

I. Executive Summary

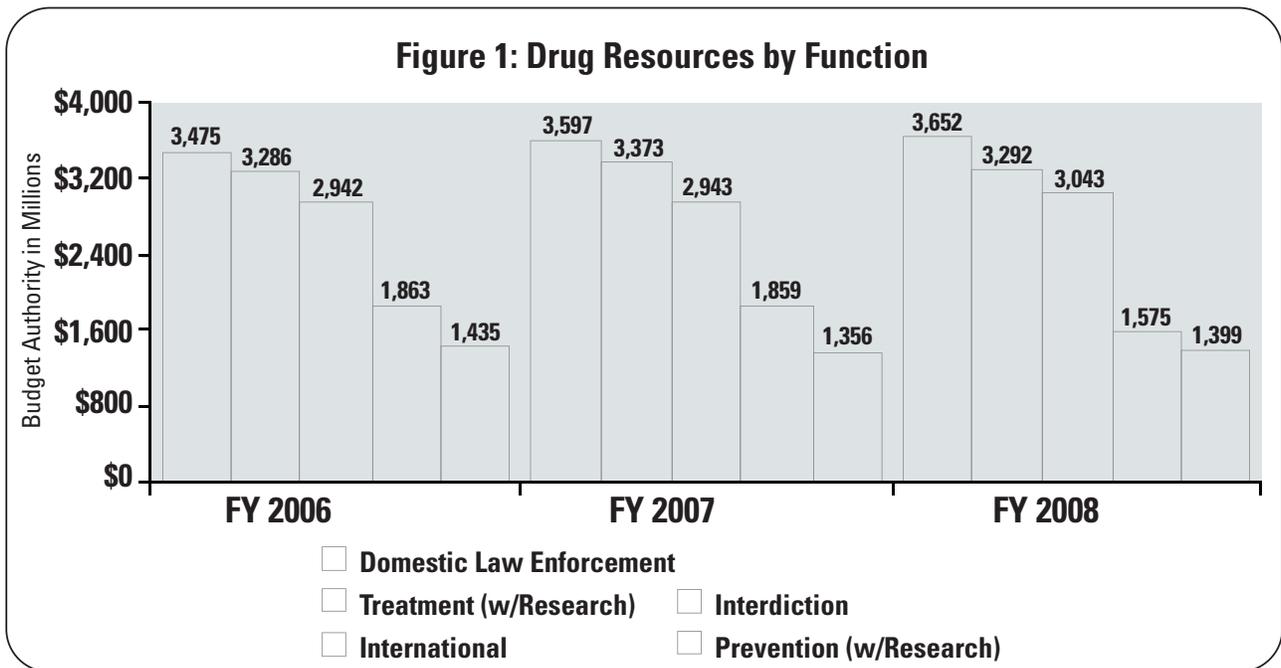
FY 2008 Drug Control Program Highlights

Each year the President develops the National Drug Control Strategy, which is the Nation’s plan for combating the use and availability of illicit drugs. The National Drug Control Strategy – Budget Summary identifies resources that support the three key elements of the Strategy: (1) Stopping Use Before it Starts; (2) Intervening and Healing America’s Drug Users; and, (3) Disrupting the Market. The Budget Summary demonstrates a balanced approach to drug control policy, where activities to reduce the demand for narcotics are augmented by efforts to stem their supply.

The FY 2008 Drug Budget totals \$12.961 billion, which is a decrease of \$0.167 billion, or 1.3 percent, from the previous year’s level of \$13.128 billion. The Administration is also separately requesting \$266.1 million in additional spending for emergency designations associated with drug-related operations, principally in Afghanistan. In FY 2008, the Administration continues to demonstrate spending restraint. Resources focus on areas of greatest need. To be sure, with these financial commitments in place, the Nation will continue to make great progress in addressing current and future drug control challenges.

