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Report to the Chairman, Subcommittee on Government Information, Justice, and Agriculture, Committee on Government Operations, House of Representatives

August 1990

DEVELOPING A FEDERAL DRUG BUDGET

Implementing the Anti-Drug Abuse Act of 1988

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The Honorable Robert E. Wise, Jr.
Chairman, Government Information, Justice,
and Agriculture Subcommittee
Committee on Government Operations
House of Representatives

Dear Mr. Chairman:

In response to your September 7, 1989, request, we have reviewed available information on federal funding of drug programs. As agreed, this report examines the evolution of the process used to formulate federal drug budgets for fiscal years 1989 through 1992 and describes how the executive branch tracks and monitors the obligation and expenditure of federal drug program funds.[1] As requested, we are also including agency views on whether providing a separate and distinct appropriation account for each agency's drug programs would improve the quality of drug funding information.[2]

Results in Brief

The process used to formulate the federal drug budget is evolving. For fiscal years 1981 through 1990, Congress did not legislatively require the preparation of an annual drug budget; however, the Office of Management and Budget (OMB) provided to executive branch and congressional agencies a summary of the drug budgets of federal agencies and departments. With increased resources being dedicated to the drug effort, Congress mandated in the Anti-Drug Abuse Act of 1988 that the Director of the Office of National Drug Control Policy (ONDCP) prepare an annual federal budget and outlined a drug budget formulation process, coordinated with the preparation of the President's annual budget request.

In January 1990, ONDCP released the National Drug Control Strategy: Budget Summary, the first legislatively mandated comprehensive federal drug budget. Although ONDCP has issued guidelines to implement the legislation and prepare the drug budget, ONDCP officials said they will

[1]Obligations reflect the amounts of orders placed, contracts awarded, services received, and similar transactions that will require payments at a future date.

[2]Appropriation account is a summary account established in the Treasury for each appropriation showing transactions to such accounts. Each account provides the framework for establishing a set of balanced accounts for the agency concerned. Most appropriation accounts encompass a number of activities or projects.

OMB tried to bring together improved information about drug program resources through a June 1986 memorandum that provided guidelines for calculating agency drug-related expenditures. Nevertheless, the process used to develop the drug budget remained informal—largely dependent on phone calls between agency and OMB officials and the relationships between the OMB budget examiner and the agency and departmental budget staff.

With the enactment of the Anti-Drug Abuse Acts of 1986 and 1988, Congress substantially increased funds for federal drug programs. In the 1988 act, Congress also mandated the establishment of a drug budget formulation process to prepare an annual drug budget. Specifically, the act requires the Director of ONDCP to

- establish the National Drug Control Program;
- promulgate annually the National Drug Control Strategy;
- develop each fiscal year the National Drug Control Program Budget to implement the Strategy; and
- certify, in writing, that drug budget submissions to ONDCP from program managers, agency heads, and department heads, with National Drug Control Program responsibilities, are adequate to implement the objectives of the National Drug Strategy for the budget request year.

ONDCP prepared and the President issued the first National Drug Control Strategy in September 1989; it included a presentation of the specific resource levels the Administration believed were necessary for fiscal year 1990 to implement the strategy. For fiscal year 1991, ONDCP implemented guidelines to develop the federal drug budget and in January 1990 ONDCP released the fiscal year 1991 drug budget in conjunction with the President's second National Drug Control Strategy.

Objectives, Scope, and Methodology

Our objective was to provide the Subcommittee with a description of

- the evolution of the process used to develop the overall federal drug budget, specifically drug budget authority[5] and outlay figures;
- the process five federal agencies, selected for the purpose of example, used to develop drug budgets;

[5]Budget authority, which is provided by law, allows agencies to enter into obligations that will result in immediate or future expenditures of federal government funds.

How the Federal Drug Budget Is Developed

To carry out its budget responsibilities under the Anti-Drug Abuse Act of 1988, ONDCP set out guidelines in May 1989 establishing a process to formulate the federal drug budget and a standardized format for drug budget submissions. Because ONDCP was established after the fiscal year 1991 budget cycle had begun, for fiscal year 1991, ONDCP did not fully implement the process laid out in the guidelines. ONDCP prepared and issued the National Drug Control Strategy: Budget Summary, the fiscal year 1991 federal drug budget, in January 1990.

According to ONDCP officials, the fiscal year 1991 guidelines achieved the objective of making available more and better information about the federal drug budget. These officials indicated, however, that in the majority of cases figures labeled "actual" for the end of fiscal year drug program budget authority nevertheless represent final estimates for drug expenditures for that year. This is because drug program funds are combined with other programs in an account and cannot be precisely distinguished from other program funds. In addition, methodologies that agencies used to derive these estimates varied.

ONDCP plans to continue modifying the drug budget formulation process. Fiscal year 1992 will be the first complete drug budget cycle, but ONDCP officials expect that it may take 2 to 3 years before the process is running smoothly.

