counterdrug activities and ensures that DoD develops and implements a focused counternarcotics program with clear priorities and measured results. Consistent with applicable laws, authorities, regulations, and funding/resource availability, DoD will ensure that sufficient forces and resources are allocated to the counternarcotics mission to achieve high-impact results. As proscribed in

10 USC § 375, the Department will not participate in a search, seizure, arrest, or other similar activity. Department personnel, moreover, will not accompany participating nation forces on field operations.

III. BUDGET SUMMARY

2003 Program

- The total DoD FY 2003 drug budget is \$871.9 million. This funding supports the following activities:

Demand Reduction

- A total of \$22.1 million is for the National Guard State Plans and Service outreach programs, and the Young Marines outreach program, and \$87.7 million is for the continued support of DoD Demand Reduction Programs. These funds support drug testing for active duty military, National Guard and Reserve personnel, and DoD civilian employees; drug abuse prevention/education activities for military and civilian personnel and their dependents; and drug treatment for military personnel.

Domestic Support

- This funding supports federal, state and local drug law enforcement agencies (DLEAs) requests for domestic operational and logistical support, and will assist the DLEAs in their efforts to reduce drug-related crime. Of this amount, \$204.9 million is for a portion of the total National Guard State Plans that supports domestic law enforcement efforts and the counternarcotics schools; \$33.9 million is for CONUS Operational Support, such as Joint Task Force (JTF)-6 and reserve support to DLEAs; and \$16.8 million is for Command, Control, Communication, Computers, and Intelligence (C41) support.

International and Detection and Monitoring Programs

- Detection and Monitoring funding is designated to execute counternarcotics detection and monitoring programs to assist U. S. law enforcement agencies to counter the flow of drugs in transit into Puerto Rico and the Virgin Islands and across the U.S. Southwest Border into the United States. Of this amount, \$61.6 million is for C41 support; \$193.5 million is for detection and monitoring platforms and assets; \$1.3 million is in support of emerging threats; \$116.0 million is for OCONUS Operational Support; \$113.3 million is for intelligence support; and \$20.0 million is for non-operational support to include research and development activities.

2004 Request

- The total drug control request for FY 2004 is \$817.4 million, a net decrease of \$54.5 million from the FY 2003 level. The Department's FY 2004 counternarcotics budget will continue to fund, within fiscal constraints, an array of effective programs that support the *National Drug*

Control Strategy and Department goals. The FY 2004 program has been updated to reflect the DoD's new counternarcotics policy, dated July 31, 2002.

- Reflecting this new emphasis, the following changes have been made to the program:
 - Phase out or transfer domestic programs where there is no benefit to DoD or where unique military skills or capabilities are not required;
 - Enhance demand reduction programs and require minimum testing rates for the Services;
 - Provide robust support to the Government of Colombia by enhancing counternarcotics and counterterrorism support. This initiative adds \$25 million to current funding of close to \$116 million in support of counterdrug activities in Colombia. The expanded support will be used to fund various programs in order to conduct a unified campaign against both terrorism and drugs;
 - Provide resources to combat emerging threats related to counternarcotics;
 - Restructure or eliminate international legacy programs. This change restructures radar coverage to reflect new trafficking patterns and eliminates redundant counternarcotic communications networks; and
 - Maintain mandatory detection and monitoring responsibilities.

Demand Reduction

- Increasing Reserve/National Guard drug testing to 80 percent per capita/year level.
- Funding increased DoD outreach programs.

Domestic Support

- Transfer of Joint Task Force Six to US Northern Command and reducing associated active and reserve domestic support that does not provide benefit to DoD or where unique military skills or capabilities are not required.
- Transfer of the NORAD Support program and the Civil Air Patrol program to the Department of the Air Force.
- Phase out Central Transfer Account funding for National Guard missions that are not making use of unique military skills, such as Cargo/Mail Inspection, Marijuana Eradication and OH-58 support.

International and Detection and Monitoring Programs

- Elimination of the T-AGOS program as directed by Congress.

- Refocusing of the Marine Corps Riverine Training Deployments program onto littoral missions. Phase in the Colombian Riverine Training Team concept.
- Elimination of South American radar sites with marginal utility, to include the San Andreas, CO, Monte Cano, VE, and El Copey, VE radar sites.
- Limiting Joint Planning Assistance Teams (JPATS) to those Andean countries with the most significant need, such as Colombia, Ecuador, Bolivia and Peru.
- Refocus the training and host nation support programs in the Caribbean and Mexico.
- Establish program to address other trafficking and emerging threats as they relate to counternarcotics.

IV. PROGRAM ACCOMPLISHMENTS

FY 2002 DOD COUNTERNARCOTICS PERFORMANCE RESULTS

Demand Reduction

- DOD provides extensive training to deter and reduce the use of illegal drugs among DoD dependant youths. Training included, but was not limited to, youth and parent counseling, anti-drug education, parenting skills, and drug dependency evaluation and treatment.
- DOD also provided mentoring, anti-drug education, and alternatives to drug abuse to non-DoD /at-risk youth through programs administered by the National Guard and military Reserve units. The National Guard demand reduction program reached more than 18 million people in FY 2002. Program support includes D.A.R.E., D.E.F.Y., Adopt-A-School, and Lunch-Buddy that provide military mentors, tutors, and role models to at-risk youth.
- DoD provided support to the Young Marines program. Approximately 13,000 youths between the ages of 8 and 20 participate in year round programs dedicated to leadership, discipline, and goal orientation. The average age of participants in this program is 11 years old. Assisting the Young Marines are approximately 2,100 adult volunteers.
- DoD supported aggressive drug testing for military and DoD civilian personnel and conducted prevention/educational activities. With a testing quantity of over 3 million specimens during FY 2002, the active duty military drug positive rate is 1.49%. This percentage is based on individuals tested rather than the number of tests as reported in the past. Active duty military personnel are randomly tested an average of twice per year. As reported by Quest Diagnostics, the drug positive rate for the federally mandated safety-sensitive workforce for calendar year 2001 was 2.9%, a decline from 3.1% in 2000.

Domestic Support

- The National Guard supports several training centers with a counternarcotics nexus, which provide training to interagency personnel. Through the Governors' State Plans, the National Guard supports the National Interagency Counternarcotics Institute (NICI) at San Luis Obispo, CA by training managers and leaders in planning and coordinating interagency counternarcotics operations. The Regional Counternarcotics Training Academy (RCTA), located at the Naval Air Station in Meridian, Mississippi, provides tactical/street level counternarcotics training. The Multi-Jurisdictional Counternarcotics Task Force Training program, located in St. Petersburg, Florida, provides interagency task force training and instruction on demand reduction issues. The Northeast Counternarcotics Training Center (NCTC), located at Ft. Indiantown Gap, Pennsylvania provides training for law enforcement officers and demand reduction professionals. Over 45,000 personnel received counternarcotics training from these locations through the end of FY 2002.
- During FY02, National Guard forces provided over 32,000 aviation flight hours, over 50 Engineer operations workyears, and over 700 workyears supporting intelligence requirements. National Guard forces also translated more than 120,000 pages of documents in support of the Drug Enforcement Administration (DEA).

International and Detection and Monitoring Programs

- DoD provides significant support to the interagency community within the Transit Zone (TZ) and is responsible as the lead agency for detection and monitoring operations. Personnel from DoD provided support, command and control, planning, communications, intelligence, training, and operations. In addition to personnel, DoD provides resources to both Joint Interagency Task Force East (JIATF-E) and West (JIATF-W) for detection and monitoring support including aircraft, naval ships, and radars. In the source zone, DoD has maintained focus on continuing support to Colombia. All of the FY 2000 Colombia Supplemental funding was obligated during the first part of FY 2002. Special Operations Forces have continued to provide training to the Colombian Counternarcotics (CN) Brigade. The CN Brigade's mission is to assist the Colombian National Police and other LEAs by providing sufficient security and support during typical counternarcotics operations. CN Brigade ground operations include drug lab/warehouse seizures, airfield denial/destruction/seizure operations, checkpoint security, and other operations. In order to provide the best support for the CN Brigade, DoD is continuing the process of conducting aviation training for Colombian military pilots. These pilots will be prepared to fly UH-60 and HUEY II helicopters to support the CN Brigade during operations. This will provide the ground forces with a robust vertical lift capability. Upgrades to Colombian C-26 and AC-47 aircraft have been completed. A TPS-70 radar is now fully operational at Trés Esquinas, Colombia along with a newly modernized radar command and control center in Bogota. Construction projects support infrastructure requirements for counternarcotics units in Colombia, Peru, Bolivia, and Ecuador.
- DoD provided assets in support of counternarcotics detection and monitoring operations to both JIATF-E and JIATF-W. These assets include aircraft, (E-3, E-2, P-3), naval ships, and

radar, which are employed in concert with other assets from the Department of Homeland Security. Some assets are best suited against detecting and/or monitoring air targets while others work well against the maritime threat and some are suited for both targets. DoD assets do not conduct endgames or the actual interdiction/seizures. However, DoD assets make a significant contribution to the overall interagency effort and performance results.

- The Army and Air National Guard assisted in over 100 seizures at U.S. Ports of Entry during FY 2002. National Guard efforts aided in the seizure of over 6.5 metric tons of cocaine and over 62 metric tons of marijuana.
- Comprehensive air interdiction operations in the source nations were initiated in FY 2000. In the critical cultivation region of southern Colombia, the Colombians will soon have in place all the necessary systems to deny critical air smuggling. To this end, DoD has completed upgrades for several Colombian AC-47 and C-26 aircraft, installed a TPS-70 ground based radar site and upgraded a Peace Panorama radar command and control center for the Colombian military. The air interdiction capability is also significantly enhanced through the expanded reach of the Relocatable Over-the-Horizon Radar (ROTHR) in Puerto Rico.
- DoD continues to deploy intelligence analysts to key cocaine production and transit countries to assist the DEA and the Country Team in planning and executing major counternarcotics cases.
- With the support of the CN Brigade, eradication operations have increased tremendously. During FY 2001, over 95,000 hectares of coca fields and 10 hectares of marijuana were eradicated. The Colombian Joint Task Force South (JTF-S) was responsible for eradicating over 45,000 hectares. JTF-S was also responsible for destroying over 800 cocaine labs, over 2 metric tons of cocaine base and confiscating over 300,000 gallons of precursor chemicals. An additional 3,200 hectares of opium poppy fields were also eradicated in Colombia. For the end of calendar year 2002, approximately 130,000 hectares of coca fields were eradicated along with over 3,000 hectares of poppy fields in Colombia. Weedeater operations in the Caribbean, designed to eradicate marijuana, resulted in the destruction of over 2 million marijuana plants. DoD provided aviation support for host nation forces during Weedeater operations.
- DoD provided aviation training for Colombian pilots and helicopter maintenance personnel both in CONUS and in Colombia. DoD completed the training of 44 UH-60 pilots, 53 initial Entry Rotary Wing pilots and 17 Huey II pilots. Helicopter maintenance training conducted in the United States trained 24 UH-60 mechanics, 52 Huey mechanics and over 60 other supporting skills. Sustainment training was provided for the 1st CN Brigade. In addition to Colombia, DoD also supported other countries with CD training to include Ecuador, Peru, Bolivia, the Bahamas, the Dominican Republic, Thailand, Honduras, Costa Rica, Venezuela, Malaysia, Mexico, and El Salvador. Approximately 60 counternarcotic training deployments were conducted by DoD during FY 2002 through August.

DEPARTMENT OF EDUCATION

I. RESOURCE SUMMARY

(Budget Authority in Millions)

	2002 Final	2003 Request	2004 Request
Drug Resources by Function			
Prevention	\$669.250	\$634.250	\$584.250
Drug Resources by Decision Unit			
SDFSC State Grants	\$472.017	\$472.017	\$422.017
SDFSC National Programs			
Federal Activities and Evaluation	134.733	145.000	154.123
National Coordinator Program	37.500	17.233	8.110
Alcohol Abuse Reduction	<u>25.000</u>	<u>0.000</u>	<u>0.000</u>
Subtotal, SDFSC National Programs	\$197.233	\$162.233	\$162.233
Total, SDFSC Program	\$669.250	\$634.250	\$584.250
Drug Resources Personnel Summary			
Total FTEs (direct only)	34	45	45
Information			
Total Agency Budget	\$56,177.0	\$60,403.5	\$61,382.7
Drug Percentage	1.2%	1.1%	1.0%

II. PROGRAM SUMMARY

- The Department of Education administers programs to improve and expand elementary and secondary education, special education and early intervention programs for children with disabilities, English language acquisition for limited English proficient and immigrant children, vocational and adult education, and higher education. In addition, Education carries out research, data collection, and civil rights enforcement activities.
- The programs funded under the Safe and Drug-Free Schools and Communities (SDFSC) Act comprise the only Department of Education programs included in the national drug control budget. The SDFSC program provides funding for research-based approaches to drug and violence prevention that support the *National Drug Control Strategy*. SDFSC is the federal government's largest drug prevention program, and the only federal program that provides direct support to schools for efforts designed to prevent school violence. Under the SDFSC Act, funds are appropriated directly for State Grants and for National Programs.
- SDFSC State Grant funds are allocated by formula to states and territories, half on the basis of school-aged population and half on the basis of each state's share of the prior year's federal funding for "concentration grants to local educational agencies (LEAs) for improving the academic achievement of disadvantaged students" under section 1124A of Title I of the Elementary and Secondary Education Act (ESEA). Generally, Governors receive 20 percent, and state educational agencies (SEAs) 80 percent, of each state's allocation. SEAs are

required to subgrant at least 93 percent of their allocations to LEAs; these subgrants are based 60 percent on LEA shares of prior year funding under Part A of title I of the ESEA, and 40 percent on enrollment. LEAs may use their SDFSC State Grant funds for a wide variety of activities to prevent or reduce violence and delinquency and the use, possession, and distribution of illegal drugs, and thereby foster a safe and drug-free learning environment that supports academic achievement. Governors may use their funds to award competitive grants and contracts to LEAs, community-based organizations, and other public and private organizations for activities to provide safe, orderly, and drug-free schools and communities through programs and activities that complement and support activities of LEAs.

- SDFSC National Programs authorizes funding for several programs or activities to help promote safe and drug-free learning environments for students and address the needs of troubled or at-risk youth, including:
 - Federal Activities are carried out by the Secretary under broad discretionary authority to prevent the illegal use of drugs and violence among, and promote safety and discipline for, students;
 - National Coordinator Program primarily supports grants to LEAs to enable them to recruit, hire, and train individuals to serve as drug prevention and school safety coordinators in schools with significant drug and school safety problems; and
 - Alcohol Abuse Reduction Program assists school districts in implementing innovative and effective programs to reduce alcohol abuse in secondary schools.
- SDFSC National Programs also authorizes (1) state grants for community service for expelled or suspended students, (2) mentoring programs, and (3) Project SERV (School Emergency Response to Violence, a crisis response program that provides education-related services to LEAs in which the learning environment has been disrupted due to a violent or traumatic crisis). However, since these programs have no clear drug control nexus, funds for these three appropriation line items are not included in the ONDCP drug budget.

III. BUDGET SUMMARY

2003 Program

- The FY 2003 President's budget request for Education includes \$634.3 million for prevention activities that support the *National Drug Control Strategy*. This includes \$472.0 million for SDFSC State Grants and \$162.2 million for SDFSC National Programs. Within the SDFSC National Programs, funding will be used for a demonstration program to assess the effectiveness of drug testing on reducing adolescent drug use, both as a deterrent in and of itself, and as a prevention strategy when accompanied by comprehensive assessment, referral, and follow-up services for students who test positive for drug or alcohol use.

2004 Request

- The FY 2004 drug control request for Education's drug prevention activities includes \$422.0 million for SDFSC State Grants and \$162.2 million for SDFSC National Programs, for a total of \$584.3 million.
- The FY 2004 request recognizes that there are weaknesses with the SDFSC State Grant program which need to be addressed, such as the lack of specific, measurable objectives for the program and the means to determine whether they are being achieved. In the coming year, Education will develop a new strategy for measuring the performance of SDFSC State Grants that will help assess the effects of the overall program and make better use of performance data to improve state and local programming decisions.
- Accordingly, the request for SDFSC National Programs Federal Activities includes up to \$6 million for activities to provide support for improved planning, needs assessment, and data collection activities to enhance the ability of states to report, and LEAs to use, meaningful outcome measures on youth drug use and violence to improve the performance of the SDFSC State Grants program.
- As part of the National Programs Federal Activities, \$8 million is included for a competitive grant program that will provide for drug testing, assessment, referral, and needed intervention. Drug testing has been shown to be effective at reducing drug use in schools and businesses across the country. This funding will expand drug testing efforts initiated by Education in FY 2003.
- Among other significant elements of the SDFSC National Programs request is \$18 million for a new round of grants under the Safe Schools/Healthy Students initiative (for a total of \$95 million for this initiative), that Education is funding in conjunction with HHS. These comprehensive prevention projects show great promise in helping to create safe, disciplined, and drug-free learning environments and promoting healthy childhood development in the schools and communities served.
- The SDFSC National Programs request also reallocates \$9.1 million from the National Coordinator Program to Federal Activities, since only \$8.1 million in continuation awards is needed to phase out the National Coordinator program, which by the end of 2004 will have completed its mission as a demonstration activity.

IV. PROGRAM ACCOMPLISHMENTS

- In FY 2002, 89 Safe Schools/Healthy Students projects were funded to provide drug prevention and early intervention services to students as part of a coordinated, comprehensive strategy for promoting healthy childhood development and addressing the problems of school violence and drug abuse.
- In FY 2002, 206 grants to local educational agencies funded 588 SDFSC coordinators to improve the implementation of drug prevention and school safety programs in 1,160 schools;

and training and technical assistance was provided to help SDFSC coordinators select and implement effective drug and violence prevention initiatives.

- Supported a training and technical assistance center to strengthen and disseminate information about drug prevention programs for students at institutions of higher education.
- Supported the administration of a random sample national probability survey of college students' alcohol and other drug use and their perceptions of their college peers' behavior regarding alcohol and other drugs.
- In conjunction with the Department of Justice, supported alcohol, tobacco, and other drug and violence prevention activities in school or community-based settings implemented by police officers supported by the Community Oriented Policing Services program.
- In conjunction with the National Highway Transportation Safety Administration, supported a project to develop and disseminate materials to help colleges, universities, and campus communities implement effective impaired driving and underage drinking prevention programs.
- Disseminated 50,000 copies of the Department's drug prevention newsletter, *The Challenge*, to teachers, teacher-parent organizations, school administrators, and other drug prevention professionals twice in FY 2002.

NATIONAL INSTITUTE ON DRUG ABUSE

I. RESOURCE SUMMARY

(Budget Authority in Millions)

	2002 Final	2003 Request	2004 Request
Drug Resources by Function			
Prevention Research	\$362.161	\$393.600	\$408.202
Treatment Research	<u>523.041</u>	<u>566.379</u>	<u>587.412</u>
Total	\$885.202	\$959.979	\$995.614
Funding Resources by Decision Unit			
NIDA	\$885.202	\$959.979	\$995.614
Drug Resources Personnel Summary			
Total FTEs (direct only)	379	381	375
Information			
Total Agency Budget	\$885.2	\$960.0	\$995.6
Drug Percentage	100.0%	100.0%	100.0%

II. PROGRAM SUMMARY

- As the supporter of more than 85 percent of the world's research on drug abuse and addiction, the National Institute on Drug Abuse (NIDA), a component of the National Institutes of Health (NIH), provides a strong science base for our nation's efforts to decrease America's demand for drugs.
- NIDA's comprehensive research portfolio touches upon every aspect of drug abuse and addiction, ranging from the support of fundamental neurobiology to applied research. In addition, NIDA's research portfolio relies heavily on a strong basic neuroscience research program. In fact, it is from basic research findings supported by NIDA and other NIH institutes that innovative and novel prevention and treatment interventions for most diseases are derived. From this research, NIDA has learned that drug abuse is a preventable behavior and addiction is a disease of the brain. Translating basic science findings into usable information and tools is an integral component of the NIH mission.
- As a component of the NIH, NIDA makes available not only its strong comprehensive research foundation, but the research capacity of other NIH institutes as well. For example, NIDA will continue to work with other Institutes, particularly the National Institute on Mental Health and the National Institute on Alcohol Abuse and Alcoholism in consultation with the Substance Abuse and Mental Health Services Administration (SAMHSA) to more rapidly disseminate research discoveries into practice.

III. BUDGET SUMMARY

2003 Program

- NIDA's total drug control request for FY 2003 is \$960.0 million, which represents a net increase of \$74.8 million over FY 2002. The following programs represent a sample of the programs that NIDA will support in FY 2003:
 - **Ushering in A New Era of Prevention Research.** NIDA's program of prevention research will bring together a broader array of scientific disciplines to reduce drug use in this country. By bringing together basic, clinical, and applied researchers who can tackle difficult questions, NIDA is in a better position to develop and implement more effective preventive strategies at the individual, family and community levels. Through its new multi-component National Prevention Research Initiative, NIDA is continuing to set the stage for the establishment of new science-based approaches to prevention. NIDA researchers are taking what has been learned from small-scale drug prevention studies and implementing them on a larger scale with a wide variety of populations in diverse settings.
 - **Expanding the National Drug Abuse Treatment Clinical Trials Network.** In FY 2003, NIDA's National Drug Abuse Treatment Clinical Trials Network (CTN) has grown into a research infrastructure that includes 17 research centers and 115 community treatment programs that are working together to treat patients across 27 states. The CTN is helping to dramatically improve drug addiction treatment in this country by testing the effectiveness of behavioral and pharmacological treatments in real life settings. The CTN also serves a critical role in bridging the gap between research and practice.
 - **Exploring the Link Between Stress and Drug Abuse.** As our nation continues to recover from the terrorist attacks that occurred in September 2001 and to cope with the fear of ongoing threats against our country, NIDA continues to enhance its research portfolio to further examine the role that stress plays in the initiation and reinstatement of drug use. For example, at the basic research level, NIDA continues to examine the role that both acute and chronic stress play in changing circuitry in the brain that in turn affects behavior.
 - **Understanding the Transition to Addiction.** NIDA supported research has significantly advanced our understanding of the behavioral, molecular and the biological factors both underlying initial drug use and characterizing the state of being addicted. However, very little is known about how individuals move from early stages of drug use to later stages of drug addiction and about the mechanisms and processes that underlie the actual transition from one state to another. NIDA continues to support research in this important area.
 - **Developing New Medications for Stimulant Abuse.** As drugs such as methamphetamine continue to attract new users, NIDA continues to emphasize the development of medications for treating stimulants as a major priority in its medications development portfolio.

- **Assessing Behavioral Treatments.** NIDA-supported and conducted research has shown that behavioral therapies are effective in treating many addictions. NIDA will continue to assess behavioral treatments, such as contingency management and motivational incentives, to determine what components are the most efficacious and make them available to communities. In addition, NIDA will continue to evaluate the combined efficacy of pharmacological and behavioral treatments in clinical trials.
- **Responding to Emerging and Changing Drug Use Trends such as MDMA, GHB and Other Club Drugs.** NIDA's research continues to inform our national discussion on how to respond to emerging drugs such as MDMA and GHB. NIDA is learning about the characteristics of users of particular drugs; drug use behaviors, contexts, and norms; factors influencing specific trends; and the health, social, and behavioral consequences. This information is essential to the identification of services needs and for the development of more timely interventions. NIDA is also encouraging the development and testing of behavioral and pharmacological treatments for club drugs, as well as the development of antibodies and other useful strategies to help emergency room physicians who may encounter drug overdoses. New data released by NIDA's Monitoring the Future Survey in December 2002 shows that the use of club drugs, particularly MDMA is decreasing, suggesting that efforts to provide science-based information to the youth of America is beginning to pay off. MDMA use decreased significantly among 10th graders and showed signs of decline in 8th and 12th graders.
- **Improving Drug Abuse Treatment Tied to the Criminal Justice System.** The Criminal Justice Research Initiative (CJRI) will provide a platform for NIDA's efforts to use science to improve the outcomes of criminal justice-involved drug abusing and addicted individuals. This initiative will focus on improving the quality, significance, and timeliness of research in the criminal justice system; participating in an inter-federal agency cooperative network to conduct research on criminal justice and corrections-based drug treatment; and enhancing the dissemination of criminal justice and corrections-related research findings.

2004 Request

- NIDA's total drug control request for FY 2004 is \$995.6 million, a net increase of \$35.6 million over the FY 2003 request level. The following represent a sample of the enhancements that NIDA will support in FY 2004:
 - **National Prevention Research Initiative.** NIDA's multi-faceted prevention activities include: 1) multi-site trials to test the effectiveness of new and existing science-based prevention approaches in different communities, while simultaneously studying how best to adapt the programs for local communities; 2) NIDA's Transdisciplinary Prevention Research Centers (TPRC) that foster collaborations between neuroscientists, behavioral scientists, cognitive scientists and drug abuse prevention researchers, with input from practitioners in the prevention community to address knowledge gap areas; and 3) studies addressing basic neuroscience and fundamental behavioral research questions that can lead to new and/or improved prevention strategies. In FY 2004, NIDA will extend the work of the National Prevention Research Initiative by creating environments in which

scientists from the basic, clinical, and applied disciplines can come together to develop a coherent program of transdisciplinary research. The TPRC will develop and test innovative, potentially efficacious, drug abuse prevention interventions to help reduce the burden of drug abuse and addiction in this country.