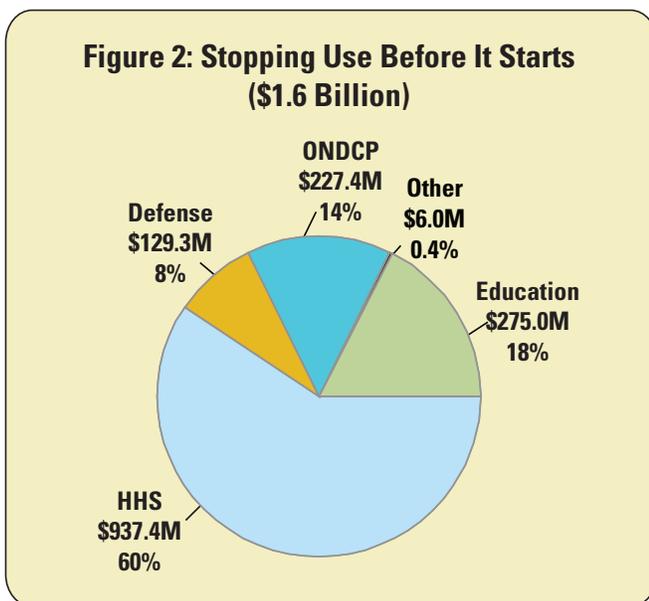
Resources fund important prevention efforts, such as the National Youth Anti-Drug Media Campaign, treatment programs like Access to Recovery, and international operations such as the Andean Counterdrug Initiative. Each program performs one or more critical drug control functions. Under this proposal, resources for domestic law enforcement, treatment, and international operations receive an increase over the previous year, while interdiction and prevention activities incur a reduction. Figure 1 details funding by function.

Eleven drug control agencies are a part of the Drug Budget. These agencies vary in mission and size. The Departments of Education, Health and Human Services, and Veterans Affairs are principally focused on supporting prevention and treatment programs. The Departments of Defense, Homeland Security, Justice, and State are involved in a variety of domestic law enforcement, interdiction, intelligence, and international operations. Each agency is an important partner in the drug control mission.



Stopping Use Before It Starts: Education and Community Action

Federal resources totaling \$1.6 billion (Figure 2) support a variety of education and outreach programs aimed at preventing the initiation of drug use. The Department of Education and Office of National Drug Control Policy (ONDCP) provide support to some of the most important prevention programs, such as Student Drug Testing, Drug-Free Communities, and the National Youth Anti-Drug Media Campaign. The Department of Health and Human Services (HHS) also contributes a large share of resources to fund prevention activities through its Programs of Regional and National Significance. These programs are highlighted below, as well as in the respective Agency Summary.



Student Drug Testing Department of Education FY 2008 Request: \$17.9 million

The Department of Education competitively awards grants to schools interested in developing, implementing, and expanding drug-testing programs for students. Eligible schools must have a comprehensive drug prevention program in place, and a viable referral process so that students who test positive for drug use can receive the necessary treatment. Testing cannot result in criminal action, nor can a student be penalized academically for testing positive. The Budget includes an additional \$7.5 million over the FY 2007 level. The new funding made available in FY 2008 will allow the Department to

increase the number of new grantees, as well as provide for the creation of a Student Drug Testing Institute, which may assist schools in developing, implementing, and evaluating student drug-testing programs.

Research-Based Grant Assistance to Local Educational Agencies (LEAs) Department of Education FY 2008 Request: \$59.0 million

The Budget includes an increase of \$29.0 million over the FY 2007 level for Research-Based Grants to LEAs. Under this program, grantees are required to either, (1) carry out at least one drug prevention or school safety program, practice, or intervention that rigorous evaluation has demonstrated to be effective; or, (2) carry out a rigorous evaluation of a promising program, practice, or intervention to test its effectiveness, and thereby increase the knowledge base of what works in the field. The additional resources in FY 2008 will fund approximately 83 new grants.