ONDCP Established Drug Budget Submission Guidelines

To implement its budget responsibilities under the Anti-Drug Abuse Act of 1988, ONDCP issued guidelines in May 1989 on how to prepare and process drug budget submissions. (See app. I.) The guidelines applied to the drug budget process beginning in fiscal year 1991; ONDCP revised the guidelines for the fiscal year 1992 cycle.

The 1989 guidelines set out a three-tier drug budget formulation process whereby ONDCP receives three separate budget submissions from each drug control agency, as identified by ONDCP. Specifically, ONDCP was to receive drug budget submissions from each program manager (tier one), bureau/agency head (tier two), and department head (tier three), with drug-related programs. The submissions to ONDCP were to be made before submissions to OMB.

For fiscal years 1991 and 1992, however, ONDCP specified in its guidelines that it requested drug budget submissions from all departments, all

Outcome of the Fiscal Year 1991 Drug Budget Formulation Process

For fiscal year 1991, ONDCP issued the National Drug Control Strategy: Budget Summary. The summary describes each agency's fiscal year 1991 drug budget request and how they derived these requests. It outlines each agency's "actual" drug budget authority for fiscal year 1989, estimated drug budget authority for fiscal year 1990, and requested drug budget authority for fiscal year 1991.

During the fiscal year 1991 drug budget formulation process, according to ONDCP, agency, and department officials, several agencies and departments changed the way they formulated their drug budgets. Three of the five agencies surveyed in this study modified their drug budget formulation processes and one agency changed its definition of drug program. One agency continued to use the same process, because it was based on years of experience.[8] To provide comparable figures for the 3 fiscal years reported, the four agencies adjusted their 1989 and 1990 budget authority figures.

Limitations of Fiscal Year 1991 Drug Budget Authority Figures

For fiscal year 1991, ONDCP, to implement its budget responsibilities under the Anti-Drug Abuse Act of 1988, instituted changes in the process used to formulate the federal drug budget. Despite these changes, according to ONDCP officials, the "actual" drug budget authority for drug programs is usually an estimate, and methodologies used by agencies to formulate these estimates varied.

"Actual" Drug Budget Authority Figures Are Estimates

Although the National Drug Control Strategy: Budget Summary provides more information about agencies' drug budget authority than the earlier OMB summaries, "actual" budget authority for drug programs generally continues to be an estimate. OMB officials said this is because most agencies do not have a separate appropriation account for drug programs; therefore, agencies can only estimate what part of an appropriation account was used for the drug programs. Further, it is difficult to isolate drug program resources in multimission agencies, such as the Coast Guard, because equipment and personnel are not used solely for the drug mission. OMB officials also said that within programs it may be difficult to distinguish funds for anti-drug activities from other activities. For example, if a treatment program treats alcohol as well as drug abuse, it is difficult to distinguish between program funds used to treat alcohol abuse and those used to treat drug abuse.

[8]The three agencies were the FBI, ADAMHA, and the Department of Defense. The types of changes and the extent of the changes made in each agency's drug budget formulation process varied. The Department of Education changed its definition of drug program, at the request of ONDCP. The Coast Guard did not change the process used to formulate its drug budget.

Congress has legislatively[10] required ONDCP to file quarterly reports on how fiscal year 1990 supplemental drug program funds were being obligated. ONDCP officials indicated that they had secured obligation estimates from agencies for the first and second quarters of fiscal year 1990 and reported these estimates to Congress. An ONDCP official described these obligations as imprecise but said that, despite this, ONDCP does not plan to request a change in agency accounting systems because it is not certain that this would be worthwhile or achievable.

Monitoring the Expenditure of Federal Drug Dollars

We also reviewed how drug program expenditure figures, or outlays, are calculated and monitored. According to officials, because drug programs are usually not separate appropriation accounts, at the end of the fiscal year the reported amounts of "actual" outlays for drug programs are, in fact, only final estimates.

Generally, at the beginning of the fiscal year, agencies estimate the rate at which they will outlay funds in an appropriation account over current and future fiscal years. The estimated outlays are derived by applying formulas, reflecting the expected rate at which funds will be spent, to the budget authority. Different programs will have different outlay formulas. This process also applies to drug program outlays.

Actual outlays are determined for an appropriation account at the end of the fiscal year and are based on the payments that have been made from that appropriation. Because drug programs are, however, not a separate appropriation account, according to ONDCP officials, "actual" outlays for drug programs are generally final estimates. Further, according to OMB officials, to determine "actual" drug program outlays when there is no separate appropriation account for a drug account, the formula or percentage[11] of the budget authority attributable to the drug programs is applied to the total outlay figure for the total account.

[10]The fiscal year 1990 Department of Transportation Appropriations Act, Title IV Emergency Drug Funding, Chapter VII, required ONDCP to file, with the House of Representatives and the Senate, quarterly reports on how drug program funds provided under Title IV of the act were being obligated.