- **National Drug Abuse Treatment Clinical Trials Network.** As part of its treatment research activities, NIDA will continue to provide the nation with the infrastructure for testing science-based treatments in diverse patient and treatment settings, and the mechanism for promoting the rapid translation of new science-based treatment components into practice. The CTN is currently testing more than a dozen treatment protocols in community settings nationwide. These protocols include testing of treatment approaches shown to be effective in laboratory settings or suggested by practitioners in the field, and are being tested in the full array of treatment settings that exist across the country. More treatments are ready to be developed into protocols that will be delivered in diverse patient populations across the country.
- **Research-Based Treatment Approaches for Drug Abusing Criminal Offenders.** NIDA will continue to support science that will fuel the development of more successful strategies to deal with drug abusing criminal offenders. NIDA launched a new Criminal Justice Initiative to help meet the objectives set forth in the *Strategy*. NIDA, in collaboration with other agencies in the Department of Health and Human Services and the Department of Justice, is in the process of establishing a research infrastructure to develop and test models to help incarcerated individuals with drug abuse or addictive disorders obtain quality treatment while in jail or prison and to receive effective treatment as part of their re-entry into the community. The National Criminal Justice Drug Abuse Treatment Study (CJ-DATS) includes a coordinating Center and seven research centers each serving a geographic area that will work with NIDA and others to conduct multi-site and nationwide criminal justice-based treatment services research.
- **New Interventions and Treatments for Adolescents and Current Drug Users Who Are Not Yet Addicted.** NIDA is working to develop treatments and interventions targeted at adolescents of different ages, focusing particularly on behavioral treatment strategies. Recognizing that many adolescents may take drugs in an effort to self-medicate from effects of other undiagnosed psychiatric disorders, NIDA researchers will pay special attention to the treatment of drug abuse and co-occurring mental disorders. NIDA will also continue to develop smoking cessation and prevention interventions that are tailored to adolescents. NIDA's treatment researchers are also continuing to work to develop innovative science-based methods to motivate and engage drug users who have not established a pattern of chronic escalating drug use from developing further negative consequences.
- **NIH and SAMHSA: Facilitating Scientifically Supported Interventions into Practice.** To expedite and systematically move NIH science-based interventions and practices to the individuals working in the fields of mental health services, addiction treatment and substance abuse prevention, several NIH institutes (NIDA, National Institute of Mental Health (NIMH) and National Institute on Alcohol Abuse and

Alcoholism (NIAAA)) have been collaborating with SAMHSA to expedite the translation of research findings. Collaborative opportunities with SAMHSA will ensure that science is used to maximize the dissemination and application of research findings into practice.

- **New Targets for Addiction Medications: From Molecules to Clinical Practice.** To take advantage of the new neurobiological discoveries and emerging technologies, NIDA and other interested NIH institutes expect to launch a novel drug development initiative to facilitate the discovery of compounds. As a second stage, NIDA and others intend to partner with pharmaceutical companies to accomplish phase II and phase III clinical trials of these compounds in order to achieve the ultimate therapeutic objectives of this program. This initiative will help to more rapidly bring new medications to practitioners.
- **Understanding Compulsive Behaviors: Implications for Prevention Efforts.** NIDA plans to join with other NIH institutes to better understand the decision-making processes that underlie compulsive behaviors and how to use this science-based knowledge to develop new directions for effective prevention efforts that foster healthy decision making.

IV. PROGRAM ACCOMPLISHMENTS

- One of the best examples of how NIDA-supported research is more rapidly and directly benefiting potentially hundreds of thousands of Americans can be found in the development and recent approval of a new medication for addiction. The Food and Drug Administration's approval of buprenorphine (subutex and suboxone) for treating addiction to heroin or other opioids, including prescription pain-killers, on October 8, 2002, marks a milestone in NIDA's medication development program. Buprenorphine is now the second medication to come out of NIDA's investment in this program. It is the first form of opioid treatment to be given in a physician's office. The medication will not only expand availability of treatment, but its method of administration and dosing schedule will make it more likely that recovering addicts will adhere to the treatment regimen.
- Since its establishment in 1999, NIDA's CTN has expanded from its original five sites to 17 sites. The addition of the three most recently added nodes -- Northern New England (covering five states), New Mexico, and California/Arizona -- has expanded the CTN to cover a larger proportion of the country that now includes 27 states, thereby improving our ability to identify effective treatment options for more diverse populations.
- **Drug Prevention Interventions Needed Early.** Using data from the National Comorbidity Survey, which includes information from 8098 respondents, researchers examined a number of variables related to the timing of drug initiation and dependence for alcohol, marijuana, and cocaine. This study suggests that the optimal timing for prevention and treatment for substance abuse differs for different drugs and that prevention messages should discuss not only the risks associated with initial use of alcohol, marijuana, and cocaine, but also the potential for rapid onset of dependence, especially for cocaine.

SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION

I. RESOURCE SUMMARY

(Budget Authority in Millions)

	2002 Final	2003 Request	2004 Request
Drug Resources by Function			
Prevention	\$560.747	\$525.169	\$522.247
Treatment	<u>1,743.641</u>	<u>1,847.411</u>	<u>2,053.062</u>
Total	\$2,304.388	\$2,372.580	\$2,575.309
Drug Resources by Budget Decision Unit			
Programs of Regional & National Significance			
Prevention	197.479	152.815	148.186
Treatment	290.567	357.994	556.816
Substance Abuse Block Grant ¹	1,725.000	1,785.000	1,785.000
Program Management ²	<u>91.342</u>	<u>76.771</u>	<u>85.307</u>
Total ³	\$2,304.388	\$2,372.580	\$2,575.309
Drug Resources Personnel Summary			
Total FTEs (direct only)	526	532	516
Information			
Total Agency Budget	\$3,135.7	\$3,194.7	\$3,393.3
Drug Percentage	73.5%	74.3%	75.9%

¹ Consistent with ONDCP guidance, the entire Substance Abuse Block Grant, including funds expended for activities related to alcohol is included in the Drug Budget. The Block Grant is distributed 20 percent to Prevention and 80 percent to Treatment.

² Consistent with ONDCP guidance, all SAMHSA Program Management funding is included. Program Management is distributed 20 percent to Prevention and 80 percent to Treatment.

³ Total FY 2004 drug control funds shown reflect an increase of \$200 million in CSAT PRNS, a decrease in CSAP PRNS of \$2.242 million, an information technology (IT) reduction of \$5.565 million from CSAT/CSAP PRNS, and a program management increase of \$8.536 million.

II. PROGRAM SUMMARY

- SAMHSA supports the *National Drug Control Strategy* through a broad range of programs focusing on prevention and treatment of the abuse of illicit drugs. These programs are administered through the Center for Substance Abuse Prevention (CSAP) and Center for Substance Abuse Treatment (CSAT).
- In previous versions of the *National Drug Control Strategy, Budget Summary*, only 71 percent of the Substance Abuse Prevention and Treatment (SAPT) Block Grant was considered drug-related. In an attempt to tie more directly with actual account-level detail in the annual Budget of the President, the drug control budget now reflects 100 percent of the SAPT Block Grant, which includes alcohol services.

Center for Substance Abuse Prevention

- CSAP's mission is to bring effective prevention programs to all communities and thus ensure substance use reduction. CSAP's strategy comprises three goals: 1) to improve capacity by building, sustaining, and enhancing state and community infrastructure and capacity for widespread implementation of proven effective substance abuse prevention programs; 2) to identify and disseminate effective prevention programs; and 3) to ensure accountability by establishing systems at the federal, state and community levels to ensure program performance measurement and accountability.
 - Capacity: CSAP has implemented several program efforts targeted to increasing the capacity of states and communities to provide substance abuse prevention services. Specifically, the State Incentive Grants (SIGs) are designed to address the specific and immediate prevention service capacity needs within the states and communities. SIG grants represent a comprehensive effort to improve the quality and availability of effective research-based prevention services and help states and communities address and close gaps in prevention services, which often cannot be addressed via SAPT Block Grant funding.
 - Effectiveness: CSAP prevention activities support identification and promotion of model and promising prevention programs which are achieved primarily through CSAP's National Registry of Effective Prevention Programs (NREPP). CSAP's objective is to significantly increase the number of communities implementing science-based prevention programs. Many of the programs identified as models have been adapted to meet the specific needs of the target population and the local environment.
 - Accountability: CSAP promotes accountability throughout all of its activities by requiring evaluation to demonstrate outcomes. Similarly, the SAPT Block Grant set-aside supports the collection and analysis of data, the development of state data systems, and supports oversight of Synar Amendment implementation requiring states to enact and enforce laws to reduce the availability of tobacco products to minors by prohibiting the sale and distribution of tobacco products to persons under the age of 18.

Center for Substance Abuse Treatment

- In partnership with other federal agencies and organizations, state and local governments, and faith-based and community-based substance abuse treatment and primary care providers, CSAT's goals are to: 1) increase the availability of treatment commensurate with the need for treatment; 2) transfer knowledge gained from research into effective treatment practices; and 3) improve and strengthen substance abuse treatment organizations and systems.
 - Capacity: The SAPT Block Grant is CSAT's primary program to support state alcohol and drug abuse treatment activities. Funding is allocated by formula to the states, and approximately 80 percent is used in support of treatment services (including up to 5 percent for state administration). CSAT also provides additional discretionary funding through its Targeted Capacity Expansion (TCE) treatment service programs, which focus on reducing substance abuse treatment need by supporting rapid and strategic responses

to demands for substance abuse treatment services. Response to treatment capacity problems may include communities with serious, emerging drug problems or communities struggling with unmet need.

- Effectiveness: CSAT's funding for treatment programs includes activities to bridge the gap between knowledge and practice, promote the adoption of best practices, and ensure services availability meets targeted needs. These treatment programs support knowledge development and testing of innovative new treatment approaches and are used to disseminate information about systems shown to be most effective.
- Accountability: CSAT and the Office of Applied Studies (OAS) spend approximately 80 percent of the SAPT Block Grant federal set-aside for the collection and analysis of national data, the development of state data systems (including the development and maintenance of baseline data on the incidence and prevalence as well as the development of outcome measures on the effectiveness of treatment programs), technical assistance, and program evaluations.

III. BUDGET SUMMARY

2003 Program

- SAMHSA's FY 2003 drug control request totals \$2.4 billion.

Prevention

- A total of \$152.8 million is available for prevention Programs of Regional and National Significance (PRNS) activities. This represents a reduction of \$44.7 million from the previous fiscal year. Since no new funding is requested for FY 2003, CSAP proposes to reinvest funds from expiring projects as follows:
 - State Incentive Grants (\$19 million): CSAP proposes to reinvest funding to award three new SIG states. In addition, based on input from state prevention leaders, CSAP proposes to provide: 1) SIG "Incentive Enhancements" to enable states to continue to build and enhance their capacity to provide effective prevention services to assure these enhancements are sustained and institutionalized; and 2) a limited number of one year, pre-SIG planning grants to assist non-SIG states to develop comprehensive plans to address needs they have identified in their system's infrastructure which can serve as a foundation for potential, future SIG support.
 - Centers for the Application of Prevention Technologies (CAPTs) (\$8 million): CSAP proposes to reinvest funding to maintain the five regional CAPTs in FY 2003.
 - State Data Infrastructure (\$1.0 million): CSAP proposes to award approximately 10 new grants to support a state data infrastructure in FY 2003 to improve states' capacity to address the upcoming Performance Partnership Grant requirements for performance measurement data collection, analysis, and reporting.

Treatment

- A total of \$358.0 million is available for treatment PRNS activities and \$1.8 billion is available for the SAPT Block Grant.
 - TCE programs: The FY 2003 request reflects a PRNS net increase of \$67.4 million over the previous fiscal year, all of which will be used to support TCE programs. In addition, \$42.8 million in funds from expiring and discontinued Best Practices projects will be redirected to provide additional funding for TCE activities. From this program total of \$110.2 million, \$50 million will be set-aside for new TCE grants to the states, representing a new type of discretionary targeted capacity program to enable states to address treatment need. The new State TCE program will allow the states to expand the range of treatment services available in communities to include screening and brief intervention. The program goal is to increase treatment capacity by expanding the continuum of care available in communities, resulting in increased access to clinically appropriate treatment matched to the person's stage of illness and problem severity. Brief interventions and/or brief treatment will be provided for those persons diagnosed with substance abuse disorders. Comprehensive treatment, long term support, and care management will be provided for those diagnosed with substance dependence disorders. While the focus of this initiative is on screening and brief intervention for non-dependent users, it is critical to ensure that appropriate services are available to treat persons who are screened and for whom brief interventions are not appropriate. Accordingly, states will be permitted to use a portion of the grant to fund services for those persons who require more intensive and prolonged treatment.

Also under the new State TCE program, States will demonstrate, commit to, and report performance targets for reducing overall drug use and the number of people needing drug treatment. To maximize the effectiveness of the State TCE grant, incentives and reductions based on performance will be built into the grant announcement.

- SAPT Block Grant: A total of \$1.8 billion is available for the SAPT Block Grant. This represents an increase of \$60.0 million over the previous fiscal year. This will provide modest increases in all state allocations, and an increase of \$3 million for the federal set-aside. Within the available set-aside funding, \$11.6 million will be provided for the continuing development of a National Treatment Outcomes Monitoring System (NTOMS).

2004 Request

- A total of \$2.6 billion is requested for the drug control budget in FY 2004. The request reflects an increase for the President's Drug Treatment Initiative (PDTI) of \$200 million to support establishment of a substance abuse treatment voucher initiative in SAMHSA/CSAT. In addition to this change, the SAMHSA budget includes program reductions in CSAP of \$2.2 million, information technology reductions of \$5.6 million, an increase of \$8.5 million in SAMHSA Program Management funding, and other minor PRNS funding adjustments. The SAPT Block Grant is level-funded in FY 2004.

Prevention

- The FY 2004 request for SAMHSA/CSAP PRNS is \$148.2 million, reflecting a program reduction of \$2.2 million and an information technology reduction of \$2.4 million, which represents an overall decrease from the FY 2003 President's Budget of \$4.6 million, or minus 3 percent. Since no new PRNS funding is requested for FY 2004, CSAP proposes to reinvest funds from expiring projects as follows:
- State Incentive Grants (\$25.5 million):
 - \$11.2 million to support 4 new SIGs: This will increase the number of states that will have received a SIG grant to approximately 48 by the end of FY 2004.
 - \$1.5 million to support up to three one-year pre-SIG grants: These will assist states that have not previously received a SIG award, to develop the capacity and infrastructure to compete effectively for a SIG award.
 - \$12.8 million for 16 SIG Enhancement Partnership awards: These grants will enable SIG or former SIG states to build and enhance their capacity to provide effective prevention services. States would select at least one option from a menu of community or state enhancement activities, including early identification for the early childhood population; early intervention for youth and other populations (e.g., homeless population, elderly individuals experimenting with drug use); early intervention for young adults 18 to 25; responding to youth and young adults with co-occurring disorders; increasing state data infrastructure capacity; and providing workplace interventions and Employee Assistance Program services.
- Comprehensive Workplace Initiative (\$4 million): This initiative will include three core programs:
 - \$2 million to support youth transition and young adult-focused workplace programs: The priority investment will fund small, one-year grants to collect and analyze data from organizations that have implemented workplace substance abuse prevention programs for individuals ages 16 to 24 entering or already in the workforce.
 - \$1.5 million priority reinvestment for contracts and interagency agreements: This program incorporates alternative, complementary drug testing technologies (such as hair or saliva testing) into the existing HHS Mandatory Guidelines for Federal Drug Testing Programs and implements appropriate strategies in the 121 federal executive branch agencies.
 - \$0.5 million priority reinvestment to help establish a permanent Federal Agency Drug-Free Workplace Coordinating Council: This council will provide improved formal oversight and cross-agency collaboration.
- Building an infrastructure and expanding services for Early Intervention Initiative with children ages 0 to 5 and their families (\$2 million): This program will provide incentive

grants and technical assistance to states to designate staff to strengthen their state and community infrastructures and to focus on cross-system planning and policy development, access, evidence-based practices, and financing for serving young children and their families. This program supports the integration of substance abuse and mental health services into primary health care and early childhood educational settings.

- Substance Abuse Prevention (SAP) and HIV Prevention (HIVP) in Minority Communities (\$16.5 million): CSAP's Minority SAP and HIVP program supports effective, integrated SAP and HIVP programs and services for youth and other at-risk populations in African-American, Hispanic/Latino, American Indian/Alaska Native, and Asian-American/Pacific Islander communities that have traditionally been under-served or unserved. In FY 2003, the HIVP program focused on 5-year projects with the first year for a comprehensive planning process. In 2004, CSAP will continue this 5-year model, and will fund up to 40 new five-year awards.
- Supporting State, Community and Workplace Capacity for Emergency, Bio-Terrorism and Terrorism Response (\$0.7 million): This initiative is part of the SAMHSA-wide Bio-Terrorism Preparedness Action Plan developed in response to the September 11th attacks. The 2004 CSAP initiative is designed to identify and respond to substance abuse prevention needs with informational resources, technical aid, and model programming appropriate to small businesses and community-based organizations.
- NREPP (\$0.7 million): This funding will continue and expand NREPP, which identifies programs that have been well implemented, well evaluated, and have produced consistently positive results.

Treatment

- The FY 2004 request reflects an increase of \$200 million in SAMHSA/CSAT PRNS funds for the President's Drug Treatment Initiative, partially offset by an information technology reduction of \$3.2 million. The PRNS total of \$556.8 million is an increase of approximately 56 percent over the FY 2003 President's Budget. In addition, the FY 2004 request includes level funding of \$1.8 billion for the SAPT Block Grant.
- In FY 2004, the budget includes new funding of \$200 million for a drug and alcohol treatment voucher program targeted to states. Total funding for this initiative is \$600 million, \$200 million a year in 2004, 2005, and 2006. Combined with prior year requests, this increase will meet the President's commitment to provide an additional \$1.6 billion for treatment services over five years. This program will complement the FY 2003 State Targeted Capacity Expansion Program, both of which are key components of the Presidential initiative to increase substance abuse treatment capacity, consumer choice, and access to a comprehensive continuum of treatment options (including faith-based programmatic options). Further, this program also will serve as a model, allowing states to initiate the type of treatment voucher systems permissible with SAMHSA grant funding under the proposed Charitable Choice regulations. Funding will be allocated as competitive grants. States awarded these grants will have flexibility in customizing their voucher

programs to fit each state's unique needs, provided that the state's policies, programs and practice adhere to key principles of this initiative.

States participating in the program may use a range of models for implementing treatment vouchers, including full implementation by a state or sub-state agency or implementation of all or part of the program through partnership with a private entity. Within a state, the program may be targeted to areas of greatest need or areas where there is a high degree of readiness to implement the program. As part of this program, states must establish a process for screening, assessment and referral to treatment that is appropriate for the individual client – from brief interventions to more intensive treatment. Also program referrals must ensure that clients have a genuinely independent choice of appropriate treatment providers. States must ensure full and open competition among public and private, proprietary and nonproprietary providers (including faith and community-based organizations) for designation as participating providers in the voucher program. States also must develop plans to enable providers that have not been able to compete effectively for federal funds to do so in this program without compromising program outcomes. States must establish a process to monitor the outcomes and costs of the voucher program and to make adjustments based on the extent to which improved client outcomes are/are not achieved in a cost-effective manner. The key to accountability in this program will be the system of reimbursement. Payment to providers will be linked to demonstration of treatment effectiveness measured by such indicators as client substance use following discharge.

IV. PROGRAM ACCOMPLISHMENTS

CSAP Program Accomplishments:

- In 2002, CSAP funded four new SIG grants, CSAP's primary TCE mechanism for building prevention capacity. These awards supported approximately 1,100 community-based organizations to implement or enhance more than 2,600 substance abuse prevention programs. Science-based SIG-supported programs totaled 1,858.
- In the past year, NREPP increased its number of model programs to 45 and promising programs to 63. More than 20 states now require a percentage of their SAPT Block Grant funds to be allocated to implement science-based or model programs.
- NREPP initiated its first review of model program dissemination and noted that NREPP-based programs had a clear impact on a field in which model or effective programs were not even discussed five years ago. Model program developers indicate that in FY 2002, 45 model programs were made available; 45,000 inquiries were received; 2,400 training sessions were conducted by model developers or their trainers; 2,900 organizations were trained; and 1.25 million individuals were served.
- CSAP funded 28 grants and one data coordinating center for developing, implementing, and pilot testing Ecstasy, other Club Drugs and Methamphetamine, and Inhalant prevention infrastructure and intervention programs.

- CSAP's National Clearinghouse for Alcohol and Drug Information operates PREVLINe (www.health.org), a web portal for information on substance abuse prevention and treatment. From FY 2001-2002, PREVLINe web hits jumped from 85.5 million to 131.1 million, a 53 percent increase. PREVLINe is a major source of health information for the public and for the prevention field.

CSAT Program Accomplishments:

- CSAT's TCE Grant Program addresses critical gaps in treatment capacity by supporting rapid and strategic responses to area-specific demands for substance abuse treatment services. During FY 2002, CSAT's TCE grantees provided treatment services to approximately 28,000 clients. This included programs that targeted women, adolescents, minorities, the homeless, and persons with HIV/AIDS. In addition, CSAT's TCE/HIV Outreach Program grantees made over 202,408 client contacts in FY 2002.
- Current estimates indicate that approximately 20 percent of adolescents in need of treatment have a severity level that indicates a need for residential treatment. Alarming, only 9 percent of youth that receive treatment for substance abuse problems in the public sector receive residential treatment. To address this problem, CSAT developed a grant program and funded 17 sites during FY 2002 to enhance and/or expand residential substance abuse treatment services and its continuing care component for adolescents. A primary focus of this program is to increase the opportunity for youth with severe substance abuse problems to receive the appropriate level of care and to ensure that they receive continuing services that allow them to return to a community environment and maintain the gains they made during their residential treatment. The program will also lay the groundwork for the development of effective models of continuing care.
- CSAT's "It's to Die For" consumer education effort targets adolescents and young adults who misuse prescription drugs. This effort is an interagency partnership with the Food and Drug Administration's Center for Drug Evaluation and Research (CDER). CSAT produced a consumer brochure and CDER produced print and electronic ads and posters. Target outreach is more than one-million plus impressions on the ads and 50,000 consumer brochures. CSAT also has solidified an interagency agreement with FDA's CDER targeting older adult consumers about preventing and addressing existing problems of prescription medicine misuse and abuse. This has been planned as a multimedia campaign, and it is scheduled for development during 2003.
- CSAT has undertaken a National Consumer Education Tour on the new pharmacologic opioid treatment option, Buprenorphine. The community education campaign, called "New Paths to Recovery," will raise the public's awareness about the new drug and inform doctors of the credentials necessary to administer the new treatment from their offices. The effort includes a news event in Washington, D.C. and subsequent Community Education Forums in 14 cities where the prevalence of opioid addiction is high.

BORDER AND TRANSPORTATION SECURITY

I. RESOURCE SUMMARY

(Budget Authority in Millions)

	2002 Final	2003 Request	2004 Request
Drug Resources by Function			
Intelligence	\$27.316	\$31.772	\$35.118
Interdiction	863.909	909.792	968.036
Investigations	287.466	325.110	363.859
Research & Development	<u>4.893</u>	<u>5.113</u>	<u>5.853</u>
Total	\$1,183.584	\$1,271.787	\$1,372.866
Drug Resources by Decision Unit			
To be determined	<u>1,183.584</u>	<u>1,271.787</u>	<u>1,372.866</u>
Total	\$1,183.584	\$1,271.787	\$1,372.866
Drug Resources Personnel Summary			
Total FTEs (direct only)	8,717	9,060	9,174
Information			
Total Agency Budget	\$5,854.0	\$6,053.4	\$7,090.7
Drug Percentage	20.2%	21.0%	19.4%

II. METHODOLOGY

- Border and Transportation Security (BTS) like other multi-mission organizations do not receive a specific appropriation for counterdrug activities. Drug resources are computed based on a combination of workload data and professional judgment. Data presented here were computed using the established drug budget methodologies of BTS predecessor bureaus--the U.S. Customs Service and Border Patrol.

III. PROGRAM SUMMARY

- BTS is responsible for enforcement of laws relating to border security, immigration, customs, and inspections quarantine regulatory activities related to plant and animal imports.
- BTS's drug efforts primarily contribute to achieving supply reduction efforts. The majority of BTS's resources are aimed at reducing the flow of drugs entering the United States.
 - BTS is authorized to regulate the movement of carriers, persons, and commodities between the U.S. and other nations. It is through this authority that BTS plays a key role in the overall anti-drug effort at the border.
 - BTS has a broad grant of authority to investigate international financial crime and money laundering. BTS' jurisdiction is triggered by the illegal movement of criminal funds, services, or merchandise across our national borders and is applied pursuant to the

authority of the Bank Secrecy Act, “USA PATRIOT Act,” Money Laundering Control Act, and other customs laws.

- A number of BTS agents have been cross-designated with Title 21 drug authority by the Drug Enforcement Administration for the purpose of conducting drug search and seizures along the border.
- BTS employs automated targeting and manifest systems, sophisticated hand-held tools, high technology non-intrusive inspection systems, specifically configured interdiction aircraft and vessels, and detector dogs. These assets enable BTS to successfully target, identify, and apprehend the willful violator, while efficiently processing the flow of law abiding international passengers and compliant cargo entering and exiting the United States.
- To assist in the interdiction of smugglers and contraband entering the arrival zone of the United States, BTS personnel skilled in the operation of a fleet of aircraft and marine vessels, outfitted with sophisticated radar, patrol the coastal waters and airspace of the arrival zone. BTS interdiction aircraft also patrol the transit and source zones with the objective of detecting and assisting partner nations in their efforts to apprehend suspect drug trafficking aircraft and vessels.

IV. BUDGET SUMMARY

2003 Program

- The total drug control request for FY 2003 is \$1,271.8 million, which represents a net increase of \$88.2 million over FY 2002 enacted level.

2004 Request

- The total drug control request for FY 2004 is \$1,372.9 million, which represents a net increase of \$101.1 million over FY 2003. The net increase includes adjustments to base and program enhancements. Key enhancements that will support counterdrug efforts include:
 - **Container Security Initiative (CSI): +\$62 million.** This proposed increase will expand BTS’s CSI presence in 20 seaports by the end of FY 2004. CSI is a program designed to minimize the risk that a terrorist organization could ship a weapon of mass destruction to the United States in a sea container. High-risk containers are targeted and screened at foreign ports by BTS personnel and their foreign counterparts before these containers are shipped to the U.S. Although the main focus of CSI is counterterrorism, the increased BTS presence in seaports will benefit the counterdrug mission as well.
 - **Border Security Technology and Equipment: +\$119 million.** This proposed increase will fund the purchase of non-intrusive inspection technology and related equipment by BTS. While this enhancement is largely counterterrorism, it will also benefit the counterdrug effort.