Safe and Drug-Free Schools and Communities State Grants

Department of Education FY 2008 Request: \$100.0 million

As part of No Child Left Behind reauthorization, the Administration is proposing to restructure significantly the Safe and Drug-Free Schools and Communities (SDFSC) State Grants program to focus on building state capacity to assist school districts in creating safe, drug-free schools, and secure school environments. The FY 2008 Budget includes \$100.0 million for the restructured SDFSC State Grants program, a reduction of \$251.6 million from FY 2007. States would use these funds to provide school districts with training, technical assistance, and information regarding effective models and strategies to create safe, healthy, and secure schools that, to the extent possible, reflect scientifically based research, along with a limited number of sub-grants to high need districts.

Drug-Free Communities Office of National Drug Control Policy FY 2008 Request: \$90.0 million

Local leaders are in the best position to understand the drug problem affecting their communities. In recognition of this unique insight, the Drug-Free Communities (DFC) program provides up to \$125,000 per year in grant funding to local community, drug-free

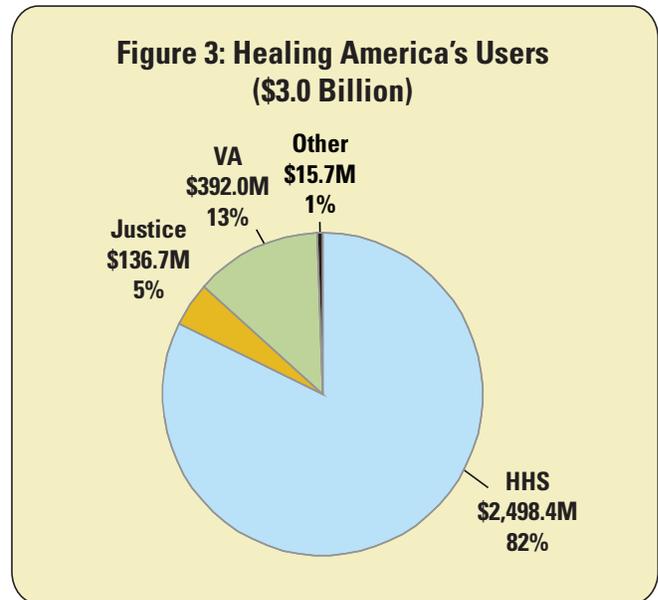
coalitions to develop plans that combat substance abuse problems. Each grantee is required to match 100 percent of their grant award with non-federal funds or in-kind support. The Budget includes an increase of \$10.0 million over the FY 2007 level of \$80.0 million. The additional funding in FY 2008 will support over 70 new DFC grants across the country. With only one in three applications currently receiving funding, these additional funds will allow for more applicants to enter DFC and work to strengthen communities and reduce youth drug use nationwide.

**National Anti-Drug Youth Media Campaign
Office of National Drug Control Policy
FY 2008 Request: \$130.0 million**

The National Youth Anti-Drug Media Campaign utilizes media channels, such as paid advertising, interactive media, and public information, to educate and motivate youth to develop anti-drug beliefs and behaviors, and encourage adults to play a more effective role in keeping youth drug-free. The FY 2008 Budget includes a \$30.0 million increase over the FY 2007 level. The additional \$30.0 million in funding will purchase media time and space to reach youths and parents. This includes television, radio, newspaper, internet, and non-traditional advertising (arcades, malls, cinema, etc.), with particular attention paid to youth social settings where pro-drug messages are increasing prevalent. This increase will also permit the Media Campaign to include a focus on methamphetamine, as directed by the ONDCP Reauthorization Act of 2006.

**Intervening and Healing America’s
Drug Users**

The Budget dedicates more than \$3 billion (Figure 3) in federal funds to drug abuse intervention and treatment efforts in FY 2008. This represents an increase of nearly \$100 million over the FY 2007 level. The Department of Health and Human Services supports the majority of the federal government’s efforts to help drug users in need. Select HHS drug intervention and treatment programs are detailed below. The Department of Veterans Affairs (VA) also provides critical treatment services to veterans who have been diagnosed as having a substance abuse disorder. Moreover, the Department of Justice, offers a myriad of treatment services to inmates within the Bureau of Prisons.