UNITED STATES COAST GUARD

I. RESOURCE SUMMARY

(Budget Authority in Millions)

	2002 Final	2003 Request	2004 Request
Drug Resources by Function			
Interdiction	\$606.880	\$593.236	\$664.289
Research & Development	<u>2.799</u>	<u>2.831</u>	<u>4.793</u>
Total	\$609.679	\$596.067	\$669.082
Drug Resources by Decision Unit			
Operating Expenses (OE)	\$466.114	\$462.558	\$518.775
Acquisition, Construction, and Improvements (AC&I)	130.514	121.411	133.008
Reserve Training (RT)	10.252	9.267	12.506
Research, Development, Test and Evaluation (RDT&E)	<u>2.799</u>	<u>2.831</u>	<u>4.793</u>
Total	\$609.679	\$596.067	\$669.082
Drug Resources Personnel Summary			
Total FTEs (direct only)	5,255	4,615	5,009
Information			
Total Agency Budget	\$5,615.2	\$6,183.3	\$6,802.3
Drug Percentage	10.9%	9.6%	9.8%

II. METHODOLOGY

- The methodology, described below, provides a summary of how the Coast Guard develops its drug control budget estimates. It should be noted that the Coast Guard does not receive a specific appropriation for drug interdiction activities. All drug interdiction operations, capital improvements and acquisitions, and research and development activities are funded out of the Coast Guard appropriations mentioned below. The Coast Guard's accounting system is keyed to operating and support facilities, rather than to specific mission areas. These facilities, such as ships and aircraft, are multi-mission capable and carry out an array of Coast Guard missions.
- The Coast Guard's multi-mission nature strengthens its ability to provide efficient and effective public services. However, this flexibility makes it difficult to identify resources expended on each specific mission area. As a result, the Coast Guard developed an improved method of mission costing using a new model, Mission Cost Program (MCP). The MCP model allocates all direct and support costs to mission-performing units (e.g., 378-foot cutter). Established baselines of operational activity are used to further allocate those costs to the Coast Guard's various missions.
- **Operating Expenses (OE) Appropriation:** OE funds are used to operate Coast Guard facilities, maintain capital equipment, improve management effectiveness, and recruit, train,

and sustain all active duty military and civilian workforce personnel. The MCP model systematically allocates all OE dollars to direct spending, operational spending, and general support spending categories as follows:

- Direct spending (51.6 percent of OE) by assets that perform missions (cutters, air stations, small boat stations, etc.) is applied directly to the operating asset (high endurance cutter, HC-130 aircraft, 41' utility boat, etc.);
 - Operational spending (29.9 percent of OE) for which cost variability can be specifically linked to operating assets is spread among assets based on carefully-developed allocation criteria;
 - General Support spending (18.5 percent of OE) for which cost variability cannot be specifically linked to operating assets is applied to assets based on proportion of labor dollars spent; a standard industry approach to overhead allocation; and
 - Once all OE costs are fully loaded to mission-performing assets, those costs are further allocated to Coast Guard missions (Drug Enforcement, Search and Rescue, etc.) using a baseline of operational employment hours.
- **Acquisition, Construction & Improvements (AC&I) Appropriation:** The Coast Guard uses the MCP model to develop a line item “allocation of costs by mission areas” to apply against projected AC&I projects in the out year budgets. For example, if a new asset is being proposed for commissioning in an AC&I project, those costs would be applied to mission spending in the same proportion as the historical experience of comparable existing assets.
 - **Reserve Training (RT) Appropriation:** A portion of the funds available to the Coast Guard and allocated to its’ drug control mission areas are highlighted in the Reserve Training (RT) decision unit. RT funds are used to support CG Selected Reserve personnel who in turn support and operate Coast Guard facilities, maintain capital equipment, improve management effectiveness, and assist in sustaining all Coast Guard operations. In the RT budget, allocating a share of budget authority using the same methodology used for OE derives the amount allocated to the drug control mission area. This is the first year the RT appropriation is scored as drug-related.
 - **Research, Development, Test & Evaluation (RDT&E) Appropriation:** Funding of RDT&E projects supporting the drug interdiction mission include both direct and indirect costs. Funding for direct project support, such as drug interdiction technology, are 100 percent allocated to the drug interdiction mission, while funding for indirect project support, those having an application to several missions, are partially allocated to the drug interdiction mission.

III. PROGRAM SUMMARY

- Maritime drug interdiction is an integral component of the *National Drug Control Strategy*. The Coast Guard enforces federal laws in the transit and arrival zones as the nation’s

principal maritime law enforcement agency with jurisdiction on, under and over the high seas and U. S. territorial waters. As part of its strategic goal in Maritime Security, the Coast Guard's drug interdiction objective is to reduce the flow of illegal drugs entering the United States by denying smugglers their maritime routes.

- In support of the *National Drug Control Strategy*, the Coast Guard has developed a ten-year Counterdrug Strategic Plan, Campaign STEEL WEB. This plan is a comprehensive approach to maritime counterdrug law enforcement in the transit and arrival zones. The cornerstones of this strategy are:
 - Maintain a strong interdiction presence highlighted by agile and flexible operations in the transit and arrival zones to deny smugglers access to maritime routes and deter trafficking activity;
 - Strengthen ties with source and transit zone nations to increase their willingness and ability to reduce the production and trafficking of illicit drugs within their sovereign boundaries, including territorial seas. This will be accomplished through increased engagement designed to deny smugglers safe havens and enhance the law enforcement capabilities of these nations' maritime forces;
 - Support interagency and international efforts to combat drug smuggling through increased cooperation and coordination; and
 - Promote efforts to reduce illegal drug use in the maritime environment.
- The Coast Guard aims to conduct effective interdiction operations directed at high threat drug smuggling activity to impact significant maritime trafficking routes and modes through seizures, disruption and displacement. To this end, the Coast Guard:
 - Deploys a fleet of vessels and aircraft that are equipped with sensors, communications systems and detection technologies guided by coordinated intelligence to surveil, detect, classify, identify, and interdict suspected drug traffickers in the maritime transit and arrival zones. These deep-water cutters, patrol boats, maritime patrol aircraft, helicopters and various small boats provide a critical maritime interdiction presence;
 - Participates in coordinated and joint operations with law enforcement agencies, DoD, and international partners to enhance the effectiveness of transit and arrival zone interdiction efforts. The Coast Guard plans and executes cooperative operations enhancing surveillance, detection, classification, identification, and prosecution in the transit and arrival zones; and
 - Deploys Coast Guard Law Enforcement Detachments aboard U.S Navy and foreign naval vessels to provide maritime law enforcement expertise and authority required to carry out interdiction operations throughout the transit zone.

- The Coast Guard conducts combined law enforcement operations with source and transit zone nations. These operations provide training, bolster the participating nations' law enforcement capabilities and strengthen their political will to fight the adverse impacts of illicit smuggling.
- Coast Guard operations policy and legal experts, in conjunction with the Department of State, negotiate maritime counterdrug agreements with source and transit zone countries. These agreements promote seamless law enforcement efforts and facilitate the exercise of host nation authority. Through such initiatives, the Coast Guard strives to make territorial boundaries as functionally transparent to law enforcement forces as they are to the smuggling community.
- The Coast Guard provides ongoing support to lead agencies focused on programs that are designed to reduce the flow of drugs from source countries. These efforts include providing intelligence resources concentrating on source country activities and personnel for international training in source countries.

IV. BUDGET SUMMARY

2003 Program

- The Coast Guard's total FY 2003 drug program level for all accounts is estimated at \$596.1 million. This level will provide for drug interdiction related activities in support of *National Drug Control Strategy* priorities. This total includes \$462.6 million for OE; \$121.4 million for AC&I, \$9.3 million for RT and \$2.8 million for RDT&E.
- The FY 2003 request provides \$500 million for the continued development of the Coast Guard's Integrated Deepwater System (IDS) acquisition. The Deepwater project will re-capitalize the Coast Guard's aging legacy surface and air fleets. It will ensure the Coast Guard is properly equipped and outfitted to enable long-term strategies such as Campaign STEEL WEB to reap success well into the 21st Century. The Coast Guard intends to award a Phase III contract in FY03, to continue acquiring, constructing or improving legacy assets to replace existing capabilities.
- The FY 2003 OE program supports end-game capability through continued implementation of the very successful Operation NEW FRONTIER to increase effectiveness. The ability to intercept, stop, and board go-fast smuggling boats will be enhanced with armed and hardened helicopters, capable of delivering non-lethal force to stop fleeing suspect vessels, working in tandem with Over-the-Horizon (OTH) boats launched from cutters. This initiative proved highly successful in limited scope deployments during FY 1999 and FY 2000.
- The FY 2003 program was designed to enable the Coast Guard to build upon Campaign STEEL WEB successes and maintain effective interdiction in the transit zone. The underlying operations of STEEL WEB will continue; including FRONTIER SHIELD in the transit zone off Puerto Rico and the Virgin Islands.

- The FY 2003 drug program will allow the Coast Guard to continue interdiction efforts in the maritime regions along the Southwest Border. Under Operation GULF SHIELD, off the coast of south Texas, and Operation BORDER SHIELD, off the coast of southern California, the Coast Guard has established maritime interdiction operations that complement the coalition efforts of federal, state, and local law enforcement agencies to reduce trafficking across the Southwest Border. As part of the Southwest Border Initiative, the Coast Guard will continue efforts to enhance international cooperation through its relationship with the Mexican Navy.
- The FY 2003 program will also support additional efforts in the Eastern Pacific theater of operations. The program will also allow the Coast Guard to continue limited support to Joint Inter-Agency Task Force (JIATF)-East's Operation CAPER FOCUS deep in the transit zone off the west coasts of Colombia, Peru, and Ecuador.
- The FY 2003 OE program will continue to fund critical intelligence collection and support that will improve the Coast Guard's ability to identify, intercept and efficiently board smuggling vessels. This includes personnel to support enhanced training and technical assistance engagement with the maritime forces in source and transit zone nations as part of the STEEL WEB strategy.
- The FY 2003 RDT&E program level includes funding to: develop new sensor packages to improve operational commanders' capability to detect, identify and intercept targets of interest; develop technologies to improve detection of hidden contraband in locations that were previously impossible to search; improve tactical communications systems to improve interagency coordination, command and control; and develop technologies that give commanders a wider range of options to stop fleeing vessels.

2004 Request

- The Coast Guard's total FY 2004 drug program level for all accounts is estimated at \$669.1 million. This total includes \$518.8 million for OE; \$133.0 million for AC&I; \$12.5 million for RT and \$4.8 million for RDT&E.
- The FY 2004 request represents another milestone in the IDS acquisition as it provides \$500 million for the second full year of building out the system. The IDS is a Coast Guard imperative and will require sustained support to assure it remains on course.

Operating Expenses:

- Provides for the continued deployment of Operation NEW FRONTIER assets, which include specially equipped and hardened helicopters, and OTH cutter boats designed to stop the go-fast boat smuggling threat.
- Provides for an interdiction presence for Operation FRONTIER SHIELD and other supply reduction pulse operations in the Caribbean transit zone.

- Continues interdiction efforts in the maritime regions along the Southwest Border through Operation GULF SHIELD and Operation BORDER SHIELD.
- In addition to the international components of the Campaign STEEL WEB operations, the FY 2004 drug program will allow the Coast Guard to continue combined international intelligence operations with Caribbean, Central and northern South American countries. Much of this work will continue in FY 2004 as a direct result of the enduring support of the Coast Guard's interagency partners, such as the Department of State and Department of Defense. The program will include:
 - Supporting U.S. Southern Command's source country initiative to disrupt production and transportation of illicit drugs. Coast Guard participation includes forward deployed aircraft;
 - A recurring series of multilateral counterdrug operations in the Caribbean involving French, Dutch, Belgian and United Kingdom resources and regional law enforcement authorities. These highly mobile operations are designed to focus on the highest threats in the region using local assets and law enforcement agencies in conjunction with multi-national maritime forces;
 - The Coast Guard will continue to operate a Caribbean Support Tender (CST) with a multi-national crew to provide mobile and professional training and technical assistance to various transit zone nations. The effort is designed to improve the operational capabilities and effectiveness of the maritime forces of the Caribbean basin nations; and
 - The Coast Guard will continue periodic bilateral counterdrug operations such as Operation CONJUNTOS with Panama, Operation RIP TIDE with Jamaica, and Operation COLOMBUS with the Colombian Navy. These efforts focus heavily on training and professional exchanges among law enforcement units with the goal of strengthening international coordination.

Acquisition, Construction, & Improvements:

- Delivers the second year of the IDS build out. The greatest challenge facing the Coast Guard today is that its Deepwater assets (cutters and aircraft) are aging and technologically obsolete. To meet this challenge the Coast Guard has begun to re-capitalize and modernize its assets, including sensors and communications equipment for our aging Deepwater cutters, aircraft and command centers. The start of this effort has been addressed in the President's FY 2002 and FY 2003 budgets and is continued in the FY 2004 request. The Coast Guard awarded a Phase 2 contract in the third quarter of FY 2002 for the second year of implementation of the selected team's plan.

Reserve Training

- A portion of the funds available to the Coast Guard and allocated to its drug control mission areas are highlighted in the RT decision unit. RT funds are used to support Coast Guard

Selected Reserve personnel who in turn support and operate Coast Guard facilities, maintain capital equipment, improve management effectiveness, and assist in sustaining all Coast Guard operations. In the RT budget, the funding assumes a drug control allocation equivalent to that of the OE program costs since RT personnel augment OE program functions.

Research, Development, Test & Evaluation:

- The FY 2004 RDT&E program level reflects a multi-year, comprehensive approach to law enforcement initiatives. It includes funding to develop new sensor packages to improve operational commanders’ capability to detect, identify and intercept targets of interest; develop technologies to improve detection of hidden contraband in locations that were previously impossible to search; explore new methods for speeding the flow of intelligence information to operational assets and keeping them apprised of drug activities in their operational area; and research and develop technologies that give commanders a wider range of options to stop fleeing vessels.

V. PROGRAM ACCOMPLISHMENTS

- During FY 2002, Coast Guard interdiction efforts resulted in 158,095 pounds of drugs seized; 117,780 pounds of cocaine and 40,315 pounds of marijuana.

	FY 2000 Actual	FY 2001 Actual	FY 2002 Actual
Drug Seizures:			
-Cocaine (lbs)	132,480	138,393	117,780
-Marijuana Products (lbs)	50,463	34,518	40,315
-Seizure Cases	92	65	58

- **Campaign STEEL WEB**. During FY 2002, the Coast Guard continued to reduce the flow of drugs through the transit zone by conducting a revised Campaign STEEL WEB. The updated strategy was designed to better enable operational commanders to achieve the seizure rate goals through flexible and coordinated operations, international engagement and enhanced endgame initiatives.
- **Force Provider For JIATF Operations**: In addition to STEEL WEB efforts, the Coast Guard is a primary force provider for both JIATF-East and JIATF-West, supplying ships and aircraft for interdiction operations such as Operation CARIB SHIELD and Operation CAPER FOCUS, in the deep Caribbean and Eastern Pacific respectively. Since establishing STEEL WEB as the Coast Guard’s counterdrug strategic plan in 1998, Coast Guard has continued to increase the support provided to these joint commands. Over 99,175 pounds, eighty-four percent of the cocaine the Coast Guard seized in FY 2002, was seized in the Eastern Pacific. Assets assigned to JIATF-West in support of Operation CAPER FOCUS seized a significant portion of that cocaine. The Coast Guard also deploys Law Enforcement Detachments (LEDETs) aboard ships of the U.S. Navy and international partners in the Caribbean and Eastern Pacific.

- **Operation NEW FRONTIER**: A significant policy change has allowed the use of force from aircraft, including warning shots and disabling fire, to compel compliance with an order to stop. The limited scope deployments in 1999 and early 2000 of specially configured helicopters and trained crews and specially outfitted cutter small boats resulted in six successful interdictions (in six opportunities) that yielded 3,014 pounds of cocaine and 11,710 pounds of marijuana. Based on the resounding success of the first deployments of these assets, the Coast Guard began full deployment late in FY 2001. An additional policy change during FY2002 effectively doubled the area NEW FRONTIER assets could patrol.

BUREAU OF PRISONS

I. RESOURCE SUMMARY

(Budget Authority in Millions)

	2002 Final	2003 Request	2004 Request
Drug Resources by Function			
Treatment	\$39.380	\$43.485	\$45.217
Total	\$39.380	\$43.485	\$45.217
Drug Resources by Decision Unit			
Inmate Programs	\$39.380	\$43.485	\$45.217
Total	\$39.380	\$43.485	\$45.217
Drug Resources Personnel Summary			
Total FTEs (direct only)	392	417	423
Information			
Total Agency Budget	\$4,612.9	\$4,477.0	\$4,677.2
Drug Percentage	0.9%	1.0%	1.0%

II. PROGRAM SUMMARY

- In previous versions of the National Drug Control Budget, resources considered drug-related for the Bureau of Prisons (BOP) included both corrections and treatment for federal inmates. Under the modified drug control budget only treatment for federal inmates is included.
- In response to the rapid growth in the federal inmate population having drug abuse histories, the BOP has developed a comprehensive drug abuse treatment strategy consisting of five components: screening and assessment; drug abuse education; non-residential drug abuse counseling services; residential drug abuse program; and community transitional drug abuse treatment. It is estimated that 34 percent (up from 30 percent in 1990) of the sentenced inmate population have a diagnosable substance use disorder which requires some type of drug abuse treatment program.
- **Drug Program Screening and Assessment.** Upon entry into a BOP facility, an inmate's records are assessed to determine whether:
 - there is evidence in the pre-sentence investigation that alcohol or other drug use contributed to the commission of the instant offense;
 - the inmate received a judicial recommendation to participate in a drug treatment program; and
 - the inmate violated his or her community supervision as a result of alcohol or other drug use.

If an inmate's record reveals any of these elements, the inmate must participate in a Drug Abuse Education course, available at every BOP institution.

In addition, as part of the initial psychological screening, inmates are interviewed concerning their past drug use to determine their need for BOP drug abuse treatment options.

- **Drug Abuse Education.** Participants in Drug Abuse Education receive information on alcohol and drugs and the physical, social, and psychological impact of these substances. Participants assess the impact of alcohol and other drug use on their lives, on the lives of their family, and on their community.

All inmates who undergo drug abuse education are assessed for a substance use disorder and oriented to drug treatment. Those inmates who are identified as having a further treatment need are urged to volunteer for and enter the BOP's Residential Drug Abuse Treatment program.

- **Residential Drug Abuse Treatment.** The Residential Drug Abuse Treatment program provides intensive unit based treatment with extensive assessment, treatment planning, and individual and group counseling. The programs are typically nine months long and provide a minimum of 500 hours of drug abuse treatment.
- **Non-Residential Drug Abuse Treatment.** Unlike residential programs, inmates are not housed together in a separate unit; they are housed in and with the general inmate population. Non-residential treatment was designed to provide maximum flexibility to meet the needs of the offender, particularly those individuals who have relatively minor or low-level substance abuse impairment. These offenders do not require the intensive levels of treatment needed by individuals with moderate-to-severe addictive behavioral problems.

A second purpose of the program is to provide those offenders who have a moderate to severe drug abuse problem with the supportive program opportunities during the time they are waiting to enter the residential drug abuse program or for those who have little time remaining on their sentence and are preparing to return to the community.

- **Community Transition Drug Abuse Treatment.** Community transitional drug abuse treatment is available to inmates who have completed the residential drug abuse treatment program, have been identified by community corrections staff as having a drug use disorder or are being transferred to the community corrections centers under BOP custody. As part of their community program plan, and to assist in the adjustment back into society, these inmates continue treatment with community based treatment providers.

III. BUDGET SUMMARY

2003 Program

- The FY 2003 drug-related request includes resources of \$43.5 million in treatment resources to support adequately the projected population.

2004 Request

- The FY 2004 request includes resources of \$45.2 million, an increase of \$1.7 million and 6 FTEs. Included in this increase is a program enhancement of \$427 thousand to bring the BOP to its necessary treatment threshold as required by the Violent Crime Control and Law Enforcement Act (VCCLEA) of 1994.
- This request is for 12 additional community transition drug abuse treatment staff. The BOP has received no new staffing in this area since FY 1999. As a result, the BOP now requires an aggressive expansion of its community transition drug abuse treatment staff in FY 2004 to meet the requirements of the VCCLEA. The requested expansion will increase the BOP's community transition component by about 2,500 inmates a year, for a total community transition capacity of approximately 16,500 inmates a year.
- Based on extensive research, the BOP designed the community transition component to increase the likelihood of program success. Corrections research and literature underscore the importance of the community transition component for in-prison drug abuse treatment programs. The outcome study conducted by the National Institute on Drug Abuse and the BOP revealed that six months after release from custody, inmates who completed the BOP's Residential Drug Abuse Treatment program were 73 percent less likely to be rearrested and 44 percent less likely to use drugs, when compared to similar offenders who did not participate in the residential treatment. Data based on a three-year follow-up study support these earlier findings, and further suggest that BOP's Residential Drug Abuse Treatment programs make a significant positive difference in the lives of inmates following their release from custody and return to the community.

IV. PROGRAM ACCOMPLISHMENTS

- In FY 2002, 17,924 inmates participated in drug abuse education programs; 11,506 inmates participated in non-residential drug abuse treatment programs; 16,243 inmates participated in residential drug abuse treatment programs; and 13,107 inmates participated in community transition drug abuse treatment programs.
- In FY 2002, the BOP collaborated with the University of Cincinnati's Department of Criminal Justice in conducting training on effective correctional treatment programs.
- In FY 2002, the BOP collaborated with the University of Washington, Harvard University and Brown University to ensure drug abuse programming for female offenders was gender-specific and included topic areas and counseling for problems such as of trauma and abuse, birth defects created by alcohol and other drug use when pregnant/fetal alcohol syndrome and mental health disorders.
- In FY 2002, the BOP enhanced its community transition treatment to include treatment for inmates with co-occurring (substance abuse and mental health) disorders.
- The BOP provided residential drug treatment to 100 percent of eligible inmates.

DRUG ENFORCEMENT ADMINISTRATION

I. RESOURCE SUMMARY

(Budget Authority in Millions)

	2002 Final	2003 Request	2004 Request
Drug Resources by Function			
Investigations	\$1,118.859	\$1,193.593	\$1,231.464
Intelligence	185.370	191.194	192.927
International	238.093	251.803	228.589
State and Local Assistance	12.574	13.052	19.054
Prevention	<u>7.633</u>	<u>9.922</u>	<u>5.270</u>
Total	\$1,562.529	\$1,659.564	\$1,677.304
Drug Resources by Decision Unit			
ADP	\$158.989	\$141.298	----
Chemical	18.371	19.946	----
Domestic Enforcement	434.653	467.983	----
Foreign	193.275	207.511	----
Intelligence	120.227	127.134	----
Labs	60.674	60.895	----
Management & Administration	104.000	119.920	----
Research, Engineering, and Technical Operations	121.270	118.621	----
State & Local	244.316	257.082	----
Training	24.754	25.529	----
Domestic Enforcement	----	----	\$1,272.955
International Enforcement	----	----	261.464
State and Local Assistance	----	----	<u>24.324</u>
Total Salaries & Expenses (S&E) ¹	\$1,480.529	\$1,545.919	\$1,558.743
Diversion Control Fee Account (DCFA)	<u>82.000</u>	<u>113.645</u>	<u>118.561</u>
Grand Total	\$1,562.529	\$1,659.564	\$1,677.304
Drug Resources Personnel Summary			
Total FTEs (direct only)	7,541	8,327	8,563
Information			
Total Agency Budget	\$1,562.5	\$1,659.6	\$1,677.3
Drug Percentage	100.0%	100.0%	100.0%

¹ Total Salaries & Expenses (S&E) includes a counterterrorism supplement rescission of \$1,254.0 million from 2002 appropriations for DEA.

II. PROGRAM SUMMARY

- The Drug Enforcement Administration's (DEA's) mission is to enforce the controlled substances laws and regulations of the United States, and to bring to justice those organizations involved in the growing, manufacturing and or distribution of controlled substances destined for illicit traffic in the United States.

- To accomplish its mission, DEA has developed a five-year strategic plan for FY 2001-FY 2006, consistent with DOJ's Strategic Plan issued by the Attorney General, that arrays DEA's resources into four strategic focus areas to achieve the maximum impact against the full spectrum of drug trafficking activity: international, national/regional, local, and infrastructure support. DEA's strategy takes into account the current drug trafficking situation affecting the United States and identifies the drug trade's characteristics and vulnerabilities at all levels, targeting each of them simultaneously. The plan's four strategic focus areas are:
 - International Targets: This focus area is comprised of trafficking organizations based overseas that are the primary supply source for the distribution of illegal drugs within the United States. Through DEA's International Operations program, Special Operations Division, and numerous field divisions throughout the country, DEA targets these organizations and their members by collecting intelligence and building prosecutable cases to bring these criminals to justice.
 - National/Regional Targets: These organizations operate domestically throughout the United States and are responsible for distributing drugs from international and domestic sources to U.S. communities. In many cases, these groups report directly to major drug traffickers overseas. They also operate on a national or regional basis, supplying several interstate markets. Most DEA cases fall into this category. Investigations against these organizations are generated and supported by every DEA office in the United States.
 - Local Activities: Criminal organizations included in this category generally deal in smaller quantities of drugs and are responsible for providing drugs to users within the United States. DEA works extensively with state and local law enforcement counterparts to identify and immobilize these organizations, with a special emphasis on arresting the most violent members.
 - Management Infrastructure: DEA must operate simultaneously on the global, national/regional, and local levels. This requirement poses significant challenges. The development of a secure and effective infrastructure and management oversight are necessary to provide DEA personnel with the tools necessary to get the job done. DEA must also have the systems and structure to monitor its programs carefully, comply with reporting and information sharing requirements, and manage its finite resources efficiently.
- DEA's overarching performance objectives are to: 1) enforce the law; 2) increase the risk of seizure and incarceration to drug traffickers; and 3) reduce illegal drug availability and usage. DEA accomplishes these objectives by working to disrupt and dismantle Priority Drug Trafficking Organizations (PDTOs).

III. BUDGET SUMMARY

2003 Program

- The FY 2003 request includes \$1,659.6 million and 8,327 FTEs. This represents a \$97.0 million increase over FY 2002 enacted levels, of which \$53.4 million is associated with program enhancements. Significant program changes include:
 - \$4.1 million and 27 positions to enhance financial investigations in domestic field offices, with emphasis on the financial hubs of New York, Miami, and Los Angeles. Resources will allow DEA to disrupt the international and domestic flow of illicit money, provide financial investigations training to ensure that field personnel are experienced with the latest money laundering techniques being employed, and enhance regulatory and cooperative public-private efforts to prevent money laundering.
 - \$6.7 million and 23 positions is being requested to improve information security. Specifically, this enhancement will strengthen DEA's data security infrastructure to prevent the compromise or destruction of DEA's information systems. Resources will provide proper compliance with federal regulations and accreditation requirements; management of DEA user accounts, including intrusion detection and response measures; information systems security management; compliance reviews, security awareness training; and encryption systems.
 - \$18 million to increase anti-terrorism security measures in order to protect employees at DEA's domestic and foreign facilities. The request includes \$7 million for critical physical security upgrades at foreign facilities to meet U.S. Department of State Inman Standards, \$8 million to improve security measures at domestic offices, and \$3 million for contract support to develop an Operational Security program, and to assist in the administration of DEA's ongoing security program requirements.
 - \$24.6 million and 133 positions to strengthen enforcement capabilities, to prevent, detect, and investigate the diversion of controlled substances, particularly OxyContin. These investigations will result in more arrests as well as civil and administrative actions against those responsible for diverting controlled substances, especially OxyContin, which has become the most prescribed Schedule II narcotic in the United States.
 - A program reduction of \$0.3 million in the Marine Program is proposed that will eliminate Headquarters management of the program. With this reduction, management of DEA's thirteen marine crafts will be transferred to the division offices that currently operate and maintain the vessels.

2004 Request

- The FY 2004 budget for DEA includes a request of \$1,677.3 million and 8,563 FTEs. This represents a net increase of \$17.7 million over the FY 2003 request level. The net increase includes an additional \$27.5 million in base adjustments; \$52.7 million in program reductions and program enhancements of \$42.9 million.

- This request also includes a proposal to combine DEA's current decision units to reduce the number from ten to three: Domestic Enforcement, International Enforcement, and State and Local Assistance. The proposed decision unit consolidation will allow DEA to better align its resources with strategic plan goals and financial reporting categories, improve managerial flexibility, and reduce the number of reprogrammings, while retaining detailed reporting capability.
- Program changes include:
 - **Priority Targeting Initiative: +\$38.9 million.** This proposal includes 329 positions to implement DEA's plan for addressing the nation's illegal drug threats. This initiative will target Priority Drug Trafficking Organizations (PDTOs) involved in the manufacture and distribution of illegal drugs, as well as those involved in the diversion of precursor chemicals used to manufacture these products. This request includes 85 administrative support positions, which DEA plans to allocate to the field division offices to allow for the redirection of 80 Special Agent FTEs towards PDTO investigations.
 - **International Training: +\$1.5 million.** This request includes 20 positions to address an anticipated shortfall of reimbursable resources provided by the Department of State in support of the DEA's international counter-narcotic training program and to provide permanent authority for the International Training Program.
 - **Financial Audit Improvements: +\$2.5 million.** This request includes 20 positions to improve the agency's financial and asset management programs. Also included is funding for contractor support of the Operational Support Division's Fixed Asset Management Program, which includes Asset Financial Management. Positions will be located in the field and at headquarters to strengthen DEA's financial management infrastructure and insure DEA's ability to achieve unqualified opinions on future financial statement audits.
 - A reduction of \$18.3 million and 40 positions to eliminate DEA's Regional Enforcement Teams and Mobile Enforcement Teams. The remaining 367 positions will be redirected to step up efforts to disrupt and/or dismantle PDTOs. These efforts are critical to DEA's mission of eliminating major drug trafficking organizations and reducing illicit drug availability in the United States.
 - DEA is proposing to redirect \$5 million from the Integrated Drug Enforcement Assistance program to support higher priority initiatives in FY 2004.
 - DEA plans to redirect a total of \$10 million from its rent, alterations and travel base programs to support higher priority initiatives in FY 2004.
 - In order to fund other mission-critical priorities, DEA will reduce its Permanent Change of Station base program by \$5 million in FY 2004.
 - \$14.4 million is proposed as program offsets for anticipated savings that may result from management and program efficiencies in FY 2004.

IV. PROGRAM ACCOMPLISHMENTS

- On October 9, 2002, DEA announced the arrest of three Israeli nationals and the seizure of approximately 1.4 million MDMA "Ecstasy" tablets with an estimated value of \$42 million. It marked the largest seizure of "Ecstasy" in Europe and the third largest seizure in the United States.
- On September 19, 2002, DEA unveiled an unprecedented takedown of Internet-based drug trafficking operations. *Operation Webslinger*, a multi-jurisdictional investigation, targeted the illegal internet trafficking of predatory "date rape" drugs, such as GHB and its derivatives, GBL and 1,4 Butanediol (1,4 BD). A total of 115 individuals were arrested in 84 cities across the United States and Canada.
- On August 19, 2002, DEA, in cooperation with other federal, state and local law enforcement agencies, announced the indictment and arrest of 19 persons involved in multiple, large-scale, crack cocaine distribution organizations in North Charleston, South Carolina. The eight-month investigation also led to the arrest of more than 300 retail-level drug traffickers from streets of North Charleston.
- DEA announced the arrest and indictment of 17 persons involved in a large-scale marijuana trafficking and distribution organization in El Paso, Texas, on August 6, 2002. These individuals were involved in sending multi-ton marijuana loads to Chicago, Illinois, Atlanta, Georgia, and Woodbine, Kentucky. This 11-month investigation involved the cooperation of state and local law enforcement officers in four states. During the course of the investigation, DEA seized more than 25,106 pounds of marijuana and \$1.2 million in cash.
- DEA announced the dismantlement of a major international heroin and cocaine ring on June 12, 2002. Twenty-five defendants were arrested following a nine-month investigation involving the DEA's foreign offices in Bogota, Colombia, Caracas, Venezuela, Quito, Ecuador, and Guatemala City, Guatemala, as well as DEA's domestic offices in New York, Boston, Philadelphia, and the Special Operations Division. The organization, headed by Colombian national Jose Jairo Garcia-Giraldo, operated out of Pereira, Colombia, and coordinated and shipped multi-kilogram quantities of heroin and cocaine to the United States. The shipments were transported by courier into the United States through internal ingestion and/or through concealment in the lining of clothes and suitcases. Prior to June 12, 2002, DEA arrested 16 individuals and seized 46 kilograms of heroin, 21 kilograms of cocaine, and \$500 thousand as part of this investigation.

INTERAGENCY CRIME AND DRUG ENFORCEMENT

I. RESOURCE SUMMARY

(Budget Authority in Millions)

	2002 Final¹	2003 Request	2004 Request
Drug Resources by Function			
Investigations	\$338.346	\$358.464	\$420.090
Prosecution	92.061	95.496	105.190
Intelligence	<u>16.069</u>	<u>16.372</u>	<u>16.564</u>
Total	\$446.476	\$470.332	\$541.844
Drug Resources by Decision Unit			
Law Enforcement:			
Drug Enforcement Administration	\$111.971	\$121.064	\$149.337
Federal Bureau of Investigation	116.008	118.896	121.116
U.S. Marshals Service	2.066	2.126	2.149
Border & Transportation Security ²	46.451	46.794	48.076
Internal Revenue Service	65.998	65.998	73.640
Bureau of Alcohol, Tobacco, Firearms, And Explosives	11.197	11.197	11.540
U.S. Coast Guard	0.625	0.625	0.625
Federal Terrorist Tracking Task Force	----	----	22.017
State and Local Overtime program	<u>0.099</u>	<u>8.136</u>	<u>8.154</u>
Sub-Total	\$354.415	\$374.836	\$436.654
Prosecution:			
U.S. Attorneys	\$90.071	\$92.419	\$100.737
Criminal Division	1.026	2.095	3.458
Tax Division	<u>0.964</u>	<u>0.982</u>	<u>0.995</u>
Sub-Total	\$92.061	\$95.496	\$105.190
Total	\$446.476	\$470.332	\$541.844
Drug Resources Personnel Summary			
Total FTEs (direct only)	----	----	----
Information			
Total Agency Budget	\$446.5	\$470.3	\$541.8
Drug Percentage	100.0%	100.0%	100.0%

¹ Final availability includes a rescission of \$302,000 representing the OCDETF program's pro rata share of funds available from P.L. 107-206 for further recovery and response to terrorist attacks on the United States.

² Drug Control components displayed here contain the U.S. Customs Service and the Border Patrol.

Note: In FY 2002 and FY 2003 each OCDETF participating department was funded by its own separate appropriation. The FY 2004 President's Budget proposes to transfer all OCDETF resources to the Justice ICDE Appropriation.

II. PROGRAM SUMMARY

- The Organized Crime Drug Enforcement Task Force (OCDETF) program consists of a nation-wide structure of nine regional Task Forces. Each Task Force combines the resources and expertise of its nine member bureaus, in cooperation with state and local law enforcement, to target, disrupt, and dismantle major narcotic trafficking and money laundering organizations. The Interagency Crime and Drug Enforcement (ICDE) appropriations provide reimbursement to participating agencies from the Departments of Justice, Treasury and Homeland Security.
- The mission of the OCDETF program is to mount coordinated, comprehensive attacks on the most significant drug trafficking and money laundering organizations. The Attorney General placed OCDETF at the center of the Department's strategy to reduce the supply of illegal drugs to Americans. In order to enhance the program's ability to meet the Attorney General's mandate, the OCDETF program refocused its resources on coordinated, nation-wide investigations, targeting the entire infrastructure of major drug trafficking organizations – from the international supply sources, to the domestic transportation cells, to the regional and local distribution and money laundering operations.
- To carry out the Attorney General's mandate, the OCDETF program has implemented the following actions:
 - OCDETF coordinated the development of the Attorney General's Consolidated Priority Organization Target (CPOT) List, a unified agency target list of the most serious international drug trafficking and money laundering organizations, believed to be primarily responsible for the nation's drug supply. The List was completed in September, 2002. Fifty-three "command and control" drug trafficking and money laundering targets and 468 active investigations linked to those targets have been identified. Investigations against the CPOT organizations, and other major organizations with nation-wide reach, are a priority for the OCDETF program. The disruption and dismantlement of these organizations should lead to a measurable reduction in the domestic drug supply.
 - The OCDETF regions have devised, and are refining, strategic plans for attacking "Regional Priority Organization Targets" – individuals or organizations that have not yet been connected with one of the "command and control" CPOT organizations, but whose drug and money laundering activities have a demonstrable impact on the drug threat facing a particular OCDETF region. It is expected that, through OCDETF's enhanced information-sharing efforts, the investigations of these Regional Priority Organization Targets will expand into nation-wide investigations and ultimately will connect to the CPOT organizations.
 - The OCDETF Executive Committee issued revised Program Guidelines that direct the OCDETF program to concentrate its resources on complex, coordinated, multi-regional investigations capable of dismantling entire drug organizations. The Program Guidelines require that all new OCDETF investigations target significant drug and money laundering

organizations and not street level groups, and include a financial investigation within the first six months of an investigation. In addition, as a prerequisite to OCDETF designation, investigators must submit all target names to EPIC for an expanded database check and must transmit all communications device numbers to the Special Operations Division (SOD) for analysis.

- OCDETF investigations require a mix of skills, experience, and enforcement jurisdiction, which no single agency possesses. The program's strength is its ability to draw upon the combined skills, expertise and techniques of each participating agency. The agencies reimbursed for their investigative and prosecutorial efforts on OCDETF cases are identified as follows:

Department of Justice

- Drug Enforcement Administration (DEA) is the agency most actively involved in the OCDETF program with a participation rate in investigations that has exceeded 80 percent almost every year. DEA is the only federal agency in OCDETF that has drug law enforcement as its sole responsibility. The agency's vast experience in this field, its knowledge of international drug rings, its relationship with foreign law enforcement entities, and its close working relationships with state and local authorities all have made it essential to OCDETF. DEA's own agency focus on priority drug organization targeting, adopted two years ago as a strategy, has made DEA a leader in the development of the CPOT List and its connected investigations.
- Federal Bureau of Investigation (FBI) brings to OCDETF its extensive expertise in the investigation of traditional organized crime and white collar/financial crimes. The FBI uses its skills to gather and analyze intelligence data and to undertake sophisticated electronic surveillance. Although the agency reorganized following the events of September 11th, the FBI has remained committed to the OCDETF program and to the goal of targeting major drug trafficking organizations and their financial infrastructure.
- United States Marshals Service (USMS) is the key player in the apprehension of OCDETF fugitives. The USMS is responsible for apprehension of approximately 90 percent of all OCDETF fugitives. The USMS also has responsibility to coordinate pre-seizure planning of assets in complex cases.
- Bureau of Alcohol, Tobacco, Firearms, and Explosives (ATF&E) special agents focus on major drug traffickers who have also violated laws related to the illegal trafficking and misuse of firearms, arson and explosives. A significant portion of today's violent crime is directly associated with the distribution of drugs by sophisticated drug trafficking organizations.
- United States Attorneys' early involvement in the development of case strategy is key to successful OCDETF investigation and prosecution. Experienced OCDETF attorneys are able to coordinate investigative efforts more efficiently and minimize the risk of legal

challenges, because of their familiarity with the intricacies of drug trafficking investigations.

- Criminal Division, Office of Enforcement Operations (OEO), offers direct operational support to U.S. Attorneys offices as it reviews all applications for electronic surveillance and assists agents and attorneys by providing guidance on the justification for and development of such applications.
- Tax Division provides nation-wide review and coordination of all tax charges in OCDETF cases. Under its new leadership, the Division now provides assistance in OCDETF money laundering investigations. Specifically, an experienced Tax Division attorney is assigned as a liaison official to provide advice, guidance and expertise in developing and handling the tax and money laundering investigations.

Department of the Treasury

- Internal Revenue Service-Criminal Investigation (IRS-CI) special agents work to dismantle and disrupt major narcotics and narcotics money laundering organizations by applying their unique financial investigative skills to investigate all aspects of the individual/organization's illegal activities. The IRS-CI uses the tax code, money laundering statutes, and asset seizure/forfeiture laws to thoroughly investigate the financial operations of the organizations. With the globalization of the U.S. economy and the increasing use of electronic funds transfers, investigations of these organizations have become more international in scope.

Department of Homeland Security

- Virtually all of the most significant drug trafficking and money laundering organizations – which are the sole focus of OCDETF – are populated by criminal aliens. Border & Transportation Security (BTS) agents assist in investigations by providing valuable intelligence information on drug organization members and have sole authority to enforce the immigration laws against these targets.
- In addition, BTS personnel support critical regional, national, and international drug and money laundering investigations. Their automated systems are extremely advantageous in targeting and tracking the transportation of illicit drugs into the United States. BTS agents have the capability to target certain high-risk commercial containers for intensive enforcement examination, performing pre-arrival review of carrier manifests as well as conducting physical inspections of pre-selected cargo at centralized examination stations.
- United States Coast Guard (USCG) has a Coordinator in each of the coastal OCDETF regions and is the maritime expert for OCDETF and provides intelligence and guidance on cases with maritime connections and implications.

State and Local Law Enforcement

- State and Local Law Enforcement Agencies participate in most OCDETF investigations. State and local participation significantly expands the available resource base and broadens the choice of venue for prosecution. Currently, OCDETF reimburses these state and local agencies for their overtime, travel, and per diem expenses with monies allocated by the Department's Assets Forfeiture Fund (AFF).

III. BUDGET SUMMARY

2003 Program

- The President's FY 2003 Budget includes \$362.1 million, \$107.6 million, and \$0.6 million for the Justice, Treasury, and Coast Guard ICDE funding, respectively. This request will be used to reimburse participating agencies and components for their investigative and prosecutorial efforts toward disrupting and dismantling the most significant drug trafficking and money laundering organizations. This includes the seizure and forfeiture of assets of organized criminal enterprises involved in narcotics trafficking. Specific activities requested include:
 - **Investigations:** This decision unit includes: \$266.6 million and 2,080 FTE from the Justice ICDE Appropriation to reimburse the participating agencies; \$107.6 million and 797 FTE from the Treasury ICDE Appropriation to reimburse the participating agencies; and base funding of \$625,000 to support Coast Guard participation in OCDETF.
 - **Prosecutions:** This decision unit includes \$95.5 million and 872 FTE to reimburse the U.S. Attorneys, Criminal Division, and Tax Division for their investigative support and prosecutorial efforts in OCDETF cases.

2004 Request

- The FY 2004 drug control request totals \$541.8 million, a net increase of \$71.5 million over the FY 2003 request level. The FY 2004 Budget restructures the OCDETF program by consolidating funding within the Department of Justice. This proposal will transfer 783 reimbursable positions and \$108.2 million to consolidate the OCDETF funding of the Department of the Treasury and the Department of Homeland Security under the Department of Justice. Included in the net increase of \$71.5 million are base adjustments in the amount of \$13.5 million and program enhancements totaling \$58.0 million. The FY 2004 enhancements are highlighted below:
 - **Automated Tracking Initiative: +\$22 million.** Using the Foreign Terrorist Tracking Task Force's (FTTTF) existing system, OCDETF would leverage and expand the FTTTF architecture to provide an automated system that would separate terrorist and drug information, then collate, analyze and disseminate the drug investigative information to OCDETF agents and investigators. The requested resources would enhance the data capacity of the FTTTF system by providing funding for additional equipment as well as contractor and operational support to separately collect, analyze and disseminate drug

investigative information. The system would give OCDETF cross-case analytical capacity it does not currently have and that it must acquire if it is to keep pace with sophisticated well-insulated drug networks. This capacity is especially important in identifying components of those organizations on the Attorney General's CPOT List.

- **CPOT Initiative: +\$26 million** This program improvement will be used to fund agents, analysts and associated support personnel dedicated to investigations of the highest level CPOT targets and their connected components. These additional resources will enable OCDETF participants to mount comprehensive attacks, in multiple national and international locations, on every cell associated with the organizations on the CPOT List. The funding will enable the DEA field offices most actively involved in cases against the CPOT targets to pursue complex, nationwide investigations that will result in the simultaneous arrests of the major components of these organizations, the seizure of drugs and significant drug-related assets, and the disruption or dismantling of the financial and operational infrastructure that supports the organizations.
- **Financial and Money Laundering Initiative: +\$10 million.** This improvement will fund financial investigative efforts, including intelligence gathering, document exploitation, and undercover operations. It also will support financial analysts dedicated to analyzing traffickers' financial information and uncovering their assets.

IV. PROGRAM ACCOMPLISHMENTS

- OCDETF has made marked progress in returning the program to its original mission of disrupting and dismantling major drug trafficking organizations and their financial systems, thereby reducing the drug supply. The Program also has renewed its commitment to more effectively managing its resources to improve accountability and performance.
- The number of newly initiated OCDETF investigations for FY 2002 decreased by 33 percent, from 1,336 initiation in FY 2001 to 895 in FY 2002. Two significant factors contributed to the decline. First, as previously reported, following the attacks of September 11, many OCDETF agencies redirected resources away from drug enforcement to counterterrorism, reducing the investigative strength available to support complex drug cases. More significantly, however, the decrease in initiations reflects a movement from "quantity" to "quality"—a shift that has been encouraged. OCDETF's limited resources are now being targeted on the large-scale organizations, which have the most profound impact on the nation's drug supply, while smaller scale, street level investigations are pursued with alternative, non-OCDETF resources.
- OCDETF program indicators reflect the shift in program direction, as follows:
 - OCDETF is now involved in 92 percent of the Special Operation Divisions nationally coordinated investigations, up from 82 percent in FY 2001. This is evidence that OCDETF cases are focused on targets of national and international significance.

- OCDETF wiretaps now comprise 60 percent of the narcotics wiretaps at the Office of Enforcement Operations (OEO), up from 57 percent in FY 2001. This is evidence of the increasing complexity and sophistication of OCDETF investigations.
- OCDETF deposits to the Department of Justice Assets Forfeiture Fund increased from \$99.2 million in FY 2001 to \$119.5 million in FY 2002. This occurred at a time when the overall deposits to the AFF were declining. Moreover, OCDETF deposits represent 26.6 percent of the total Justice Department deposits, up from 22.5 percent last year.
- The percentage of OCDETF investigations that included a financial investigation continued to inch upward, from 10.2 percent in FY 1999 to 13.6 percent in FY 2002. That figure is expected to increase significantly in FY 2003, under OCDETF's new Field Guidance. Additionally, since the issuance of the new program guidelines and the OCDETF Field Guidance in July of 2002, the percentage of indictments with Money Laundering and Asset Forfeiture charges has increased from 14.1 percent to 21.7 percent.
- The percentage of OCDETF defendants indicted with a leadership role has increased significantly as a result of the new Program Guidelines and related Field Guidance. From FY 2001 through July of 2002, this percentage of indicted defendants at a leadership level in the drug organization was 24.5 percent. For August-September of 2002 -- the period immediately following the issuance of the Guidelines and Field Guidance -- that percentage rose to 32.2 percent.
- Through July of FY 2002, 57.0 percent of newly initiated investigations were multi-district; that number increased to 80.5 percent after the Program Guidelines and Field Guidance. This reflects the movement away from investigations against a single organization component in one location toward coordinated investigations against all pieces of the organization across the country.

Workload:	<u>2002</u>	<u>2003</u>	<u>2004</u>
New OCDETF Investigations Initiated ¹	895	650	650
Number of Title IIIs and Extensions ²	749	880	1,000
OCDETF Investigations Connected to CPOT ³	369	400	500

¹ Data source is the OCDETF Management and Reporting System (MIRS).

² Data source is the Criminal Division Office of Enforcement Operations (OEO).

³ 53 targets were identified on the CPOT List in FY 2002. Data source is the OCDETF MIRS.

OFFICE OF JUSTICE PROGRAMS

I. RESOURCE SUMMARY

(Budget Authority in Millions)

	2002 Final	2003 Request	2004 Request
Drug Resources by Function			
Prevention	\$109.619	\$29.189	\$18.147
State and Local Assistance	604.082	128.482	139.266
Treatment	<u>179.450</u>	<u>129.000</u>	<u>144.054</u>
Total	\$893.151	\$286.671	\$301.467
Drug Resources by Decision Unit			
Regional Information Sharing System	\$25.450	\$25.450	\$37.441
Byrne Formula Grant Program ¹	500.000	0.000	0.000
Byrne Discretionary Grant Program ¹	94.500	0.000	0.000
Underage Drinking Prevention Program	25.000	0.000	0.000
Juvenile Drug Prevention Program	10.976	10.976	0.000
Executive Office for Weed and Seed	58.925	58.925	58.265
Drug Courts Program	50.000	52.000	68.000
Residential Substance Abuse Treatment	70.000	77.000	76.054
Arrestee Drug Abuse Monitoring Program	8.300	12.320	12.320
Southwest Border Prosecutor Initiative ²	<u>50.000</u>	<u>50.000</u>	<u>49.387</u>
Total	\$893.151	\$286.671	\$301.467
Drug Resources Personnel Summary			
Total FTEs (direct only)	166	102	90
Information			
Total Agency Budget ³	\$3,856.2	\$1,683.0	\$2,119.3
Drug Percentage	23.2%	17.0%	14.2%

¹ Based on the proposed uses of funding for the successor program to the Byrne Grant, these funds are not scored as drug programs after FY 2002.

² For FYs 2002 and 2003, the Southwest Border Prosecutor Initiative is included in the Community Oriented Policing Service's Budget. For display purposes only, the above resource summary includes the Southwest Border Prosecutor Initiative for FY 2002 and FY 2003.

³ Total agency amounts exclude Crime Victim Fund and Public Safety Officers Benefits.

II. PROGRAM SUMMARY

- The Justice Assistance Act of 1984 established the Office of Justice Programs (OJP). OJP supports cooperation of law enforcement at all levels in building networks that allow the criminal justice system to function more effectively.
- The OJP supports a variety of prevention programs, which discourage the first-time use of controlled substances and encourage those who have begun to use illicit drugs to cease their use. These activities include programs that promote effective prevention efforts to parents, schools and community groups and assistance to state, local and tribal criminal justice agencies.

- OJP supports domestic law enforcement through federal assistance (financial and technical) to state, local and tribal law enforcement entities or activities whose primary purpose is to investigate, arrest, prosecute or incarcerate drug offenders, or otherwise reduce the supply of illegal drugs; and activities associated with the incarceration and monitoring of drug offenders.
- In addition, OJP provides support to encourage and assist regular users of controlled substances to become drug-free through such means as coerced abstinence drug testing, counseling services, in-patient and out-patient care and research into effective treatment modalities.

III. BUDGET SUMMARY

2003 Program

- The FY 2003 drug control program request totals \$286.7 million and 102 direct FTEs. Key highlights of the FY 2003 program include:
 - \$29.2 million for programs supporting drug prevention activities. This funding includes activities to provide information to promote effective prevention efforts to parents, schools and community groups; and provides assistance to state and local law enforcement. Also included is \$12.3 million for the Arrestee Drug Abuse Monitoring (ADAM) program.
 - \$128.5 million for programs to support state and local assistance. Program funding includes support to state and local law enforcement entities or activities that assist state and local law enforcement efforts to investigate, arrest, prosecute, incarcerate drug offenders, or otherwise reduce the supply of illegal drugs.
 - \$129.0 million in treatment resources to support criminal justice drug testing, treatment and intervention activities; and activities associated with the incarceration and/or monitoring of drug offenders. Also included in this amount is \$26 thousand for OJP's drug-free workplace program.

2004 Request

The total drug control request for FY 2004 is \$301.5 million and 90 direct FTEs. This represents a net increase of \$14.8 million from the FY 2003 request level. Specific program changes are detailed, as follows:

Overall increase of \$28 million:

- **+\$16 million** for the Drug Courts Program, which will expand the number of drug courts; increase retention in, and successful completion of, drug court programs by expanding the scope and improving the quality of drug court services; and generate drug court program outcome data. The Drug Courts program provides alternatives to incarceration by using the coercive power of the court to force abstinence and alter behavior with a combination of escalating sanctions, mandatory drug testing, treatment, and strong aftercare programs.