**Screening, Brief Intervention, Referral,
and Treatment (SBIRT) Activities
Department of Health and Human Services
FY 2008 Request: \$41.2 million**

A key screening and brief intervention (SBI) activity is the SBIRT program, which awards grants to states, territories, and tribal organizations to implement a program within a medical setting (emergency rooms, healthcare centers, etc.) where healthcare professionals identify and aid individuals who have substance abuse problems. Screening determines if an individual is using or at-risk. Brief intervention counsels the individual on the dangers of substance abuse. Referral provides individuals with treatment options, which have the potential to restore healthy behavior. The FY 2008 Budget proposes an increase of \$11.5 million over the FY 2007 level for SBI activities. The additional funding will provide for new grants to medical schools, school districts, and support SBIRT training summits.

**Healthcare Common Procedure
Coding System
Department of Health and Human Services
FY 2008 Request: \$75.0 million**

The Administration has made historic progress in improving access to early intervention and treatment for substance abuse through the approval of two new Healthcare Common Procedure Coding System (HCPCS) codes for alcohol and drug screening, and brief intervention (SBI). SBI is a proven approach for

reducing drug use. Beginning in January 2007, these new codes, which can be used by health care providers and states, will provide the opportunity for State Medicaid programs to pay for SBI services. ONDCP will be working with the Centers for Medicare and Medicaid Services in developing cost estimates and savings associated with these new HCPCS codes. Expanding this valuable tool to a range of medical settings will enable clinicians to screen more patients for substance abuse disorders, prevent use and treat individuals, and ultimately reduce the burden of addictive disorders to the Nation, communities, and families. The federal Medicaid cost is estimated to be \$75.0 million in FY 2008.

Access to Recovery

Department of Health and Human Services FY 2008 Request: \$98.0 million

The Access to Recovery (ATR) program expands access to substance abuse treatment and recovery support services, including those that are faith-based. Grants were awarded to 14 states and one tribal organization to implement a voucher-based system that targets those in need of treatment but not able to obtain it. ATR allows individuals to tailor treatment services to best meet their needs, such as including services supplied by faith-based or community-based organizations or focusing on methamphetamine abuse treatment. The FY 2008 Budget includes \$98.0 million for 20 grants to states and Native American Tribes to provide services to more than 55,000 individuals annually.

Adult, Juvenile, and Family Drug Courts

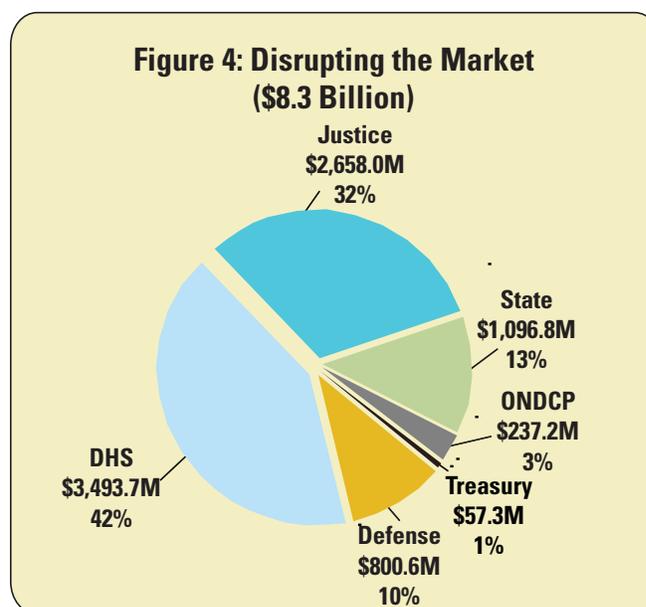
Department of Health and Human Services FY 2008 Request: \$31.8 million

The Adult, Juvenile, and Family Drug Courts program awards grants to treatment providers and court systems to supply drug court participants with treatment services, including case management and program coordination. Funding is designed to close gaps in the continuum of treatment. The FY 2008 Budget includes an additional \$21.7 million over the FY 2007 level for this program. Within the overall funding level of \$31.8 million, the Administration will triple the number of drug court grants from FY 2006.