- **+\$12 million** for the Regional Information Sharing System (RISS) program to expand its infrastructure to electronically share and disseminate counter-terrorism related intelligence and investigative information to provide an expanded network, including non-traditional first responder users such as state and local fire, health, public utility, and school officials, as well as to its current traditional federal, state, and local law enforcement agencies. In addition to supporting the counter-terrorism mission, the RISS program continues to support counterdrug activities.

Overall reduction of \$13.2 million:

- No funding is requested for the Juvenile Drug Demonstration Program, which accounts for a decrease of \$11 million.
- Reductions of \$0.9 million for the Residential Substance Abuse Treatment (RSAT) Program, \$0.7 million for the Weed and Seed Program and \$0.6 million for the Southwest Border Prosecution Initiative reflect minor management and administrative adjustments that result from OJP restructuring its FY 2004 budget presentation. This new structure addresses the Presidential Management Agenda by consolidating program and administrative funds. This performance-based budget presentation ties human resources to program performance to depict the full cost of accomplishing OJP's mission.

IV. PROGRAM ACCOMPLISHMENTS

- The **Residential Substance Abuse Treatment Program** provides formula grants to states to help them develop and implement residential substance abuse treatment programs that provide individual and group treatment activities for offenders in residential facilities operated by state correctional agencies. In FY 2002, the number of offenders treated for substance abuse under the RSAT program was 38,639.
- The **Drug Courts Program** provides financial and technical assistance for the states, units of local government, state and local courts, and Indian tribal governments to develop and implement treatment drug courts. In 2002, 66 new drug courts were initiated under the Drug Courts Program. Experience indicated that it takes about three years for a court to become fully operational, treating and graduating enough clients to demonstrate that the court is successful and worthy of state and local funding support.
- The **Arrestee Drug Abuse Monitoring Program** is the only federally-funded drug use prevalence program to directly address the relationship between drug use and criminal behavior and is the only program to provide drug use estimates based on urinalysis results, which have been proven to be the most reliable method of determining recent use. ADAM's data provides policy-relevant information to local, state and federal decision-makers. In addition, because ADAM's infrastructure has already been developed, research projects and evaluations that use the ADAM program can be fielded more rapidly and cheaply than most other studies. ADAM's findings are processed and released immediately and allow for quarterly monitoring in changes of use of a wide range of drugs by numerous subgroups of the offender population.

COUNTERDRUG TECHNOLOGY ASSESSMENT CENTER

I. RESOURCE SUMMARY

(Budget Authority in Millions)

	2002 Final	2003 Request	2004 Request
Drug Resources by Function			
State and Local Assistance	\$22.236	\$22.000	\$22.000
Research & Development	<u>20.064</u>	<u>18.000</u>	<u>18.000</u>
Total	\$42.300	\$40.000	\$40.000
Drug Resources by Decision Unit			
Research	\$20.064	\$18.000	\$18.000
Technology Transfer	<u>22.236</u>	<u>22.000</u>	<u>22.000</u>
Total	\$42.300	\$40.000	\$40.000
Drug Resources Personnel Summary			
Total FTEs (direct only)	0	0	0
Information			
Total Budget	\$42.3	\$40.0	\$40.0
Drug Percentage	100.0%	100.0%	100.0%

II. PROGRAM SUMMARY

- The Counterdrug Technology Assessment Center (CTAC) was established within the Office of National Drug Control Policy (ONDCP) as the central counterdrug technology research and development (R&D) organization of the U.S. Government. Section 708 of the National Drug Control Policy Reauthorization Act of 1998 (P.L. 105-277) re-authorized CTAC.
- Since 1990, CTAC has been overseeing and coordinating the counterdrug R&D programs of National Drug Control Agencies. CTAC, in consultation with the National Institute on Drug Abuse (NIDA), provides advanced technology and support to the nation's premier teams of medical researchers working on the underlying causes of drug dependence. This is accomplished by providing them with neuroimaging facilities, infrastructure, and technology necessary to support their substance abuse research. The CTAC R&D program also provides support to law enforcement agencies by developing advancements in technology for improved capabilities, such as drug detection, communications, surveillance and methods to share drug crime investigative information. In addition to sponsoring R&D programs to advance the technological capabilities of National Drug Control Agencies, CTAC supports the Technology Transfer Program (TTP) to enhance the capabilities of state and local law enforcement agencies (LEAs).
- CTAC heads the Interagency Working Group for Technology (IAWG-T) that is composed of technology representatives from each of the National Drug Control Agencies. The IAWG-T meets periodically to exchange information regarding agency programs and common technical problems. Annually the IAWG-T provides updated listings of priority scientific and technological needs and drug-related R&D projects being sponsored by each agency.

- Supporting activities include a variety of regional one-day workshops at the state and local level, technical symposia, conferences, and ad hoc studies to promote the exchange of information throughout the entire counterdrug scientific and technical community. These outreach activities provide the mechanism to create awareness of the R&D programs, and to oversee and coordinate counterdrug technology initiatives throughout the scientific and academic communities, as well as with federal, state, and local drug control agencies.

III. BUDGET SUMMARY

2003 Program

- CTAC plans to continue the TTP in FY 2003 with \$22 million to deliver advanced drug crime-fighting technology, training and support to state and local LEAs across the country. The technologies available for transfer include information technology and analytical tools, communications intercept, tracking and surveillance, and drug detection devices. Over the next year, two broad TTP initiatives will be pursued: 1) development of advanced wireless communications interoperability capabilities; and, 2) development of a centerpiece architecture for case management tools.
- In FY 2003, CTAC plans to spend \$1.8 million for programs that support supply reduction efforts. The supply reduction R&D programs sponsored by CTAC include tactical technologies, such as improving communications interoperability and information management/exploitation technology for drug-related law enforcement capabilities. Working with National Drug Control Agencies, funding will sponsor the development and evaluation of innovative canine and biosystem inspection techniques for the detection of illicit drugs concealed in cargo, containers, and conveyances.
- The FY 2003 request includes \$8.7 million for programs that support demand reduction activities. Demand reduction projects concentrate on equipping leading academic and addiction research institutions with advanced neuroimaging technology, and medical instrumentation for drug abuse research. Selected projects include:
 - University of North Dakota at Grand Forks will install a MicroPET facility to validate the use of the Weaver mutant mouse as a suitable model to study individual dopaminergic systems involved in drug addiction. This technology, which is dedicated for substance abuse research, is devoted to training Native American students to participate in such research.
 - Genetics researchers at the Roskamp Institute of the University of South Florida in Tampa are using recent developments in microarray technology to investigate blood gene expression to classify characteristic fingerprints produced by specific drugs.
 - Brookhaven National Laboratory (BNL) is using MR microscopy and molecular modeling to establish a preclinical high-resolution MicroMRI. This 9.4-Tesla 20-centimeter bore diameter MRI will become part of the NIDA Regional Neuroimaging Center at BNL. The MicroMRI technology will enable the researchers to non-invasively measure changes in brain morphology, brain function, and brain neurochemistry in

rodents. A MicroMRI instrument will make studies possible in the rodent model pertaining to the functional and structural changes in response to drugs while monitoring their temporal response.

- A superconducting magnet system for use in high-resolution magnetic resonance in-vivo spectroscopy will be installed at the NIDA Intramural Research Program (IRP) in Baltimore, Maryland in early 2003. This high field machine is also at 9.4-Tesla, but with a 31-centimeter bore diameter, other primate species will be available for future testing.
- Projects continuing from fiscal year 2002 include the installation of a small animal PET facility at UCLA's Crump Institute, and 3-Tesla functional Magnetic Resonance Imaging (fMRIs) at Oregon Health and Science University and the University of Colorado Health Sciences Center. In addition, Massachusetts Institute of Technology is exploring improved imaging methods using conventional single photon emission computed tomography technology based on the use of coded aperture. Further, the Drug Evaluation Network System is a data backbone with analysis software used to collect and track "treatment entry" data on addicts. The system incorporates the standardized Addiction Severity Index screening and assessment system and has yielded a rich database from over 35,000 patient records. The University of Arizona is developing a multi-component, group treatment of sleep disturbance and daytime sleepiness for adolescents who have completed treatment for substance abuse.
- In FY 2003, CTAC plans to provide \$7.5 million for outreach activities and for test and evaluation support.
 - The 2003 ONDCP International Technology Symposium will be held in San Diego, California, from July 8-11, 2003. CTAC's eighth international technology symposium will feature presentations and technical papers on new counterdrug technology concepts, developments, and applications, particularly in the areas of command, control, communications, computers and intelligence (C4I) systems R&D and nonintrusive inspection technologies to counter narcoterrorism.
 - Continued support is planned for DEA and the Scientific Working Group for the Analysis of Seized Drugs (SWGDRUG) in gaining international acceptance of forensic standards for drugs and the international drug profiling conference.
 - ONDCP, together with the United Nation's Office on Drugs and Crime, is cosponsoring a two-day international workshop focusing on illegal drug crop control measures. The meeting will be held in Vienna, Austria in early 2003. The workshop will address technical challenges to the drug abuse research community. Topics include eradication alternative results, issues/impediments and opportunities, cost and price measurements of illegal narcotics products, best practices and alternatives for measuring prices, and local economic alternatives to drug crops.
 - A technology testbed will continue at the U.S. Navy Space and Naval Warfare (SPAWAR) Systems Center in San Diego where scientists and engineers are working with law enforcement officers to develop interfaces to accommodate dissimilar software

capabilities under one user-friendly information management architecture. The resultant architecture will provide the capability to integrate components for case management with real-time access to tracking and surveillance data, including authorized wire intercepts.

- In 2003, scientists and engineers will make recommendations on the integration of communication interoperability systems into a robust national architecture capable of supporting emergency response to hostile events or natural disasters. The study will look at scenarios that include both regional and distributed crises that require coordinated response from federal, state, and local agencies.
- An architecture using commercial technologies is being configured for real-time wireless data transfer between field units, command centers, and other parties. The exchange of real-time data or even video provides capabilities useful in joint, coordinated operations. This capability allows surveillance and other data to be transferred in real-time to investigators and personnel not present at the site of the operation.

2004 Request

- The FY 2004 CTAC budget includes a request of \$40.0 million. This is the same level included in the FY 2003 President's Request.

IV. PROGRAM ACCOMPLISHMENTS

Supply Reduction R&D:

- CTAC works with the National Drug Control Agencies in the development and evaluation of technology to interdict drug shipments and to disrupt drug trafficking organizations. The following development projects are either complete or are being evaluated by federal law enforcement agencies (LEAs) for use in the field.
 - The integration of real-time location and tracking systems with database records of current and past criminal associations will give law enforcement new tools for strategic and tactical planning and execution of drug-related criminal investigations. A scalable information tool, Crystal, is being developed in conjunction with the Rockland County (NY) Narcotics Task Force to enable agencies to organize and present criminal and case-related information with real-time positional data from tracking and surveillance management systems. Users can visually link suspected criminal activity under surveillance to a geographic / historic positional background.
 - CTAC supports the development of low-cost handheld sensors to detect cocaine methylbenzoate vapors. Ten handheld units will be available for testing by the spring of 2003.
 - Decoder technology is being developed to enable law enforcement agencies to monitor mobile telephone communications across the various provider and vendor technologies. This technology will be available in early 2003.

- In fiscal year 2002 CTAC deployed a communications interoperability architecture in Colorado that can be used as a nationwide model for optimizing the use of existing wireless radios and infrastructure (towers and repeaters). Systems were installed in six regions including Denver, Colorado Springs, Durango, Grand Junction, Larimer County, and Pueblo. The installation of a seventh system has begun in Steamboat Springs and is scheduled for completion in fiscal year 2003. The use of these systems is being incorporated into the everyday operations of the agencies that use them. These capabilities provide a near-term solution to difficulties experienced in joint, coordinated operations when federal, state and local law enforcement agencies must communicate with each other while using dissimilar, incompatible wireless radios.

Demand Reduction R&D:

- A number of advanced neuroimaging centers became operational in fiscal year 2002 to support research on the effects of drugs of abuse:
 - McLean Hospital's Brain Imaging Center in Belmont, Massachusetts has begun using a high field (4-Tesla) fMRI/ Magnetic Resonance Spectroscopy (MRS) scanner for clinical assessments of drug addicts. This system provides a spectroscopic means to measure the drug chemistry and metabolism in the brain. McLean Hospital scientists are using these MRS capabilities to study the neurochemical changes associated with acute and chronic use of alcohol, marijuana, cocaine, and heroin, in addition to attracting new post-doctoral fellows to focus their efforts on drug abuse research.
 - An Institutional Research Protocol was approved for the Massachusetts General Hospital (MGH) in Boston, Massachusetts allowing the MGH research team to use the powerful 7-Tesla fMRI to obtain human images. Receiving protocol approval allows researchers to move forward with a research program to examine the brain reward circuitry that mediates drug addiction and characterizes the temporal dynamics when presented with a drug.

Oversight and Coordination:

- CTAC sponsors outreach activities including technology workshops, technical symposia, and conferences. These activities promote the exchange of information and provide another mechanism to oversee and coordinate counterdrug technology initiatives throughout the scientific and academic communities and with federal, state, and local drug control agencies.
 - CTAC held the seventh ONDCP Technology Symposium in July 2002 in Cambridge, Massachusetts. This conference was dedicated exclusively to demand reduction issues to determine the technology challenges that limit drug abuse prevention and treatment research. Some 180 people were in attendance, representing academia, medicine, government and industry. Over 40 scientists presented their research findings and suggestions for future directions over a two-day period.
 - In conjunction with DEA, CTAC supported the first international drug profiling conference in December 2002 at the DEA forensics laboratory in Virginia. The conference series identified samples that share a commonality of source and drug-

processing methodologies that distinguish specific controlled substances and the geographic area where the production is taking place.

Technology Transfer Program:

- In five years, the TTP has delivered 4,811 pieces of equipment to 3,898 state and local law enforcement agencies, more than 20 percent of the state and local LEAs in the United States. Since the program began in fiscal year 1998, the TTP has received more than 6,300 applications. Of these applications, approximately 75 percent came from agencies serving smaller jurisdictions of fewer than 500,000 people. The strategy for the TTP is to maximize the delivery of hand-held devices with training to the state and local agencies serving the smaller population sizes (less than 500,000) and to provide case building investigative tools to the agencies and task forces serving the larger population sizes (500,000 and greater).

OFFICE OF NATIONAL DRUG CONTROL POLICY: OPERATIONS

I. RESOURCE SUMMARY

(Budget Authority in Millions)

	2002 Final	2003 Request	2004 Request
Drug Resources by Function			
State and Local Assistance	\$5.675	\$5.424	\$5.447
Prevention	5.675	4.922	5.966
Treatment	4.674	4.923	5.188
Interdiction	3.243	3.415	3.632
International	3.243	3.415	3.632
Investigations	1.908	2.009	2.075
Research and Development	<u>1.350</u>	<u>1.350</u>	<u>1.350</u>
Total	\$25.245	\$25.458	\$27.290
Drug Resources by Decision Unit			
Operations	\$22.895	\$24.108	\$25.940
Research: Policy	1.350	1.350	1.350
Model State Drug Laws ¹	<u>1.000</u>	<u>0.000</u>	<u>0.000</u>
Total	\$25.245	\$25.458	\$27.290
Drug Resources Personnel Summary			
Total FTEs (direct only)	115	115	125
Information			
Total Agency Budget	\$25.2	\$25.5	\$27.3
Drug Percentage	100.0%	100.0%	100.0%

¹ For FY 2003, the National Alliance for Model State Drug Laws is being realigned and presented in the Other Federal Drug Control Programs.

II. PROGRAM SUMMARY

- The Office of National Drug Control Policy (ONDCP) provides the President's primary Executive Branch support for drug policy development and program oversight. ONDCP advises the President on national and international drug control policies and strategies, and works to ensure the effective coordination of drug programs within the federal departments and agencies. ONDCP responsibilities include:
 - Developing a consolidated National Drug Control Budget for presentation to the President and the Congress (including budget certifications).
 - Certifying the budgets of programs, bureaus, agencies, and departments.
 - Coordinating and overseeing federal anti-drug policies and programs.
 - Encouraging private-sector, state, and local drug prevention and control programs.

- Conducting policy analysis and research to determine the appropriateness of drug programs and policies in addressing the *Strategy's* priorities.
 - Designating High Intensity Drug Trafficking Areas (HIDTAs) and providing overall policy guidance and oversight for the award of resources to federal, state, and local law enforcement partnerships in these areas.
 - Operating the Counterdrug Technology Assessment Center (CTAC) to serve as the central counterdrug enforcement research and development center for the federal government.
 - Developing and overseeing a National Youth Anti-Drug Media Campaign -- a multi-faceted communications campaign that harnesses the energies of parents, mass media, corporate America, and community anti-drug coalitions.
 - Overseeing the Drug-Free Communities Program, which will serve as a catalyst for increased citizen participation to reduce substance abuse among our youth and provide community anti-drug coalitions with much needed funds to carry out their important missions.
- Funds for the HIDTA program, National Youth Anti-Drug Media Campaign; the Drug-Free Communities Program; and CTAC are discussed elsewhere in this volume.

III. BUDGET SUMMARY

2003 Program

- The total program for FY 2003 is \$25.5 million. This funding provides for state and local assistance, prevention, treatment, interdiction, international, investigation, and research and development activities. Funding supports the following categories:
 - **Operations.** In FY 2003, ONDCP will support activities that will allow the agency to support drug policy development and provide oversight on major programs such as the National Youth Anti-Drug Media Campaign; the Drug-Free Communities Program; and the High Intensity Drug Trafficking Areas (HIDTAs) program. Additionally, ONDCP provides coordination and policy oversight to a number of agencies and organizations involved in drug control.
 - **Policy Research.** Policy research includes, but is not limited to, such projects as: regional and state patterns of drug use; and the Pulse Check, which is a periodic report that provides early indicators of drug trends. Other policy research efforts include the determination of availability of drugs for consumption; the price and purity of illicit drugs; determining the economic costs to society of drug abuse; and coordinating activities addressing the prevalence of MDMA/Club drugs.

2004 Budget Request

- The total FY 2004 budget for ONDCP includes a request of \$27.3 million and 125 FTEs. This represents an increase of \$1.8 million over the FY 2003 request level. In addition to inflationary adjustments for operations, ONDCP is requesting funds for 10 additional FTEs. This FTE increase is requested to offset the loss of many of the 30 military detailee positions the Department of Defense has supported at ONDCP since 1996. This 10 FTE increase, along with distributing additional responsibilities among existing staff, will allow ONDCP to absorb the staffing loss and meet its statutory responsibilities.

III. PROGRAM ACCOMPLISHMENTS

- **Drug Strategy:** ONDCP led the interagency development of the *National Drug Control Strategy*. In addition, ONDCP worked with the National Drug Control Agencies to develop the supporting budget plan for the *Strategy*.
- **Policy Direction for Counterdrug efforts:** ONDCP developed executive guidance for supply reduction policy focusing on organizational attack, interdiction, eradication, and international cooperation.
- **Demand Reduction:** ONDCP continued to advance the priorities of the *Strategy* by implementing policies that aim to stop initiation of drug use, intervene with non-dependent users, and improve treatment for those who are dependent on drugs. Among the key accomplishments were the training of Embassy staff in Bangkok, Thailand, Lima, Peru, and Bali, Indonesia; the publication of the booklet *What You Need to Know About Drug Testing in Schools*; collaboration with SAMHSA in the design of the Performance Partnership Grants initiative, which will replace the existing block grant program, give the states more flexibility in administering formula treatment and prevention funds, and focus on results; work with SAMHSA in developing screening, brief intervention, and referral programs.
- **Marijuana Initiative:**
 - ONDCP conducted two meetings with non-governmental organizations, including the U.S. Conference of Mayors, National Governors Association, International Association of Chiefs of Police, National Sheriffs Association, and the National Association of Drug Court Professionals. The meetings encouraged those organizations to take a vocal position on marijuana legalization efforts.
 - ONDCP provided the National District Attorneys Association factual information concerning the hazards of marijuana use and the potential consequences of legalizing marijuana. This information was provided to over 3,200 State and Local prosecutors throughout the nation.
 - ONDCP instituted the Interagency Marijuana Policy Coordination Team, which consisted of representatives from the Department of Justice, the Department of Defense, the Department of Transportation, the Department of Agriculture, and the Department of the Interior. This team will plan a marijuana summit for the 2003 time period.

- ONDCP conducted outreach efforts to assist coalitions that were resisting legalization efforts in their communities. The Deputy Director for State and Local Affairs conducted meetings and other forums to voice the Administration's position on fighting the legalization of harmful drugs.
- **Drug-Impaired Driving Initiative:** ONDCP coordinated the development of a National Drug-Impaired Driving Strategy and Initiative with the National Highway Traffic Safety Administration. Deliverables included a national awareness campaign on drug-impaired driving, a coordinated and cohesive federal policy on drug-impaired driving, continuing support of highway roadside testing devices, and continued support for the Drug-Recognition Expert program.
- **Restructuring the National Drug Control Budget:** ONDCP, working with the affected National Drug Control Agencies, has restructured the National Drug Control Budget. This reflects significant modifications from prior years. The revised drug budget was put in place on May 30, 2002 through two government-wide circulars issued by ONDCP – *Budget Formulation* and *Budget Execution*. This restructuring brings greater accountability and oversight to the National Drug Control Budget by better associating these resources with actual account-level detail in the annual Budget of the President.

HIGH INTENSITY DRUG TRAFFICKING AREAS

I. RESOURCE SUMMARY

(Budget Authority in Millions)

	2002 Final	2003 Request	2004 Request
Drug Resources by Function			
Investigations	\$129.080	\$119.557	\$119.557
Intelligence	47.574	44.428	44.428
Prosecution	9.352	8.731	8.731
Interdiction	25.541	23.831	23.831
Prevention	3.132	3.132	3.132
Treatment	4.571	4.571	4.571
Research	<u>2.041</u>	<u>2.100</u>	<u>2.100</u>
Total	\$221.291	\$206.350	\$206.350
Drug Resources by Decision Unit			
HIDTA	\$221.291	\$206.350	\$206.350
Drug Resources Personnel Summary			
Total FTEs (direct only)	0	0	0
Information			
Total Budget	\$221.3	\$206.4	\$206.4
Drug Percentage	100.0%	100.0%	100.0%

Note: The FY 2002 funding reflects the ONDCP's transfer of \$5 million from the HIDTA program to DoD, pursuant to the Director's authority under Title 21, United States Code.

II. PROGRAM SUMMARY

- The Anti-Drug Abuse Act of 1988 and the Office of National Drug Control Policy Reauthorization Act of 1998 authorize the Director of the Office of National Drug Control Policy (ONDCP) to designate areas within the United States which exhibit serious drug trafficking problems and harmfully impact other areas of the country as High Intensity Drug Trafficking Areas (HIDTA). The HIDTA Program provides additional federal funds to those areas to help eliminate or reduce drug trafficking and its harmful consequences. The mission of the HIDTA Program is to enhance and coordinate America's drug-control efforts among local, state and federal law enforcement agencies in order to eliminate or reduce drug trafficking and its harmful consequences in critical regions of the United States. The mission includes coordination efforts to reduce the production, manufacturing, distribution, transportation and chronic use of illegal drugs, as well as the attendant money laundering of drug proceeds. The program accomplishes this mission by 1) focusing on outcomes, 2) institutionalizing teamwork, and 3) fostering agile regional solutions. Law enforcement organizations within HIDTAs assess drug trafficking problems, develop a strategy and design specific initiatives to accomplish their mission. Since 1990, 28 areas within the United States have been designated as HIDTAs.

- In designating a new HIDTA, the Director of ONDCP consults with the Attorney General, Secretary of the Treasury, heads of National Drug Control Agencies, and the appropriate governors, and considers the following criteria required by statute:
 - The extent to which the area is a center of illegal drug production, manufacturing, importation, or distribution;
 - The extent to which state and local law enforcement agencies have committed resources to respond to the drug trafficking problem in the area, thereby indicating a determination to respond aggressively to the problem;
 - The extent to which drug-related activities in the area are having a harmful impact in other areas of the country; and
 - The extent to which a significant increase in the allocation of federal resources is necessary to respond adequately to drug-related activities in the area.
- Specific counties in 28 areas have been designated as HDTAs: Southwest Border (which contains the 5 partnerships of the California Border, Arizona, New Mexico, West Texas, and South Texas); Los Angeles; Houston; South Florida; New York/New Jersey; Washington D.C./Baltimore; Puerto Rico/U.S. Virgin Islands; Atlanta; Chicago; Philadelphia/Camden; Rocky Mountain (Colorado, Montana, Utah and Wyoming); Northwest (Washington State); Lake County (Indiana); Midwest (Iowa, Kansas, Missouri, Nebraska, South Dakota and North Dakota); Gulf Coast (Alabama, Louisiana and Mississippi); Southeast Michigan; Northern California; Appalachia (Kentucky, Tennessee and West Virginia); Central Florida; Milwaukee; North Texas (Northern Texas and Oklahoma); Central Valley California; Hawaii; New England (Connecticut, New Hampshire, Maine, Massachusetts, Rhode Island and Vermont); Ohio; Oregon; North Florida; and Nevada.
- The mission of the HIDTA Program is to reduce drug availability, through the elimination or reduction of domestic drug trafficking and its harmful consequences, by enhancing and helping to coordinate drug trafficking control efforts among federal, state and local law enforcement agencies. Beginning in 2003, the goals of the HIDTA Program have been revised to include:
 - Reduce drug availability by eliminating or disrupting drug trafficking organizations (DTOs);
 - Reduce the harmful consequences of drug trafficking; and
 - Improve the efficiency and effectiveness of law enforcement and their efforts within HDTAs.
- ONDCP intends to implement a performance management system for the HIDTA Program in 2003. This system would be used to gauge the effectiveness of the program and individual HDTAs against stated mission and goals.

- The HIDTA Program helps improve the effectiveness and efficiency of drug control efforts by facilitating cooperation between drug control organizations through resource and information sharing, collocating and pooling of resources, coordinating and focusing efforts, and implementing joint initiatives. HIDTA funds help federal, state and local law enforcement organizations invest in infrastructure and joint initiatives to confront drug-trafficking organizations. Funds are also used for demand reduction initiatives.
- The key priorities of the program are:
 - Intelligence sharing/analysis, training, communication interoperability, and money laundering investigations;
 - Assess regional drug threats;
 - Design strategies to focus efforts that combat drug trafficking threats;
 - Develop and fund initiatives to implement strategies;
 - Facilitate coordination between federal, state and local efforts; and
 - Improve the effectiveness and efficiency of drug control efforts to reduce or eliminate the harmful impact of drug trafficking.
- Typically, a HIDTA consists of:
 - An Executive Board composed of approximately 16 members with equal representation from federal, state and local law enforcement officials;
 - Major task forces consisting of collocated federal, state and local law enforcement members;
 - Other regional federal and local/state collocated drug and money laundering task forces;
 - A regional joint intelligence center and information-sharing network; and
 - Other support initiatives to sustain law enforcement gains.
- At the national level, the HIDTA Coordination Committee confers with ONDCP staff on HIDTA policy, program and funding issues for the ONDCP Director. The Committee's membership consists of representatives from ONDCP, and the Departments of Justice, Treasury, and Health and Human Services. The ONDCP Director oversees the development and implementation of the HIDTA Program.

III. BUDGET SUMMARY

2003 Program

- The FY 2003 budget request of \$206.4 million includes \$119.6 million for investigations, \$44.4 million for intelligence, \$8.7 million for prosecution, \$23.8 million for interdiction, \$3.1 million for prevention, \$4.6 million for treatment, and \$2.1 million for auditing services and research activities.
- All HIDTAs have joint drug task forces that target drug trafficking organizations for dismantling and disruption, which increases the safety of America's citizens. HIDTAs integrate federal, state and local law enforcement and prosecution agencies to develop sophisticated investigations of domestic and international drug trafficking organizations. Since the program began, the task forces have seized tons of illicit drugs and millions of dollars in currency, and dismantled the hierarchies of major international and domestic drug trafficking organizations. HIDTA drug task forces conduct intensive surveillance of drug organizations; infiltrate street gangs; assist prosecutors in developing cases; and use specialized techniques to conduct sophisticated intelligence gathering, wire taps and investigations.
- The program provides funding for activities that enable the HIDTA Program to concentrate America's drug control efforts in key areas to protect the nation's frontiers from drug trafficking. Along the Southwest border and at major ports-of-entry, HIDTAs assist in developing border interdiction, intelligence, investigation and prosecution systems to develop and support cases against those who smuggle, launder money or engage in the international drug trade.
- In addition, the HIDTA Program includes funding for demand reduction activities. Specifically, several HIDTAs integrate other drug education and early intervention programs with law enforcement efforts to reduce youthful involvement with illegal substances and strengthen families and communities.

2004 Request

- The FY 2004 request for the HIDTA Program of \$206.4 million is the same as the FY 2003 request. These resources will continue funding the 28 HIDTA areas. Within the budget request, a total of \$2.1 million will be used for auditing services and research activities, and at least \$0.5 million of the \$2.1 million will be used to develop and implement a data collection system to measure the performance of the HIDTA Program.

IV. PROGRAM ACCOMPLISHMENTS

- Currently, 1,021 local, 176 state and 35 federal law enforcement agencies, and 138 other types of organizations, participate in 504 HIDTA funded initiatives, containing many multi-agency collocated task forces. These multi-agency HIDTA funded task forces continue to make a positive impact on the reduction of drug-related crime and violence in our communities. The New York/New Jersey HIDTA's El Dorado Task Force is an excellent

example of a successful initiative. In 2002 the task force conducted Operation Wirecutter, an investigation that was successful in targeting the Colombian Black Market Peso Exchange and through which, the United States and Colombian law enforcement officers traced the entire cycle of the conversion of narcotics proceeds. This provided detailed insight into the money laundering methodologies that Colombian money brokers employed to transfer funds between the United States and Colombia. The investigation resulted in the initiation of 21 related money-laundering investigations in the United States and Canada; the arrest of 42 individuals; the seizures of \$8.2 million 725 kilograms of cocaine, 6.5 kilograms of heroin, and 205 pounds of marijuana. Eight Colombian money brokers were arrested in Colombia.

- Beginning in April 2001, agents from the Drug Enforcement Administration, California Bureau of Narcotics Enforcement, and Simi Valley Police Department members from the Los Angeles HIDTA combined resources to dismantle the highest-volume Ketamine trafficking organization in Mexico. The Task Force utilized expertise in commercial parcel operations to interdict numerous over-night and ground shipments, with Ketamine seizures ranging from 500 to 9,000 vials. Multiple controlled deliveries in New Jersey, New York and Florida were conducted, resulting in numerous arrests and the seizure of \$8.8 million. The Task Force conducted a wiretap and used informants to penetrate the organization. In August 2002, the leader and 10 other members of the organization were indicted on federal charges. The Miami, New York, Newark, and Boston DEA Field Divisions participated throughout this investigation and their actions resulted in 20 additional arrests and the seizure of Ketamine and raw materials with a street value of \$69.0 million.
- The HIDTA Program has entered into an agreement with the U.S. Department of Justice sponsored Regional Information Sharing System (RISS.net), which formed a backbone to connect the HIDTAs and their components. The agreement with RISS.net also connected the HIDTAs with approximately 5,600 law enforcement and criminal justice agencies in the United States. The connectivity has made the HIDTA Program compliant with the Presidentially directed General Counterdrug Intelligence Plan.

OTHER FEDERAL DRUG CONTROL PROGRAMS

I. RESOURCE SUMMARY

(Budget Authority in Millions)

	2002 Final	2003 Request	2004 Request
Drug Resources by Function			
Prevention	\$230.541	\$240.000	\$240.000
Treatment	1.000	1.500	1.000
Research & Development:			
R&D (Prevention)	4.800	2.467	3.167
R&D (Treatment)	0.000	0.667	0.667
R&D (Law Enforcement)	0.000	0.666	0.666
Intelligence	<u>2.941</u>	<u>6.000</u>	<u>4.500</u>
Total	\$239.282	\$251.300	\$250.000
Drug Resources by Decision Unit			
Youth Anti-Drug Media Campaign	\$179.941	\$180.000	\$170.000
Drug-Free Communities	50.600	60.000	70.000
United States Anti-Doping Agency	4.800	1.000	1.500
Counterdrug Intelligence Executive Secretariat	2.941	6.000	4.500
National Drug Court Institute	1.000	1.000	1.000
Performance Measures Development	0.000	2.000	2.000
World Anti-Doping Agency Dues	0.000	0.800	1.000
Model State Drug Laws	<u>0.000</u>	<u>0.500</u>	<u>0.000</u>
Total	\$239.282	\$251.300	\$250.000
Drug Resource Personnel Summary			
Total FTE's (direct only)	1	1	1
Information			
Total Budget	\$293.3	\$251.3	\$250.0
Drug Percentage	100.0%	100.0%	100.0%

II. PROGRAM SUMMARY

- Section 712 of the National Drug Control Policy Reauthorization Act of 1998 re-authorized the Special Forfeiture Fund to provide ONDCP supplementary resources to enhance drug control activities. The Special Forfeiture Fund was re-designated Other Federal Drug Control Programs in FY 2004.
- Activities supported by Other Federal Drug Control Programs include the National Youth Anti-Drug Media Campaign; the Drug-Free Communities Program; the National Drug Court Institute; the United States Anti-Doping Agency; the Counterdrug Intelligence Executive Secretariat; Performance Measures Development; World Anti-Doping Agency dues; and, Model State Drug Laws.
- Resources for Other Federal Drug Control Programs are derived through direct appropriations from the General Fund of the Treasury.

III. BUDGET SUMMARY

2003 Program

- The FY 2003 total program of \$251.3 million includes \$240.0 million for prevention, \$1.5 million for treatment, \$3.8 million for research & development, and \$6.0 million for intelligence activities. This funding supports the following programs:
 - **The National Youth Anti-Drug Media Campaign (\$180.0 million).** The campaign is an integrated advertising and public communications program harnessing the power of the media to educate the nation's families, parents and youth, about drug use and its consequences. Targeted, high-impact paid advertising, complemented by grassroots public outreach programs at national and local levels seek to reduce drug use through changes in youth perceptions of the dangers and negative personal and social consequences of using drugs. The campaign uses advertising, public communications outreach, the Internet, and print and broadcast media to influence youth attitudes and behavior. Revamped in FY 2002, the campaign's new strategy features a concentrated effort against marijuana, the illicit drug used most by teens. Other revisions require more and earlier ONDCP involvement in the creative development process, simplify its message platform base, re-target its age group focus, and raise the standards and increase the effectiveness of its ad testing regimen, ensuring all TV ads have been successfully tested prior to airing.
 - **The Drug-Free Communities Program (DFCP) (\$60.0 million).** This program supports the development and expansion of community anti-drug coalitions throughout the United States. Initially created as a five-year program (FY 1998 through FY 2002) authorized by the Drug-Free Communities Act of 1997, the program was re-authorized by Congress for an additional five-year period that will extend the program through FY 2007. The program provides up to \$100,000 per year in grant funding to local community anti-drug coalitions, which must be matched by local communities. These grants are awarded through peer-reviewed annual competitions. Community coalitions typically strive to increase community involvement and effectiveness in carrying out a wide array of drug prevention strategies, initiatives, and activities. Additionally, a Year Two grant will be awarded to continue support to a private sector National Community Coalition Institute.
 - **National Drug Court Institute (\$1.0 million).** The National Drug Court Institute's research program supports the continued expansion of its drug court training program for practitioners; convening of special advisory groups to develop curricula in new disciplines; development of a national community probation initiative; and expansion and updating of the Institute's video instruction library.
 - **United States Anti-Doping Agency (USADA) (\$1.0 million).** This program funds activities to support the anti-doping program of the upcoming 2004 Olympic Games. Through ONDCP and the White House Task Force on Drug Use in Sports, ONDCP will continue to assist the USADA in implementing a transparent and effective anti-doping program.

- **The Counterdrug Intelligence Executive Secretariat (CDX) (\$6.0 million).** The FY 1998 Treasury and Government Appropriations Act requires ONDCP to improve counterdrug intelligence coordination and eliminate unnecessary duplication. FY 2003 funding will support the CDX's continuing work on implementing action items contained in the General Counterdrug Intelligence Plan (GCIP).
- **Performance Measurement Development (\$2.0 million).** These resources will assist in evaluation and research efforts related to the performance measures for the *National Drug Control Strategy*.
- **World Anti-Doping Agency (\$0.8 million).** Full participant membership dues are contained within the request.
- **National Alliance for Model State Drug Laws (\$0.5 million).** Funding supports model state drug law summits across the nation. It encourages states to adopt and implement model laws, policies, and regulations to reduce drug use and its adverse consequences.

2004 Request

- A total of \$250.0 million is requested for Other Federal Drug Control Programs in FY 2004, a net decrease of \$1.3 million from the FY 2003 request level. This decrease is due to reductions of \$10.0 million for the National Youth Anti-Drug Media Campaign, \$1.5 million for the Counterdrug Intelligence Executive Secretariat, and \$0.5 million for the National Alliance for Model State Drug Laws and is offset by program increases of \$10.7 million identified below:
 - **The Drug-Free Communities Program (+\$10.0 million).** These additional resources will bring total funding for the DFCP to \$70 million in FY 2004. This program provides matching grant monies to local community anti-drug coalitions that are working to prevent substance abuse among young people in their communities. P. L. 107-82 stipulates that priority should be given to community coalitions serving economically disadvantaged areas. The DFCP is also authorized to award up to 5 percent of available grant funds to selected "mentor coalitions" that will help develop new community anti-drug coalitions in areas which do not currently have them. Year Three grant support for a National Community Anti-Drug Coalition Institute is also expected to be awarded.
 - **United States Anti-Doping Agency (+\$0.5 million).** These additional resources will assist in the anti-doping efforts leading up to the 2004 Olympic games.
 - **World Anti-Doping Agency (+\$0.2 million).** The additional resources will cover full participant membership.

IV. PROGRAM ACCOMPLISHMENTS

Media Campaign

- **Youth drug use down.** Results released in December 2002 from the annual Monitoring the Future survey, sponsored by the Department of Health and Human Services, found significant national declines in youth drug use compared to 2001. The survey found use of any illicit drug in the past year decreased by a statistically significant amount from 2001 to 2002 among 8th and 10th graders. Among 10th graders, marijuana use in the past year and past month decreased from 2001 to 2002, and daily use in the past month was down as well. According to survey findings, the past-year marijuana use rate of 14.6 percent among 8th graders is the lowest level since 1994. Ecstasy use in the past year and past month was also down for all age groups surveyed, decreasing significantly among 10th graders from 2001 levels. Use of LSD and inhalants also declined, with past year and past month use of LSD at the lowest point recorded in the 28-year history of the Monitoring the Future survey. Overall, for 8th and 10th graders, use of any illicit drug was at the lowest levels recorded since 1993 and 1994 respectively.
- Partnership for a Drug Free America's Partnership Attitude Tracking Study (PATS) 2001 survey found that 48 percent of youth who saw anti-drug ads frequently reported being less likely to try or use drugs versus 27 percent of youth who saw ads less than once a week.
- **Internet response increased.** Visits to the campaign's website for parents (*TheAntiDrug.com*) increased by 122 percent over the previous year and visits to the site for youth (*Freevibe.com*) increased 58 percent. Overall, campaign websites recorded more than 8 million visits last year, raising total visits to campaign sites to 24 million.
- **Corporate participation.** The campaign's Corporate Participation Program has recruited 29 corporate partners who collectively provided over \$12 million in value and 750 million media impressions among youth and adults. The corporate program was implemented at the request of Congress, and its intent is to use individual companies' resources to further the mission of the Media Campaign. Partnering with many of America's best companies, the campaign has been able to expose its anti-drug messages to their consumers, employees, and the communities they serve using their products, services, and their own communications and distribution systems.
- **Supporting anti-drug coalitions.** Responding to congressional concerns about community anti-drug coalitions, the Media Campaign, in addition to its primary paid communications efforts targeting youth, also operates a national public service advertising campaign promoting anti-drug coalitions. Conducted in partnership with the Ad Council, from August 2000 through September 2002, this public service sub-set of the Media Campaign, called the Community Drug Prevention Campaign, has alone generated \$196.7 million in donated media, about four times the level of media industry support experienced by most other Ad Council campaigns. During the second quarter of 2002, the coalition campaign topped all 45 Ad Council campaigns. The New York Post selected the coalition campaign as one of four Ad Council efforts it will support in 2003. Public response has been strong. The coalition campaign has produced more than 300,000 visits to *HelpYourCommunity.org* (Jan-

Oct 2002). Since January 2002, over 200 new organizations have asked to be added to the anti-drug coalition database.

- **Pro bono match.** The pro bono match program of the Media Campaign implements a statute-based requirement that the campaign receive a dollar-for-dollar value in donated public service for every dollar of paid advertising it purchases from media outlets. During 2002 the campaign achieved 100 percent or higher in match contributions from its media outlets. From the beginning of the campaign in January 1998 through September 2002, American media companies have contributed more than \$667 million of value in match time or space to the Media Campaign. Additional "in-kind" corporate contributions of \$230 million bring the total donated value to the Media Campaign to nearly \$900 million.
- **Parents campaign.** The Media Campaign achieved significant impact on parents during 2002, reversing their eroding sense that they can do something about imminent danger their children face with respect to illicit drug use. Media campaign impact evaluation data indicate stronger positive attitudes and behaviors regarding talking to kids about drugs, monitoring their kids to help protect them from drugs and their beliefs about monitoring. Particular progress was noted among fathers, a traditionally difficult target to affect.
- **Drugs & terror linked.** During 2002 the Media Campaign launched and sustained a significant initiative underscoring the connection between drugs and terror. This program has achieved notable success, with national awareness of over 80 percent among youth 14 to 18 and 60 percent among all adults. The AntiDrug.com Website achieved a 165 percent increase in monthly page views since the advertising launch and continues to show strong viewership.

Drug Free Communities

- In FY 2002, the DFCP awarded new grants to 69 community coalitions and continuation grants to 462 others. The 531 DFC projects operate in all 50 states, the District of Columbia, Puerto Rico, and the U.S. Virgins Islands. Additionally, a grant was awarded to a private sector organization to create a National Community Anti-Drug Coalition Institute. Supported community coalitions continue to expand their use of multiple drug prevention strategies, increase their local sources of financial support, and involve additional sectors of their communities in working to prevent drug use among young people. ONDCP operates the DFCP in close working collaboration with agencies of the Departments of Justice and Health and Human Services.

BUREAU OF INTERNATIONAL NARCOTICS AND LAW ENFORCEMENT AFFAIRS

I. RESOURCE SUMMARY

(Budget Authority in Millions)

	2002 Final	2003 Request	2004 Request
Drug Resources by Function			
Interdiction	\$28.750	\$29.625	\$30.150
International	<u>843.150</u>	<u>847.875</u>	<u>846.700</u>
Total	\$871.900	\$877.500	\$876.850
Drug Resources by Decision Unit			
International Narcotics Control & Law Enforcement (INCLE)	\$157.000	\$146.500	\$145.850
INCLE Supplemental	69.900	0.000	0.000
Andean Counterdrug Initiative (ACI)	<u>645.000</u>	<u>731.000</u>	<u>731.000</u>
Total	\$871.900	\$877.500	\$876.850
Drug Resources Personnel Summary			
Total FTEs (direct only)	143	166	168
Information			
Total Agency Budget	\$1,029.0	\$928.0	\$1,015.6
Drug Percentage	84.7%	94.6%	86.3%

II. PROGRAM SUMMARY

- The primary mission of Department of State Bureau of International Narcotics and Law Enforcement Affairs (INL) is to develop, implement and monitor U.S. Government international counternarcotics control strategies and foreign assistance programs that support the President's *National Drug Control Strategy*.
- INL programs are designed to advance international cooperation in order to reduce the foreign production and trafficking of illicit coca, opium poppy, marijuana and other illegal drugs. INL commodity and technical assistance programs improve foreign government institutional capabilities to implement their own comprehensive national drug control plans that will reduce trafficking in illicit drugs and money laundering activities. Training and assistance also supports prevention and treatment programs and projects designed to increase public awareness of the drug threat to strengthen the international coalition against drug trafficking. An INL interregional aviation program supports drug-crop eradication, surveillance and counterdrug enforcement operations.
- Projects funded by INL are directed at improving foreign law enforcement and intelligence gathering capabilities and enhancing the effectiveness of criminal justice sectors to allow foreign governments to increase drug shipment interdictions, effectively investigate, prosecute and convict major narcotics criminals, and break up major drug trafficking organizations.

- INL is responsible for foreign policy formulation and coordination related to drug control and for advancing diplomatic initiatives in the international arena.

III. BUDGET SUMMARY

2003 Program

- The total FY 2003 INL drug control request of \$877.5 million is divided between \$731 million provided in the Andean Counterdrug Initiative (ACI) account and \$146.5 million in the International Narcotics Control and Law Enforcement (INCLE) account.
- The 2003 program includes \$29.6 million for the interdiction drug control function. INL programs will provide training, equipment and technical assistance to nations in the transit zone between Latin America and the United States to develop effective intelligence and enforcement organizations that work closely with U.S. government agencies involved in drug interdiction and law enforcement activities.
- The 2003 program includes \$847.8 million for the international drug control function. This includes \$728.8 million for Latin American programs, \$18.3 million for Asia/Middle East Regional, \$65 million for Interregional Aviation Support, \$4 million for Avionics Systems Support and Upgrades, \$13 million for International Organizations, \$5 million for Drug Awareness and Demand Reduction programs, and \$13.9 million for Program Development and Support expenses.
- INL programs address the unique counternarcotics issues in source and transit countries designed to improve foreign government capabilities to implement comprehensive national drug control plans.

Andean Counterdrug Initiative

- The goals of the ACI are to reduce and disrupt the flow of drugs to the United States, assist host country efforts to eradicate drug crops, stop the transportation of drugs and illicit proceeds within and outside of these countries, and in the case of Colombia, support a Colombian campaign to battle narco-terrorism in its national territory. It encompasses and coordinates four major bilateral programs (Bolivia, Colombia, Ecuador, and Peru) and three other bilateral programs (Brazil, Panama, and Venezuela). The ACI targets the production of cocaine and heroin (cultivation of raw materials and the refining process); supports regional and global efforts to disrupt world trafficking of illegal drugs and attack drug organizations; and promotes legal alternatives for those involved in this illegal industry.
- Bolivia: INL provides training, equipment and technical assistance for twenty-six counternarcotics programs designed to: promote strong, cohesive and democratic government institutions capable of stopping narcotics production and trafficking in Bolivia; eliminate the production and export of coca and cocaine products from Bolivia through the eradication and interdiction of illicit coca; create sustained economic growth in the Chapare and Yungas regions in order to reduce the impact of the drug trade on the Bolivian economy; and strengthen and improve the efficiency of the Bolivian criminal justice system.

- Colombia: The counterdrug program in Colombia focuses on eradicating coca and opium poppy crops; supporting national and regional interdiction efforts (targeting production and movement of drugs and illegal profits); attacking organizations operating and profiting from the illegal drug market; promoting professional and effective judiciary and counterdrug forces; supporting alternative development to help people abandon illegal crop production; and sensitizing Colombians to the dangers resulting from drug trafficking. At the direction of the U.S. Congress, INL resources and assets may also be used to help the government of Colombia in its unified campaign to attack narco-terrorism. In addition, funding will support an air bridge denial program.
- Peru: ACI goals in Peru are to support the eradication of illicit coca and opium poppy cultivations; provide licit, sustainable economic alternatives to coca cultivation; expand law enforcement/interdiction efforts on land and rivers against the operations of major Peruvian trafficking organizations; and support an airbridge denial program designed to impede the aerial trafficking of drugs.
- Brazil, Ecuador, Venezuela and Panama: Programs in Brazil, Ecuador, Venezuela and Panama focus on improving police and military operations including air, ground and water capabilities by providing training and equipment, and by upgrading critical infrastructure and facilities. INL programs will train law enforcement units to improve drug detection, seizure and mobile inspection capabilities; enhance money laundering and chemical investigation efforts; increase judicial and prosecutorial effectiveness; and improve port and border point of entry security programs.

International Narcotics Control and Law Enforcement (INCLE)

- INCLE country programs focus on reducing the amount of illegal drugs entering the United States by targeting drugs both at the source and in-transit. Programs are designed to reduce drug cultivation through enforcement, eradication, and alternative development; strengthen the capacity of law enforcement institutions to investigate and prosecute major drug trafficking organizations; improve the capacity of host national police and military forces to attack narcotics production and trafficking centers; and foster regional and global cooperation against drug trafficking.
- Mexico: Mexico is a vital partner in security and law enforcement. INL projects focus on institution building, border and port security, drug interdiction and eradication, demand reduction, and alternative development projects.
- Central America and the Caribbean: Funding is directed toward improving the endgame interdiction capabilities of transit countries in Central America and the Caribbean by modernizing investigative, judicial and prosecutorial capabilities to battle corruption, money laundering and drug trafficking; upgrading intelligence gathering and sharing to improve the flow of tactical and operational intelligence; and modernizing justice sector institutions and the legal framework through the provision of training, technical assistance, equipment and operational support.
- Asia and the Middle East: In Thailand, funding supports law enforcement efforts to prosecute and convict drug traffickers and dismantle their organizations; legal reform to make the

judicial system more effective against drug-related crime such as money laundering; and crop control and demand reduction activities. In Laos, the world's third-largest opium-producing country, INL projects support ongoing crop control and eradication efforts and improvements in counternarcotics law enforcement capabilities. INL programs also include support to counternarcotics units and programs in India, Bangladesh, Indonesia, Philippines, Sri Lanka, Morocco, Lebanon, Jordan and Egypt.

- **Interregional Aviation Support:** This program supports cooperating government efforts to eradicate illicit drug crops by conducting fast moving and cost effective spray campaigns; providing logistical support for manual destruction; providing mobility for operations against drug processing facilities; conducting reconnaissance missions in support of eradication and interdiction efforts; and transporting personnel and equipment in support of drug control operations. This program also provides extensive training and institution building to enable foreign governments to improve their own ability to perform these functions.
- **Systems Support and Upgrades:** Funding for systems support and upgrades will be used to improve the performance characteristics of existing aircraft to better utilize their capability, extend their useful life, and increase the effectiveness of reconnaissance, surveillance, and eradication and interdiction efforts.
- **International Organizations:** INL provides direct funding to international organizations such as the United Nations International Drug Control Programme (UNDCP) and the Inter-American Drug Abuse Control Commission (OAS/CICAD), and through them, to smaller sub-regional programs and organizations. These organizations foster increased regional and international cooperation in a wide variety of counterdrug efforts, including drug control activities in source countries where U.S. bilateral assistance is not possible.
- **Drug Awareness and Demand Reduction:** The drug awareness and demand reduction program works toward reducing the worldwide demand for illicit drugs and increasing support for U.S. Government interdiction programs by motivating foreign governments and institutions to give increased attention to the negative effects of drug abuse on society.
- **Program Development and Support (PD&S):** PD&S funds are used for domestic administrative operating costs associated with the Washington-based INL staff, including salaries and benefits, field travel and administrative support expenses.

2004 Request

- The FY 2004 INL drug control budget request is \$876.9 million, a decrease of \$0.7 million over the FY 2003 request. Of this, \$731 million is requested in the ACI account and \$145.9 million in the INCLE account.
- The FY 2004 request includes \$30.15 million for the interdiction drug control function that will fund programs primarily in Mexico, Central America and the Caribbean.
- The FY 2004 request also includes \$846.7 million for the international drug control function. The latter figure includes \$728.4 million for Latin American programs, \$11.5 million for Africa, Asia and the Middle East, \$70 million for Interregional Aviation Support, \$5 million for Systems Support and Upgrades, \$13 million for International Organizations, \$5 million

for Drug Awareness and Demand Reduction programs, and \$13.9 million for Program Development and Support expenses.