Disrupting the Market

Over \$8 billion (Figure 4) in federal resources support programs to disrupt the illicit drug market. In addition

to these resources, funding in the amount of \$266.1 million is sought in FY 2008 for emergency designations, principally associated with Afghanistan operations. The Department of Homeland Security (DHS), with the Customs and Border Protection (CBP) and the United States Coast Guard, provides the necessary assets and personnel to interdict drugs along the Nation's borders. These drug control efforts are complemented by detection and monitoring, eradication, and alternative development programs sponsored by the Departments of Defense and State. Further, the Department of Justice, which is comprised of key law enforcement and grant giving agencies, provides important intelligence and domestic support to disrupt the drug trade.



Andean Counterdrug Initiative

Department of State FY 2008 Request: \$635.3 million

The Andean Counterdrug Initiative (ACI) stems the flow of cocaine and heroin from the Andes, which includes Bolivia, Brazil, Colombia, Ecuador, Panama, Peru, and Venezuela. This region is almost entirely responsible for the world's supply of cocaine and is a major supplier of heroin to the United States. ACI achieves its goals through support for law enforcement, border control, illicit crop reduction and alternative development, institution building, and human rights programs in the region. While the total funding requested for ACI in FY 2008 is less than the FY 2007 level, the program will continue to provide critical support to the region. Of

the total request for ACI, \$192.5 million is included within the Economic Support Fund (ESF) for alternative development activities.

Afghanistan Counterdrug Support Department of State

FY 2008 Request: \$327.6 million

This initiative provides support for counternarcotics efforts in Afghanistan. The Administration will aid Afghans in reducing opium production in the country by funding alternative crop development, drug enforcement, interdiction, public diplomacy, and demand reduction programs. The Poppy Elimination Program emphasizes engaging Government of Afghanistan officials in primary producing provinces to campaign proactively against farmers planting poppy, pressure farmers who do plant poppy to voluntarily replant legitimate crops, and threaten forced eradication. In FY 2008, the Department of State will use resources to expand the program to more Afghan areas, providing coverage for 90 percent of the provinces where poppy is grown. Of the \$327.6 million for Afghanistan, \$120.6 million is requested within ESF for alternative development activities.

Domestic Enforcement

Department of Justice

FY 2008 Request: \$1,426.6 million

The Drug Enforcement Administration's Domestic Enforcement operations are focused on disrupting or dismantling organizations that control the illegal drug trade within the Nation's borders, and seizing the proceeds and assets involved in these illegal activities. The FY 2008 Budget proposes a number of important program increases to Domestic Enforcement. These enhancements provide: \$29.2 million to strengthen Southwest Border and methamphetamine enforcement operations, including an expansion of Operations Knight Moves and White Fang; \$7.1 million for counterterrorism and intelligence sharing, including permanent base resources for Operation Breakthrough; and \$3.0 million to support online investigations of drug trafficking and money laundering organizations.

Border Security and Control Between the Ports of Entry

Department of Homeland Security

FY 2008 Request: \$3.0 billion (\$456.3 million drug-related)

The Border Patrol is principally responsible for securing

and controlling the United States border between the ports of entry. Traffic check operations, canine teams, and membership in a number of interagency drug task forces aid Border Patrol in preventing illicit drugs and other contraband from entering the United States. In FY 2008, CBP requests an additional \$604.3 million to hire, train, and equip 3,000 new Border Patrol Agents and 688 operational/mission support personnel. Border Patrol determines that 15 percent of staff time is devoted to counternarcotics activities. As such, the drug attribution associated with this proposal is \$90.6 million, 450 agents, and 103 support personnel. Border Patrol's increased presence between the ports of entry will greatly benefit the Nation's efforts to disrupt the drug market.

CBP Office Air & Marine

Department of Homeland Security

FY 2008 Request: \$429.6 million

With over 500 pilots and 250 aircraft, CBP Office of Air and Marine (A&M) is the largest law enforcement air force in the world. CBP's priority mission is to secure the Nation's borders. To achieve this end, A&M uses an integrated and coordinated force to detect, interdict, and prevent acts of terrorism and drug smuggling arising from the unlawful movement of people and goods across the borders of the United States. While the mission of A&M has evolved since September 11, 2001, the activities remain 90 percent drug-related. The total funding being requested for A&M operations in FY 2008 is \$429.6 million, a net reduction of \$112.4 million from the FY 2007 enacted level. This net reduction is comprised of one-time expenses associated with capital purchases in FY 2007, and two program enhancements proposed in FY 2008. A&M program enhancements include \$36.7 million for A&M's Air Maintenance Contract and \$18.0 million for the P-3 Service Life Extension Program. These enhancements will allow CBP to upgrade critical counterdrug aerial assets.

Byrne Public Safety and Protection Grants

Department of Justice

FY 2008 Request: \$140.4 million

This new grant program consolidates funding for a variety of drug control programs within the Office of Justice Programs (OJP). Programs including Domestic Cannabis Eradication/Suppression, Drug Courts, Methamphetamine Clean-up, and Prisoner Reentry will be brought together into a single, flexible grant that will help state, local, and tribal governments develop

programs appropriate to the particular needs of their jurisdiction. Through a competitive grant process, OJP will focus assistance on those jurisdictions experiencing significant criminal justice problems and assist state and local governments in addressing a number of high-priority criminal justice concerns. Funding under this proposal will permit state and local governments to submit applications for legacy program activities.

Emergency Supplemental & Additional Spending with Emergency Designations

In FYs 2007 and 2008, the Administration requests additional supplemental funding and emergency spending for planned expenses associated with drug-related activities, principally in Afghanistan. The additional supplemental funding and emergency spending within these proposals are requested separately, and, therefore, they are presented separately from other drug control funding. In FY 2007, \$387.6 million in emergency spending is requested. In FY 2008, \$266.1 million is requested for additional spending associated with emergency designations. The funds requested for counterdrug support will provide additional resources to Afghanistan to interdict drug shipments leaving the country and encourage Afghanistan's farmers to grow legitimate crops. Additional details associated with the proposal are included as a separate discussion in the Appendices of this document.

Changes to the National Drug Control Budget

Additions to the Drug Control Budget

As detailed in the previous section, several programs have been added to the Drug Budget in FY 2008. These programs are the Department of State's Economic Support Fund, Department of Health and Human Services' HCPCS codes, and the Department of Justice's Byrne Public Safety and Protection program.

Budget Summary Presentation

The recent enactment of Public Law 109-469, the Office of National Drug Control Policy Reauthorization Act of 2006, authorizes new drug control budget reporting requirements. Given the very recent enactment of this legislation, the Drug Budget display in this volume and

in the Budget of the President continues to reflect the legacy methodology employed in prior years.

Program Performance

The Budget Summary, in furtherance of the Administration's commitment to integrating performance more closely with budgets, has moved away from the usual description of meetings and other outputs to a more results-oriented focus. The Performance sections for each agency are based on their Government Performance and Results Act (GPRA) Plans and Reports, the Performance and Accountability Reports, and also the Program Assessment Rating Tool (PART) results. Additional information from budget justifications and internal management documents are included where appropriate.

The Administration's emphasis on integrating budget and performance was institutionalized through an annual assessment of federal programs as part of the budget process. The PART is used to review a set of federal programs every year. It evaluates a program's purpose, planning, management, and results to determine its overall effectiveness rating. Along each of these four dimensions, a program may receive a score from 0 to 100. It is an accountability tool that attempts to determine the strengths and weaknesses of federal programs with an emphasis on the results produced. In 2002, eight federal drug control programs were rated plus an additional four programs during 2003. Three programs were assessed in 2004 and one more in 2005. Two additional programs were rated in FY 2006, bringing the five-year cycle to an end. Starting in 2007, these programs will be reassessed through PART.

The Performance sections in this document present PART scores and the year of review for each program. They also display performance targets and related actual accomplishments for key performance measures. In addition, supplementary qualitative information is provided.