Andean Counterdrug Initiative

- The FY 2004 request of \$731 million will be used for follow-on support of initiatives that started in FY 2000/2001 with the Plan Colombia Emergency Supplemental and carried forward with ACI funding. The request will fund programs needed to continue the enforcement, border control, crop reduction, alternative development, institution building, administration of justice and human rights programs in the region. The ACI budget provides support to Colombia, Peru, Bolivia, Ecuador, Brazil, Venezuela and Panama.
- Colombia: The FY 2004 request of \$463 million for Colombia will support programs to eradicate coca and poppy crops, disrupt trafficking and address the related illegal activities which provide funding to narcoterrorists. A prime goal in CY 2003 is to spray all remaining coca and opium poppy in Colombia, up to 200,000 hectares and 10,000 hectares respectively. Repeated spraying in 2004 will deter replanting and allow the Government of Colombia to reduce coca cultivation. Support will be provided for the reestablished airbridge denial program. Equipment and infrastructure support for Colombian Army Counterdrug Mobile Brigade and Colombian National Police (CNP) operations will be expanded to include additional presence in conflict zones. Alternative development and institution building programs will be designed to provide viable income and employment options to discourage the cultivation of illicit crops, protect threatened individuals and offices, protect human rights, expand judicial capabilities, and promote transparency and accountability in public offices.
- Bolivia: The \$91 million for Bolivia will support Bolivian efforts to eliminate the remaining illegal coca in Bolivia, halt exportation of cocaine, increase interdiction of essential chemicals and cocaine products, foster alternative economic development, increase successful prosecutions of narcotics-related cases, and improve the quality of investigations into alleged human rights violations. Bolivia remains one of the poorest countries in the hemisphere with a per capita GNP of less than \$1,000. Without U.S government assistance, Bolivia would be unable to support the present level of counternarcotics and alternative development programs.
- Peru: The \$116 million request for Peru will support interdiction and border control efforts to preempt spillover from the greatly enhanced Colombia counternarcotics efforts. In addition, funding will support the continuation of manual eradication, alternative development and institution building initiatives and the airbridge denial program.
- Ecuador: The \$35 million requested for the program in Ecuador will allow the government to continue to strengthen the presence of security forces on the northern border where spillover effects from Colombia counternarcotics operations, already threatening Ecuador's national security, are increasing daily. Law enforcement, border security and alternative development projects initiated in FY 2002/2003 to meet this challenge will continue.
- Brazil, Venezuela and Panama: Funding in the amount of \$17 million for programs in Brazil and Venezuela will be used to combat the growing problem of cross-border narcotics trafficking by focusing on improving police and military operations. The funding level for

Panama, which remains at the \$9 million level, will be used to train law enforcement units to improve drug detection, money laundering and precursor chemical investigations and prosecutions, and provide assistance for other critical institution building efforts.

International Narcotics Control and Law Enforcement

- Mexico: Funding for Mexico has increased to \$17 million (FY 2003 funding was \$12 million). This funding will be used to provide programs to assist the government, improve interdiction and eradication capabilities, and support reforms to the criminal justice sector, particularly activities to promote professional development and combat corruption.
- Central America and the Caribbean: Funding in the amount of \$10.5 million for Central America and the Caribbean (and certain non-Andean countries of South America) will be used to upgrade drug interdiction and law enforcement capabilities and modernize judicial sector institutions in order to detect and prosecute narcotraffickers, financial crimes and governmental corruption. INL will provide training and information systems and communications equipment to enhance intelligence gathering and sharing capabilities.
- Africa, Asia and the Middle East: The FY 2004 request of \$11.5 million will be used to provide training, technical assistance and equipment to strengthen counternarcotics law enforcement and judicial institutions in Afghanistan, Laos and other nations in Africa, Asia and the Middle East, including Nigeria, South Africa, Jordan, Lebanon, Egypt, Morocco, Sri Lanka, Nepal, Bangladesh, India, Indonesia, and the Pacific Islands. Funding will also be used to support positions in India and U.S. Mission to the European Union, Brussels.
- Aviation Support: The \$70 million requested for Aviation Support will help support aviation services to an expanded aviation program that has grown to over 160 aircraft operating in Colombia, Peru, Bolivia, and Pakistan.
- System Support and Upgrades: The FY 2004 request of \$5 million will support the sustainment of sensor packages in Barbados, Trinidad and Tobago, Mexico and Colombia, as well as the maritime surveillance and intelligence collection programs in Peru.
- Drug Awareness and Demand Reduction: The FY 2004 request of \$5 million will allow for the funding of a variety of international demand reduction programs that address Presidential priorities, including programs with faith-based organizations that provide prevention, intervention and recovery maintenance services.
- Other Line Items: Funding in the amount of \$13 million for International Organizations is requested for FY 2004, while the Program Development and Support (PD&S) funding level will remain at the FY 2003 level of \$13.9 million.

IV. PROGRAM ACCOMPLISHMENTS

- INL programs have had a significant impact on strengthening international drug control efforts through bilateral, regional and broad international undertakings. As a result of Department of State diplomatic initiatives, countries that have historically blamed the drug crime problem on the U.S. are now realizing the threat that drugs pose to their own people and democratic institutions. As a result, cooperation with the United States has increased,

and this cooperation has resulted in improved effectiveness of U.S. counterdrug programs in cooperating countries.

- U.S.-provided law enforcement training and commodity and technical assistance have improved the ability of foreign governments to find and prosecute major narcotraffickers. Mexico, Thailand and other countries are now attacking top drug kingpins and many traffickers are being extradited to the United States.
- In Bolivia, continuing eradication operations in the Chapare have eliminated over 11,000 hectares of coca in 2002 and the government is in the process of implementing plans to control the legal coca market in the Yungas and interdict coca being diverted to illegal cocaine production. Over 120,000 hectares of licit crops are now under cultivation in the Chapare, and alternative development assistance has been provided to nearly 20,000 Chapare families.
- Colombia, which faces especially challenging geographic and security challenges in the drug cultivation zones, continued with a massive aerial-applied herbicide spray campaign, covering roughly 130,000 hectares of coca and 3,300 hectares of opium poppy cultivation during 2002. Bolstered with an increase of spray planes and security support helicopters funded by Plan Colombia and the commitment of President Uribe to attack the drug trade wherever it is, the CNP has embarked on an ambitious campaign for CY 2003 to spray all coca up to 200,000 hectares and all poppy up to 10,000 hectares.
- In Peru, where the government is formulating new strategies to eliminate replanted coca and expanded opium poppy cultivation, the target goal of eradicating 7,000 hectares of coca in 2002 was exceeded. In addition, a comprehensive alternative development program that provides coca farmers with both voluntary and involuntary means to come into compliance with government coca reduction goals was implemented. The program increased the gross value of licit agricultural production to \$64.6 million in targeted areas, exceeding the gross value of coca leaf production in the same areas by 10 percent and marking a notable decline in the illicit coca-based economy.
- In the Caribbean, the C-26 airborne surveillance program in the Eastern Caribbean became fully operational in 2002 and is now a key partner of the U.S. and other allies in the fight against drug trafficking.
- The U.S. has utilized UN structures to support counternarcotics projects in the large opium-producing areas of Southeast Asia, such as Burma, where we have previously had limited access. New international initiatives have focused on the control of precursor chemicals used in illicit drug production and on bringing international attention to the growing threat of synthetic drugs.
- Thailand continued a successful opium eradication project that led to one of the lowest cultivation and production rates since the U.S. began crop estimates in the mid-1980s. This was the fourth straight year that the Thai crop has been below 1,000 hectares. Thailand's INL-supported Anti-Money Laundering Office opened several major cases that resulted in the seizure of assets, including one involving a public official accused of participating in a narcotics deal involving 31 kg of heroin and 1.8 million speed pills.

- Pakistan, at one time the world's third largest supplier of illicit opium, has virtually eliminated poppy cultivation. The poppy crop was less than 1,000 hectares for the third year in a row, due in large part to INL programs that supplied assistance and infrastructure development aimed at encouraging farmers to abandon poppy cultivation. INL also assisted Pakistan's special narcotics courts in achieving an impressive record of prosecutions and convictions, and provided highly focused training, which has increased the level of professionalism of Pakistan's civilian law enforcement agencies, while assisting in the war against terrorism.
- In Afghanistan, alternative livelihood programs have begun to provide positive incentives to break the cycle of opium poppy cultivation. With our G-8 partners, the U.S. is encouraging neighboring countries to strengthen interdiction and increase cross-border cooperation to stop the regional drug trade. INL assistance is being used to increase the government's counternarcotics capacity through the establishment of an Afghan drug policy agency and the implementation of public affairs campaigns aimed at preventing drug use and cultivation.

DEPARTMENT OF VETERANS AFFAIRS

I. RESOURCE SUMMARY

(Budget Authority in Millions)

	2002 Final	2003 Request	2004 Request
Drug Resources by Function			
Treatment	\$625.409	\$654.409	\$681.998
Research and Development	<u>10.264</u>	<u>9.331</u>	<u>8.483</u>
Total	\$635.673	\$663.740	\$690.481
Drug Resources by Decision Unit			
Medical Care	\$625.409	\$654.409	\$681.998
Research	<u>10.264</u>	<u>9.331</u>	<u>8.483</u>
Total	\$635.673	\$663.740	\$690.481
Drug Resources Personnel Summary			
Total FTEs (direct only)	3,594	3,594	3,594
Information			
Total Agency Budget	\$51,910.0	\$57,633.0	\$61,421.0
Drug Percentage	1.2%	1.2%	1.1%

II. METHODOLOGY

- The current methodology accounts for drug-related costs for Veterans Health Administration (VHA) medical care and research. Medical care is further broken out into the categories of specialized treatment and other related treatment as described below:
 - Specialized Treatment – The Department of Veterans Affairs’ (VA’s) drug budget estimates include all costs generated by the treatment of patients with drug use disorders treated in specialized substance abuse treatment programs.
 - Other Related Treatment – VA’s drug budget estimates also include all costs generated by the treatment of patients with a primary drug use diagnosis treated in any other treatment setting. No “other costs” associated with secondary and associative diagnosis are factored into the drug budget. Indeed, a primary drug abuse diagnosis suggests that a drug use disorder was the focus of treatment in the non-specialized setting.
- ONDCP is currently reviewing the methodology used by VHA to calculate drug-related resources. Specifically, ONDCP is working with VHA officials to further examine the other related treatment expense.

III. PROGRAM SUMMARY

- The VA, through its VHA, operates a network of substance abuse treatment programs located in the Department’s medical centers, domiciliaries and outpatient clinics. VA plays a major

role in the provision of services to veterans who are “service connected” or indigent. (The term “service connected” refers to injuries sustained while in military service, especially those injuries sustained as a result of military action).

- The investment in health care and specialized treatment of veterans with drug abuse problems, funded by the resources in Medical Care, helps avoid future health, welfare and crime costs associated with illegal drug use.
- In coordination with the Center for Substance Abuse Treatment (CSAT) on how to best employ outreach models, VA has been a participant in the Treatment Improvement Protocol (TIP) initiative. A component of this project is the specific development of TIP number 27, relating to case management and the associated facilitation of access to treatment.
- The dollars expended in research help to acquire new knowledge to improve the prevention, diagnosis and treatment of disease, and acquire new knowledge to improve the effectiveness, efficiency, accessibility and quality of veterans’ health care.
- The VA, in keeping with modern medical practice, continues to improve service delivery by expanding primary care and shifting treatment services to lower cost settings when clinically appropriate. Included in this shift to more efficient and cost effective care delivery has been VA’s substance abuse treatment system. Recent data trends suggest these shifts in care delivery will continue to impact budgets in future years. The full extent of the impact cannot be determined until additional data becomes available.

IV. BUDGET SUMMARY

2003 Program

- In 2003, VA estimates spending \$654.4 million for medical care, which includes \$308.4 million for specialized drug treatment and \$346 million for other-related treatment.
- The 2003 funding also includes \$9.3 million for research and development to be applied toward drug abuse related research.

2004 Request

- The 2004 estimate is \$690.5 million, which consists of \$682 million for medical care and \$8.5 million for drug abuse related research. This represents a \$26.7 million increase over 2003 estimate.
- In conjunction with the Department of Health and Human Services (HHS) and the Department of Defense (DoD), VA will make available to both Departments its expertise in drug treatment theory and program development. The emphasis will be on the establishment of a treatment continuum, the implementation of patient/treatment matching, and methods of evaluating treatment outcome and implementing and assessing the effectiveness of clinical practice guidelines. VA will be able to accomplish this within existing resources, primarily through its Center of Excellence in Substance Abuse Treatment and Education and its

Program Evaluation and Resource Center (PERC). These two entities already provide these services within VA and will be made available for integration into similar activities within HHS and DoD.

- Increase treatment efficiency and effectiveness. Provide information on successful methods in various programs and the number of referrals that enter treatment. The dollars expended in research help to meet this goal by 1) acquiring new knowledge to improve the prevention, diagnosis and treatment of disease, and 2) acquiring new knowledge to improve the effectiveness, efficiency, accessibility and quality of veterans' health care.
- Use effective outreach referral and case management efforts to facilitate early access to treatment. In coordination with CSAT on how best to employ outreach models, VA has been and will continue to be a participant in the TIP initiative developed by CSAT. A component of this project is the specific development of a TIP relating to case management and the associated facilitation of access to treatment. Previously issued TIPs have been made available to VA treatment programs, and have been used in VA's continuing education activities. This effort will continue in the future.

V. PROGRAM ACCOMPLISHMENTS

- Specialized substance abuse treatment services are available at 137 VA medical facilities. These are predominantly ambulatory treatment programs.
- VA continues to provide inpatient treatment services to veterans with significant substance abuse and psychosocial problems. Among patients with drug diagnoses treated in specialized inpatient substance abuse units, 50 percent abuse cocaine, 34 percent abuse opioids, and 38 percent have coexisting psychiatric diagnoses.
- Through the Quality Enhancement Research Initiative program, VA is steadily expanding the availability of methadone maintenance clinics for heroin-dependent veterans.
- The PERC, Palo Alto Healthcare System, is conducting a major process-outcome evaluation of substance abuse treatment programs. PERC is focusing on substance abuse treatment programs at 15 VA Medical Centers that follow a traditional 12-step and/or a cognitive-behavioral treatment approach. These are the two most prevalent treatment orientations in VA programs. Intake and discharge data have been collected on over 3,000 patients; one- and two-, and five-year follow-ups have been conducted.

U.S. SMALL BUSINESS ADMINISTRATION

I. RESOURCE SUMMARY

(Budget Authority in Millions)

	2002 Final	2003 Request	2004 Request
Drug Resources by Function			
Prevention	\$3.000	\$3.000	\$3.000
Drug Resources by Decision Unit			
Education	<u>\$3.000</u>	<u>\$3.000</u>	<u>\$3.000</u>
Total	\$3.000	\$3.000	\$3.000
Drug Resources Personnel Summary			
Total FTEs (direct only)	0	0	0
Information			
Total Agency Budget	\$912.0	\$779.0	\$798.0
Drug Percentage	0.3%	0.4%	0.4%

II. PROGRAM SUMMARY

- The Drug-Free Workplace Act of 1998 established the Drug-Free Workplace Demonstration Program within the U.S. Small Business Administration (SBA). This program was renamed the Paul D. Coverdell Drug-Free Workplace Program on December 21, 2000.
 - The Act allows the SBA to award grants to eligible intermediaries to assist small businesses financially and technically in establishing Drug Free Workplace Programs (DFWP); and
 - The Act allows SBA to award contracts to the Small Business Development Centers (SBDC) to provide information and assistance to small businesses with respect to establishing DFWP.
- Among the activities that are performed by the grant and contract recipients are:
 - Educating small business employers and employees on the benefits of a drug-free workplace;
 - Providing financial assistance to small businesses as they set up drug-free workplace programs (e.g., free and/or reduced costs for training sessions, management/supervisor consultants, Employee Assistance Program (EAP) services and/or drug testing, etc.);
 - Providing technical assistance to small businesses as they set up drug-free workplace programs. This may include performing needs assessments, writing/reviewing policies and procedures, providing consultation to management on program development,

providing consultation to supervisors on when and how to enforce the drug-free workplace program policy and how to make referrals to drug testing or EAPs, etc.; and

- Educating parents that work for small businesses on how to keep their children drug-free.

III. BUDGET SUMMARY

2003 Program

- SBA requested \$3 million in support of the Paul D. Coverdell Drug-Free Workplace Program.

2004 Request

- The total drug control request for SBA's Paul D. Coverdell Drug-Free Workplace Program for FY2004 is \$3 million, which is the same as the FY 2003 request.
- Continues funding intermediaries and SBDCs, resulting in additional small businesses implementing drug-free workplace programs.

IV. PROGRAM ACCOMPLISHMENTS

- SBA's Paul D. Coverdell Drug-Free Workplace Program has operated for three years. From October 1999 to September 2002, over 32,000 small businesses have been educated on the benefits of drug-free workplaces. Of those educated, approximately 4,013 small businesses have actually implemented drug-free workplace programs. Most of these businesses could not have achieved this objective without the financial and technical assistance provided by SBA's Coverdell Program.

National Drug Control Strategy: Budget Summary
Appendixes

Appendix A

ONDCP Circular: Budget Formulation

May 30, 2002

TO: THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

SUBJECT: Budget Formulation

1. **Purpose.** This circular provides instructions for use by National Drug Control Program agencies when preparing drug control budgets to be submitted to the Office of National Drug Control Policy (ONDCP) for review, certification, and inclusion in the consolidated National Drug Control Budget.
2. **Rescission.** This circular rescinds and replaces the ONDCP Circular, *Budget Instructions and Certification Procedures*, dated May 5, 1999.
3. **Authority.** *The Office of National Drug Control Policy Reauthorization Act of 1998* (P.L. 105-277, dated October 21, 1998) provides the authority for review and certification of budget requests of National Drug Control Program agencies and for preparation and submission of an annual consolidated National Drug Control Budget. In relevant part, this law has been codified at 21 U.S.C. § 1701-1712.
4. **Definitions.** As used in this circular –
 - a. **National Drug Control Program** means, pursuant to 21 U.S.C. § 1701(6), “... programs, policies, and activities undertaken by National Drug Control Program agencies pursuant to the responsibilities of such agencies under the National Drug Control Strategy.”
 - b. **National Drug Control Program Agency** (hereinafter referred to as “agency”) means, pursuant to 21 U.S.C. § 1701(7). “... any agency that is responsible for implementing any aspect of the National Drug Control Strategy, including any agency that receives Federal funds to implement any aspect of the National Drug Control Strategy, but does not include any agency that receives funds for drug control activity solely under the National Foreign Intelligence Program, the Joint Military Intelligence Program or Tactical

Intelligence and Related Activities, unless such agency has been designated – (A) by the President; or (B) jointly by the Director [of ONDCP] and the head of the agency.” Attachment A enumerates the National Drug Control Program agencies.

- c. **Bureau** means any component of an agency.
- d. **Drug Methodology** means the process by which drug-related financial statistics identified for certain agencies or bureaus are calculated. The following bureaus utilize a drug methodology for calculating their aggregate portion of the National Drug Control Budget: the Immigration and Naturalization Service, the U.S. Customs Service, the U.S. Coast Guard, and the Veterans Health Administration. All bureaus utilize a drug methodology for presenting their drug budget by drug control function.

Principal criteria for an agency or bureau’s drug methodology are (1) that it provide a reasonable basis for consistent estimation, and (2) that financial statistics derived through the application of this methodology fairly quantify the agency or bureau’s involvement in drug control activities. Agencies and bureaus may use any of a variety of reasonably articulable methods, relying on workload data, grants data, statistical data, or professional judgment to estimate the drug-related portion of their programs. Once initially established, any material modification to a drug methodology must be submitted to ONDCP for review and approval before it can be implemented.

- e. **Drug Control Functions** correspond to the nine specific program areas that encompass all possible drug control activities. A complete list of drug control functions, as well as the associated definitions of these functions, is presented at Attachment D.
- f. **Budget Decision Units** correspond to discrete program categories that are identifiable components of budget accounts enumerated in the Budget of the President.

5. **Coverage.** The provisions of this circular apply to all National Drug Control Program agencies and their bureaus.

6. **Drug Budget Review and Certification Process.** Pursuant to 21 U.S.C. § 1703(c)(1), agencies are required to submit drug control budget requests to the Director for review and certification. This is a two-tier process, consisting of a summer review of bureau submissions and a fall review/certification of agency submissions. This requirement applies to the list of bureaus and agencies in Attachment A. (See Sections 9 and 10 of this circular.) Bureau heads will transmit their drug control budget proposals to ONDCP at the same time their budget requests are sent to their respective agency heads. For this purpose, the submission by a bureau head of a budget proposal to the agency’s Chief Financial Officer, Budget Director, or other senior level financial executive, triggers the same requirement under the statute to submit this budget material to ONDCP.

In the fall, the agencies prepare their drug budget submissions to ONDCP, consisting of the individual budget proposals of each agency bureau. These agency submissions will be transmitted to ONDCP before they are sent to the Office of Management and Budget (OMB).

In addition to the two-tier budget review process, the Director may elect to require specified bureau components to submit program budgets for review under the authority of 21 U.S.C. § 1703(c)(1)(A). Program budgets reviewed under this authority would be requested by separate correspondence, and submissions would be reviewed by ONDCP using the Summer Certification Review process (see Section 9).

7. Structure of the National Drug Control Budget. This circular gives effect to a significant restructuring of the National Drug Control Budget, as outlined in the Fiscal Year 2003 Budget of the President. To the maximum extent possible, resources included in the drug budget will now tie directly to identifiable line items in the Budget of the President or agency budget justifications for Congress, accompanying the budget.

- a. **Account Structure :** The first drug budget formulated under this circular will support an update of the *National Drug Control Strategy (Strategy)*, to be issued in February 2003. The drug budget is defined by the account structure presented in Attachment B. Agencies and bureaus with responsibilities under the updated *Strategy* are listed in Column A. For each bureau, Column B displays the budget accounts in the Budget of the President that are associated with drug control activities. Column C identifies the specific budget decision units for accounts that are included in the drug budget. Unless otherwise noted, 100 percent of the funding for each budget decision unit listed is part of the National Drug Control Budget. Budgets for the following multi-mission bureaus are an exception to this general principle: the Immigration and Naturalization Service, the U.S. Customs Service, the U.S. Coast Guard, and the Veterans Health Administration. For each of these bureaus, the drug control budget is defined by an established drug methodology.
- b. **Amendments to Account Structure :** The National Drug Control Budget defined in Attachment B is consistent with the account structure presented in the FY 2003 Budget of the President. If subsequent appropriations substantively modify this account structure by adding or eliminating programs with a drug control nexus, then the Associate Director for Planning and Budget, ONDCP, shall notify the senior budget officials of affected agencies of the changes by decision unit that would define the revised National Drug Control Budget.
- c. **Certain Presidential Initiatives:** In order to simplify the display of the National Drug Control Budget in *Strategy* documents, certain initiatives shall be consolidated into one line item – *Presidential Initiatives*. Initiatives included in this line item may change each year, depending on final funding decisions for the President’s Budget.
- d. **Financial Plans for Multi-Mission Bureaus :** To ensure that all drug control funding under the revised budget structure closely links with the President’s Budget, the multi-mission bureaus identified in Section 7a. shall establish a detailed financial plan for the budget year under formulation. This plan shall identify how drug funding calculated by a bureau’s drug methodology will support in the year of execution each budget decision

unit and the major programs, projects, and activities under those decision units. The ONDCP Circular, *Budget Execution*, dated May 30, 2002, provides guidance on these financial plans. ONDCP requests that a draft of this financial plan be included as part of the following documents: (1) bureau budget proposals to agency heads, (2) agency head budget proposals to OMB, and (3) Congressional budget justification documents accompanying the President's Budget.

8. Budget Submission Elements. Budget submissions by agencies or bureaus shall include the following components:

- a. **Transmittal Letter:** A cover letter shall be included to transmit each drug control budget submission, addressed from the responsible budget official to the Director, Office of Planning and Budget, ONDCP. The cover letter shall summarize the budget request, including major changes to base funding and key funding initiatives.
- b. **Resource Summary Table:** Attachment C provides an example of a resource summary table highlighting budget authority (net of offsetting collections) by function and budget decision unit. Transfers and reimbursements from the Organized Crime Drug Enforcement Task Forces Program and the High Intensity Drug Trafficking Areas Program shall not be included in the agency's or bureau's total budget authority but shall be shown as separate line entries. Agencies and bureaus shall report decision units as those reflected in their Congressional budget submissions.
- c. **Copy of Budget Submission:** In the summer, the budget submission to ONDCP shall include a copy of the relevant sections of the bureau head's budget proposal that was transmitted to the agency head. In the fall, the budget submission to ONDCP shall include a copy of the relevant sections of the agency head's budget proposal that has been prepared for OMB. Relevant sections of the budget are those components that justify spending for budget decision units related to drug control and are identified in Attachment B of this circular. As an alternative to extracting this information from these budget documents, agencies and bureaus may provide ONDCP with a copy of their entire bureau-level submission to the agency or agency-level submission to OMB. For multi-mission bureaus, budget submissions to ONDCP shall also include a copy of the financial plans referenced in Section 7d. of this circular.
- d. **Ranking of Priorities:** Budget submissions to ONDCP shall include an exhibit that disaggregates both base funding and funding for new initiatives into discrete program elements. These program elements for base funding and proposed new funding then shall be ranked to identify high priorities and low priorities. In preparing this exhibit, all programs need not be ranked – only the several high and low priorities, as defined by the agency or bureau.
- e. **Strategic Plan, Performance Plan, and Performance Report:** Budget submissions shall include the portions that relate to drug control of the current Strategic Plan, as well as the Annual Performance Plan and Annual Performance Report submitted to OMB pursuant to the *Government Performance and Results Act (GRPA)*. For a bureau-level

submission to ONDCP, this information may constitute the bureau's input to the agency for these key GPRA documents. If applicable, beginning with the FY 2005 Budget, the requirement to submit a Strategic Plan may be met by representing in the transmittal letter to ONDCP that the plan submitted for the FY 2004 Budget remains in effect.

9. Review of Summer Drug Budget Submissions. The Director (ONDCP) will review bureau summer drug control budget submissions to determine if they are adequate to implement the *Strategy*. Requests will be evaluated on the basis of how closely proposed funding corresponds to priorities identified by ONDCP pursuant to 21 U.S.C. §1703(b)(8). (See Section 11 of this circular.) This review and evaluation will result in one of the following actions:

- a. **Adequate Requests** – The Director will issue a written notice to the bureau head, with a copy to the agency head, confirming the adequacy of the bureau's budget request to implement the *Strategy* (21 U.S.C. §1703(c)(3)(B)(ii)); or
- b. **Inadequate Requests** – The Director will issue a written notice to the bureau head that the bureau's budget request is not adequate to implement the *Strategy*. This correspondence will outline funding levels and specific initiatives that would make the request adequate (21 U.S.C. §1703(c)(3)(B)(i)). In addition, the Director will notify the agency head with responsibility for the bureau of the specific requirements for additional funding. The Director's certification under Section 10a. will depend on the inclusion of these changes in the agency's fall budget.

10. Review and Certification of Fall Budget Submissions. Pursuant to 21 U.S.C. §1703(c)(3)(D), the Director shall review and certify each agency's fall drug control budget submission. (As highlighted in Section 6, agency budget submissions consist of the individual drug budget proposals of each agency bureau.) As with the summer process, the Director will review agency fall drug control budgets prepared in accord with Section 8 of this circular to determine if they are adequate to implement the *Strategy*. Requests will be evaluated based on how closely proposed funding corresponds to priorities identified by ONDCP (see Section 11) and whether requests address enhancements identified in Section 9b. of this circular. This fall review and evaluation will result in one of the following actions:

- a. **Adequate Requests: Certification** – The Director will issue a written notice to the agency head certifying as to the adequacy of their fall budget submission to implement the *Strategy* (21 U.S.C. § 1703(c)(3)(B)(ii)); or
- b. **Inadequate Requests: Decertification** – The Director will issue a written notice to the agency head that their fall budget submission is not adequate to implement the *Strategy* and is decertified (21 U.S.C. § 1703(c)(3)(D)(ii)). As a consequence of the Director's decertification, the following additional actions shall be taken by the agency and ONDCP:
 - (1) **Amended OMB Budget Request** – The Director shall submit to the agency head a written description of the funding levels and specific initiatives that would make the fall budget request adequate to implement the *Strategy* (21 U.S.C. §

1703(c)(3)(B)(i)), and the agency head shall include the funding levels and initiatives described by the Director in the budget submission for that agency to OMB (21 U.S.C. § 1703(c)(3)(C)(i)).

- (2) **Impact Statement** – The head of an agency that has altered a budget submission under Section 10b(1) shall include as an appendix to the OMB budget submission an impact statement that summarizes the changes made to the budget and the impact of those changes on the ability of that agency to perform its other responsibilities, including any impact on specific missions or programs of the agency (21 U.S.C. § 1703(c)(3)(C)(ii)). Further, the agency head shall submit a copy of any impact statement prepared under this section to the Senate and the House of Representatives at the same time the budget for the agency is submitted to Congress under section 1105(a) of title 31, United States Code (21 U.S.C. § 1703(c)(3)(C)(iii)).
- (3) **ONDCP Congressional Notification** – In addition to the agency Congressional notification required under Section 10b(2), the Director shall transmit to the Senate and the House of Representatives a copy of the decertification and new funding requirements identified under Section 10b(1), along with a copy of the ONDCP funding priorities issued pursuant to 21 U.S.C. § 1703(b)(8) (see Section 11 of this circular) that support the Director’s requirement for additional funding (21 U.S.C. § 1703(c)(3)(D)(ii)).

11. Funding Priorities. In formulating drug control budgets, each agency and bureau should consider resource needs to support the *Strategy’s* funding priorities over a five-year budget period. Five-year funding guidance will be issued each year prior to July 1, pursuant to 21 U.S.C. § 1703(b)(8). Until updated guidance is issued, prior five-year guidance issued under 21 U.S.C. § 1703(b)(8) remains in effect for agency and bureau budget formulation purposes.

12. Coordination with Office of Management and Budget. To the maximum extent possible, ONDCP will closely coordinate with OMB. Consistent with the requirements of 21 U.S.C. § 1703(c)(2) to prepare a consolidated budget proposal to implement the *Strategy*, ONDCP shall provide OMB with specific drug funding recommendations by agency, bureau, and account, prior to preliminary decisions on the President’s Budget in November.

13. Preparation of *Budget Summary*. In the fall, ONDCP will issue separate guidance for the preparation of the *National Drug Control Strategy Budget Summary*. The *Budget Summary* guidance will specify format requirements for this document, which, at a minimum, will include detail by function and budget decision unit at the same level of detail as presented in Attachment C. The resource summary data displayed in the *Budget Summary* shall include final budget authority enacted in the prior year, current year enacted budget authority, and requested budget authority for the budget year under formulation.

14. Annual Estimate: Cost of Drug Use to Society. The National Drug Control Budget, as restructured, does not include budget estimates associated with the secondary consequences of drug control enforcement. Funding for certain activities of agencies where drug control is incident to broader agency missions is also excluded from the modified drug budget. Although

this funding is not associated with specifically assigned agency responsibilities under the *Strategy*, these resources represent a real cost of drug use. Each year, ONDCP will conduct a special analysis to estimate the aggregate cost of drug use to society, which will include an estimate of aggregate federal spending devoted to drug-related activities. This estimate will capture both resources displayed in the restructured drug budget, as well as drug-related funding associated with the secondary consequences of drug enforcement and certain other activities. Generally, these costs will be consistent with the aggregate drug budget estimates reported by bureau under the drug budget presentation and methodologies employed prior to May 2002. Drug control agencies and other affected agencies, including the Departments of Interior and Agriculture, will receive a separate annual detailed request for these data.

15. **ONDCP Point of Contact.** Agencies and bureaus shall provide their drug control budget submissions to the following address:

Associate Director for Planning and Budget
Office of National Drug Control Policy
750 17th Street, N.W.
Washington, DC 20503

| SIGNED |

John P. Walters
Director

NATIONAL DRUG CONTROL PROGRAM AGENCIES

(A) Drug Control Program Agency
(fall budget submissions)

(B) Bureau(s) Submitting Budgets
(summer budget submissions)

Department of Defense

Office of the Assistant Secretary for
Special Operations and Low Intensity
Conflict

Department of Education

Office of Elementary and Secondary
Education

Department of Health and Human Services

Substance Abuse and Mental Health
Services Administration

National Institutes of Health –
National Institute on Drug Abuse

Department of Justice

Bureau of Prisons

Drug Enforcement Administration

Office of the Deputy Attorney
General -- Organized Crime Drug
Enforcement Task Forces Program

Office of Justice Programs

Immigration and Naturalization Service

Department of State

Bureau of International Narcotics and
Law Enforcement Affairs

Department of Transportation

United States Coast Guard

Department of the Treasury

U.S. Customs Service

Office of the Under Secretary for
Enforcement – Organized Crime Drug
Enforcement Task Forces Program

Department of Veterans Affairs

Veterans Health Administration

NATIONAL DRUG CONTROL PROGRAM AGENCIES

(A) Drug Control Program Agency
(fall budget submissions)

(B) Bureau(s) Submitting Budgets
(summer budget submissions)

Corporation for National and Community Service

Bureau level submission not applicable

Small Business Administration

Bureau level submission not applicable

Note: In addition to these agencies, the Office of National Drug Control Policy is also a National Drug Control Program agency, as defined by 21 U.S.C. § 1701(7)

DEFINITION OF NATIONAL DRUG CONTROL BUDGET

(A) National Drug Control Program Agency	(B) <u>Account Name – President’s Budget</u>	(C) <u>Applicable Budget Decision Units</u>
1. Department of Defense		
Office of the Assistant Secretary for Special Operations and and Low Intensity Conflict	<i>Drug Interdiction and Counter-drug Activities</i>	All
2. Department of Education		
Office of Elementary and Secondary Education	<i>School Improvement Programs</i>	* Safe and Drug-Free Schools and Communities (With the exception of those National Programs, which by statute have no clear drug control nexus – e.g., Community Service Grant Program, Mentoring Program, Project SERV)
3. Department of Health and Human Services (HHS)		
Substance Abuse and Mental Health Services Administration	<i>Substance Abuse and Mental Health Services</i>	* Programs of Regional and National Significance -- Prevention -- Treatment * Substance Abuse Block Grant * Program Management

(A) National Drug Control Program Agency	(B) Account Name – President’s Budget	(C) Applicable Budget Decision Units
3. HHS (continued)		
National Institutes of Health – National Institute on Drug Abuse	<i>National Institute on Drug Abuse</i>	All
4. Department of Justice		
Bureau of Prisons	<i>Salaries and Expenses</i>	* Inmate Care and Programs – Drug Treatment
Drug Enforcement Administration	<i>Salaries and Expenses</i>	All
	<i>Diversion Control Fee Account</i>	All
Organized Crime Drug Enforcement Task Forces	<i>Interagency Crime and Drug Enforcement</i>	All
Office of Justice Programs	<i>Justice Assistance</i>	* Regional Information Sharing System * National Institute of Justice – Arrestee Drug Abuse Monitoring System
	<i>State and Local Law Enforcement Assistance</i>	* Drug Courts * Residential Substance Abuse Treatment

(A) National Drug Control Program Agency	(B) <u>Account Name – President’s Budget</u>	(C) <u>Applicable Budget Decision Units</u>
4. Department of Justice (continued)		
Office of Justice Programs (continued)	<i>Juvenile Justice Programs</i>	* Drug Prevention Program * Incentive Grants to Prevent Juvenile Crime – Enforcing Underage Drinking Laws
	<i>Weed and Seed Program Fund</i>	All
	<i>Community Oriented Policy Services</i>	* Southwest Border Prosecutors
Immigration and Naturalization Service	<i>Immigration Enforcement</i>	A portion of the following decision unit is scored as drug-related, according to an approved drug methodology: * Border Enforcement – Border Patrol
5. Office of National Drug Control Policy		
	<i>Executive Office of the President</i>	* Office of National Drug Control Policy (Salaries and Expenses)
	<i>High Intensity Drug Trafficking Areas</i>	All
	<i>Special Forfeiture Fund</i>	All
	<i>Counterdrug Technology Assessment Center</i>	All

(A) National Drug Control Program Agency	(B) <u>Account Name – President’s Budget</u>	(C) <u>Applicable Budget Decision Units</u>
6. Department of State		
Bureau of International Narcotics and Law Enforcement Affairs	<i>International Narcotics and Law Enforcement</i>	All but international crime decision units
	<i>Andean Counterdrug Initiative</i>	All
7. Department of Transportation		
United States Coast Guard	<i>Operating Expenses</i>	For each Coast Guard account, decision units, and portions scored as drug-related for each, are defined by an approved drug methodology.
	<i>Acquisition, Construction, and Improvements</i>	
	<i>Research, Development, Test, and Evaluation</i>	
8. Department of the Treasury		
U.S. Customs Service	<i>Operation, Maintenance, and Procurement, Air and Marine Interdiction Programs</i>	All
	<i>Salaries and Expenses</i>	For this account, decision units, and portions scored as drug-related for each, are defined by an approved drug methodology.
Office of the Under Secretary for Enforcement	<i>Interagency Crime and Drug Enforcement</i>	All

(A) <u>National Drug Control Program Agency</u>	(B) <u>Account Name – President’s Budget</u>	(C) <u>Applicable Budget Decision Units</u>
9. Department of Veterans Affairs		
Veterans Health Administration (VHA)	<i>Medical Care</i>	For each VHA account, decision units, and portions scored as drug-related for each, are defined by an approved drug methodology.
	<i>Medical and Prosthetic Research</i>	
10. Corporation for National and Community Service	<i>National and Community Service Programs Operating Expenses</i>	* Parents Drug Corps
11. Small Business Administration	<i>Salaries and Expenses</i>	* Non-Credit Programs – Drug-Free Workplace Grants

FORMAT – DRUG CONTROL BUDGET RESOURCE SUMMARY

	CY	RY	BY
	BA	BA	BA
Drug Resources by Drug Control Function:			
Intelligence	\$x.xxx	\$x.xxx	\$x.xxx
Interdiction	\$x.xxx	\$x.xxx	\$x.xxx
International	\$x.xxx	\$x.xxx	\$x.xxx
Investigations	\$x.xxx	\$x.xxx	\$x.xxx
Prevention	\$x.xxx	\$x.xxx	\$x.xxx
Prosecution	\$x.xxx	\$x.xxx	\$x.xxx
Research & Development	\$x.xxx	\$x.xxx	\$x.xxx
State & Local Assistance	\$x.xxx	\$x.xxx	\$x.xxx
Treatment	<u>\$x.xxx</u>	<u>\$x.xxx</u>	<u>\$x.xxx</u>
Total	\$xx.xxx	\$xx.xxx	\$xx.xxx
Drug Resources by Budget Decision Unit:			
XXXXXXXXXXXX	\$x.xxx	\$x.xxx	\$x.xxx
XXXXXXXXXXXX	\$x.xxx	\$x.xxx	\$x.xxx
XXXXXXXXXXXX	<u>\$xx.xxx</u>	<u>\$xx.xxx</u>	<u>\$xx.xxx</u>
Total	\$xx.xxx	\$xx.xxx	\$xx.xxx
HIDTA Transfer	\$x.xxx	\$x.xxx	\$x.xxx
ICDE Resources	\$x.xxx	\$x.xxx	\$x.xxx

BA = Budget Authority

CY = Current fiscal year

RY = Request fiscal year

BY = Budget fiscal year under formulation

Note: Funding for the Interagency Crime and Drug Enforcement Accounts (ICDE) and HIDTA should be included in this display only on the lines shown. This funding should not be displayed by function or decision unit, and this funding should not be included as part of agency totals in these categories.

DEFINITIONS OF DRUG CONTROL BUDGET FUNCTIONS

FUNCTION	DESCRIPTION
Intelligence	Activities or programs with a primary focus to provide guarded information for use by national policy makers, strategic planners, or operational/tactical elements, primarily in the areas of national security and law enforcement. Activities include collecting, processing, analyzing, and disseminating information related to drug production and trafficking organizations and their activities (including production, transportation, distribution, and finance/money laundering) and the willingness and ability of foreign governments to carry out effective drug control programs. (Amounts allocated for drug interdiction, international, and domestic law enforcement should be separately identified.)
Interdiction	Activities designed to interrupt the trafficking of illicit drugs into the United States by targeting the transportation link. Specifically, interdiction encompasses intercepting and ultimately disrupting shipments of illegal drugs, their precursors and the fruits of drug distribution.
International	Activities primarily focused on or conducted in areas outside of the United States, including a wide range of drug control programs to eradicate crops, seize drugs (except air and riverine interdiction seizures), arrest and prosecute major traffickers, destroy processing capabilities, develop and promote alternative crops to replace drug crops, reduce the demand for drugs, investigate money laundering and financial crime activities, and promote the involvement of other nations in efforts to control the supply of and demand for drugs.
Investigations	Federal domestic law enforcement activities engaged in preparing drug cases for the arrest and prosecution of leaders and traffickers of illegal drug organizations, seizing drugs and assets, and ensuring that federal laws and regulations governing the legitimate handling, manufacturing, distribution, etc. of controlled substances are properly followed.
Prevention	Activities focused on discouraging the first-time use of controlled substances and outreach efforts to encourage those who have begun to use illicit drugs to cease their use.
Prosecution	Federal activities related to the conduct of criminal proceedings against drug trafficking and money laundering organizations, with the aim of bringing a civil or criminal judgment against their members, forfeiting their assets, divesting leaders of their power, and, as appropriate, extraditing, deporting and excluding their members.
Research & Development	Activities intended to improve the capacity, efficiency, or quality of drug control activities. (Amounts allocated for drug interdiction, international, treatment, prevention and domestic law enforcement research should be separately identified.)
State & Local Assistance	Federal drug control assistance to help state and local law enforcement entities to reduce drug related violent crime and the availability of illegal drugs.
Treatment	Activities focused on assisting regular users of controlled substances to become drug-free through such means as counseling services, in-patient and out-patient care, and the demonstration and provision of effective treatment modalities, etc.

Appendix B

ONDCP Circular: Budget Execution

May 30, 2002

TO: THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

SUBJECT: Budget Execution

1. **Purpose.** This circular provides guidance to National Drug Control Program agencies on ONDCP's authorities related to the execution of the National Drug Control Budget. This includes information and procedures related to reprogramming requests, the transfer of drug control funds between accounts, Fund Control Notices, and the establishment of financial plans for certain bureaus.
2. **Authority.** *The Office of National Drug Control Policy Reauthorization Act of 1998* (P.L. 105-277, dated October 21, 1998) provides the authority for ONDCP's oversight of the National Drug Control Budget. In relevant part, this law has been codified at 21 U.S.C. § 1701-1712.
3. **Definitions.** As used in this circular, key terms related to the National Drug Control Program and budget are defined in Section 4 of the ONDCP Circular, *Budget Formulation*, dated May 30, 2002. These terms include: *National Drug Control Program, National Drug Control Program Agency, Bureau, Drug Methodology, Drug Control Functions, and Budget Decision Units.*
4. **Coverage.** The provisions of this circular apply to all National Drug Control Program agencies. Further, consistent with 21 U.S.C. § 1701(7), the provisions of Sections 5, 6, and 7 of this circular apply to agencies that receive funding included in the National Drug Control Budget by transfer from a National Drug Control Program agency. Such funds continue to be part of the National Drug Control Budget.
5. **Reprogramming Requests.** As referenced in this circular, a reprogramming or transfer is any change to an agency or bureau's financial plan that requires Congressional notification.
 - a. **ONDCP Review:** Pursuant to 21 U.S.C. § 1703(c)(4)(A), "[n]o National Drug Control Program agency shall submit to Congress a reprogramming or transfer request with respect to any amount of appropriated funds in an amount exceeding \$5,000,000 that is included in the National Drug Control Program budget unless the request has been approved by the Director [of ONDCP]." For a change in a financial plan to accomplish a single purpose, agencies or bureaus shall not structure multiple reprogramming or

transfer transactions of less than \$5 million in order to limit ONDCP's opportunity to review such proposals.

b. **Reporting Requirements:** Each agency reprogramming request to ONDCP shall include the following elements:

(1) **Revised Financial Plan** – As referenced here, a financial plan is the detailed presentation of the agency or bureau's budget that has been presented to the Congress. The reprogramming or transfer request to ONDCP shall include a presentation showing the changes in funding levels between budget decision units, or changes in the programs, projects and activities within budget decision units, that comprise the proposed revisions to the financial plan for the current fiscal year.

(2) **Explanation of Changes** – The request shall provide a narrative explanation of the proposed changes to the financial plan, which highlights the effects of these changes on the National Drug Control Program.

(3) **Effect on Future Fiscal Years** – The reprogramming or transfer proposal shall also discuss how the proposed changes to the financial plan in the current fiscal year will affect agency resource levels for the highlighted budget decisions units, as well as programs, projects and activities, in future fiscal years.

(4) **Draft Notification to Congress** – The material provided to ONDCP for review shall include the draft letter notifying Congress of the proposed changes.

c. **ONDCP Action:** After prompt review of the material provided by the agency under Section 5b., the Director's determination under this Section will be communicated in writing to the responsible agency official.

d. **Agency Appeals:** Pursuant to 21 U.S.C. § 1703(c)(4)(B), an agency head may appeal to the President for the reconsideration of the Director's disapproval of a reprogramming or transfer request under Section 5c. of this circular.

6. **Transfers.** In order to address particular needs during the year, the Director of ONDCP may transfer funds from one account of the National Drug Control Budget to another account of the National Drug Control Budget (21 U.S.C. § 1703(d)(8)), with such accounts defined in the ONDCP Circular, *Budget Formulation – Attachment B: Definition of the National Drug Control Budget*. A proposal to transfer funds between accounts may be initiated by the Director or may be recommended by the head of any agency. Agency proposals submitted to ONDCP for a transfer of funds shall detail the programs, projects and activities affected in the sending and receiving accounts. ONDCP may execute such transactions, subject to the following conditions:

a. **Limitation:** The authority to make such transfers may be limited in annual appropriations acts or other provisions of law (21 U.S.C. § 1703(d)(8)(A)).

- b. **Agency Concurrence:** This authority may only be exercised with the concurrence of the head of each affected agency (21 U.S.C. § 1703(d)(8)(B)).
- c. **Transfer Limit:** In the case of an interagency transfer, the total amount of transfers in a fiscal year under this authority may not exceed 3 percent of the total amount of funds made available for National Drug Control Strategy programs and activities to the agency from which those funds are to be transferred (21 U.S.C. § 1703(d)(8)(C)).
- d. **Authorized Programs:** Funds transferred to an agency under this authority may only be used to increase funding for programs or activities that have been authorized by Congress (21 U.S.C. § 1703(d)(8)(D)).
- e. **Reports to Congress:** On the approval by ONDCP of any transfer proposals under this section, the Director shall notify Congress of the transfer proposal before giving it effect. Notifications shall include correspondence to the Committees on Appropriations of the Senate and House of Representatives, ONDCP’s authorizing committees, and any other committees of jurisdiction (21 U.S.C. § 1703(d)(8)(E)).

7. **Fund Control Notices.** The Director of ONDCP may limit the obligation of all or part of the amount appropriated to a National Drug Control Program agency through a Fund Control Notice (21 U.S.C. § 1703(f)). Funds subject to a Fund Control Notice are those included in the National Drug Control Budget, as defined in Attachment B of the ONDCP Circular, *Budget Formulation*, dated May 30, 2002.

- a. **Control Categories:** Pursuant to 21 U.S.C. § 1703(f) –

“A fund control notice may direct that all or part of an amount appropriated to the National Drug Control Program agency account be obligated by –

- (A) months, fiscal year quarters, or other time periods; and
- (B) activities, functions, projects, or object classes.”

- b. **Responsible Agency Officials:** A Fund Control Notice shall be issued in writing to the Chief Financial Officer, or comparable level senior financial executive, of the affected agency or bureau. This official is responsible for ensuring compliance with this ONDCP guidance.
- c. **Prohibited Actions:** An officer or employee of a National Drug Control Program agency shall not make or authorize an expenditure or obligation contrary to a Fund Control Notice (21 U.S.C. § 1703(f)(2)).
- d. **Violations:** Pursuant to 21 U.S.C. § 1703(f)(3), “...[i]n the case of a violation of [a Fund Control Notice] by an officer or employee of a National Drug Control Program agency, the head of the agency, upon the request of and in consultation with the Director, may subject the officer or employee to appropriate administrative discipline, including, when circumstances warrant, suspension from duty without pay or removal from office.”

8. Financial Plans for Certain Multi-Mission Bureaus. All funding included in the National Drug Control Budget must be closely associated with account-level detail in the Budget of the President. Linking the drug budget with the operating budget of each agency and bureau provides policy officials with the information they need to make resource allocation decisions as part of the budget formulation process, as well as adjustments to agency and bureau financial plans during the year of execution. Much of the drug control budget is a subset of identifiable components of the President's Budget. For some bureaus, however, aggregate drug funding is calculated pursuant to a drug methodology that is subject to ONDCP's approval. These bureaus include:

- U.S. Customs Service,
- U.S. Coast Guard,
- Immigration and Naturalization Service (INS), and
- Veterans Health Administration (VHA)

Drug funding for these bureaus must be reflected in agency and bureau financial systems of record with a level of accountability that is comparable to drug control funding identified for all other bureaus. For other bureaus, this is accomplished through the appropriations process – funding is provided consistent with the established account structure defined by the President's Budget. For the multi-mission bureaus identified in this section – Customs, Coast Guard, INS, and VHA – the same level of accountability will be imposed administratively, rather than through the appropriations process. ONDCP will require that financial systems of record recognize drug control funding for these bureaus. This will be accomplished through the development of bureau financial plans for drug control funding and ONDCP review and approval of these plans in the year of budget execution.

- a. **Bureau Financial Plans:** For the year of budget execution, each of the bureaus identified in this section shall develop a detailed financial plan for their drug control funding. This plan shall identify how: (1) drug funding calculated pursuant to the bureau's approved drug methodology supports specific accounts included in the Budget of the President; and (2) how this funding by account further supports particular bureau budget decision units and projects under those budget decision units. Within these parameters, the format and content of these financial plans is at the discretion of the bureaus. Details of a plan could consolidate elements included in portions of the Congressional budget justification documents relating to drug control, if such language provided an adequate explanation. However, such plans should include sufficient detail to explain fully the connection between the bureau's drug budget calculation and the programs described in the bureau's budget justification documents accompanying the President's Budget.

Bureau financial plans shall be submitted to ONDCP for review as soon as possible after final appropriations are enacted. Also, ONDCP requests that versions of these financial plans, consistent with the President's Budget, be included in the bureau's Congressional budget justification documents. This will provide Congress and the public with an explanation of how drug funding relates to the bureau's operating budget. It also will facilitate an expeditious review of the bureau's financial plan, once appropriations are enacted.

b. **ONDCP Oversight:** To ensure bureau compliance with the provisions of this section, ONDCP shall issue a Fund Control Notice pursuant to Section 7 of this circular that will limit the obligation of drug control funding until the Director of ONDCP has reviewed a bureau financial plan, based on final annual appropriations, prepared pursuant to Section 8a. of this circular. To ensure continued recognition of drug control funding in agency financial systems of record throughout the fiscal year, the Director may issue further Fund Control Notices that would limit the obligation of drug control funding by time period.

9. **Coordination with the Office of Management and Budget (OMB).** In implementing the authorities enumerated in this circular, ONDCP will closely coordinate its actions with OMB. This will avoid potential conflicts in guidance and will ensure full compliance with all federal laws governing budget execution.

10. **ONDCP Point of Contact.** The ONDCP point of contact for all matters referenced in this circular is:

Associate Director for Planning and Budget
Office of National Drug Control Policy
750 17th Street, N.W.
Washington, DC 20503

| SIGNED |

John P. Walters
Director