[11]Agencies apply different methodologies, which include formulas or percentages, to formulate their drug budget requests. These formulas or percentages are used to calculate "actual" outlay figures. For example, if an agency estimates that 50 percent of its budget authority is dedicated to anti-drug efforts, at the end of the fiscal year the actual outlay figure for the agency's account would be multiplied by 50 percent to arrive at the drug outlay figure associated with that year's budget authority.

most effective manner possible, and whether its programs were achieving the objectives of the National Drug Control Strategy.

ONDCP officials agreed with the concern expressed by agency and OMB officials that there be more program evaluation of anti-drug programs. They indicated that only one federal department, the Department of Education, links the receipt of drug program funds to a requirement that recipients evaluate outcomes. ONDCP officials wanted drug programs evaluated to determine which programs worked so that funds could be directed to those programs. According to the ONDCP officials, the first national drug strategy, issued in September 1989, included proposals that linked the receipt of funds with the evaluation of outcomes; Congress, however, did not enact these proposals.

In the conference report for the fiscal year 1990 Department of Transportation Appropriations Act, the conferees did, however, address the relationship between program evaluation and its drug budget decisions. After pointing out the lack of information available on the impact of anti-drug programs and of the increased funding of these programs, the conferees indicated that in making funding decisions it would be useful to have an overview of the accomplishments of each of these programs. The conferees went on to direct ONDCP to provide additional information on the drug program assessments that have been conducted. ONDCP submitted the required information to the House and Senate Appropriations committees in February and April 1990.

Conclusions

It was beyond the scope of our review to determine whether separately accounting for drug program obligations and outlays is achievable and cost beneficial. We note, however, that accounting for agency expenditures with sufficient precision to assess programs that Congress considers significant, such as anti-drug programs, is an important objective. Given modern budget and accounting techniques, the obstacles to tracking drug funds should not be viewed as insurmountable without further exploration. Less burdensome ways than a separate account may be available for producing better data than now exist.

ONDCP is currently working closely with the agencies to improve the drug budget process. In this effort ONDCP should ensure that sufficient emphasis is given to the development of improved means of tracking drug expenditures. We recognize that this tracking may be difficult when funds for different programs are combined within an account, as in the case of the alcohol, drug abuse, and mental health block grant, or

Major contributors to this report are listed in appendix IV. Please contact me on 275-8389 if you have any questions concerning the contents of this report.

Sincerely yours,

Weldon McPhail for

Lowell Dodge
Director, Administration of
Justice Issues

budget year and future years, changes in the request and a corresponding justification, the relationship between this program and other similar drug programs, and problems that need to be addressed to enhance program efficiency and effectiveness; (2) workload and other program information, e.g., basis for distribution of funds; and (3) how drug-related amounts in the decision units were derived, including a full explanation of the methodology and rationale used to determine the portion of the total resources that is designated as drug control resources.

Federal Drug Budget Totals Fiscal Years 1989 Through 1991

Drug budget authority in millions of dollars

FY 1989 Actual	FY 1990 Estimate	FY 1991 Request	FY 90-91 Increase
$6,302	$9,483	$10,631	$1,148

Sources: National Drug Control Strategy (Jan. 1990), p. 106 and National Drug Control Strategy: Budget Summary (Jan. 1990), p. 2

Glossary

Appropriation Account	A summary account established in the Treasury for each appropriation and/or fund showing transactions to such accounts. Each such account provides the framework for establishing a set of balanced accounts on the books of the agency concerned.
Budget Authority	Authority provided by law to enter into obligations that will result in immediate or future outlays involving federal government funds. Budget authority comes in three forms: (1) appropriations (the most common form), (2) authority to borrow, and (3) contract authority. Budget authority may be classified in three ways: (1) period of availability—no-year, one-year, and multiyear (Multiyear funds may cover periods not coinciding with the start or end of a fiscal year. This is known as forward funding, and the Department of Education is an example of a federal agency which operates programs on this system); (2) timing of congressional action—current or permanent; and (3) the manner of determining the amount available—definite or indefinite.
Obligational Authority	Includes budget authority for given fiscal year plus balances from prior years that remain available for obligation plus amounts authorized to be credited to a specific account during the year (this includes transfers between accounts).
Obligations Incurred	Transactions that will require payment during the same or future period.
Decision Unit	A decision unit is that part of the basic program or organizational entity for which budget requests are prepared. For example, the FBI's fiscal year 1990 budget included 15 decision units, one of which was the drug decision unit.
Decision Package	Presents a level of request for a decision unit, stating costs and performance associated with that level, where a decision unit is a component of a basic program or organizational entity for which budget requests are prepared.
Outlays	Payments (checks issued or cash disbursed) that liquidate obligations. These can occur during the fiscal year for payment of obligations

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incurred in prior years or the current year. So outlays flow from both unexpended balances of prior year budget authority and from budget authority provided in the year that the money is spent. The terms expenditure and net disbursement are used interchangeably with the term outlays.

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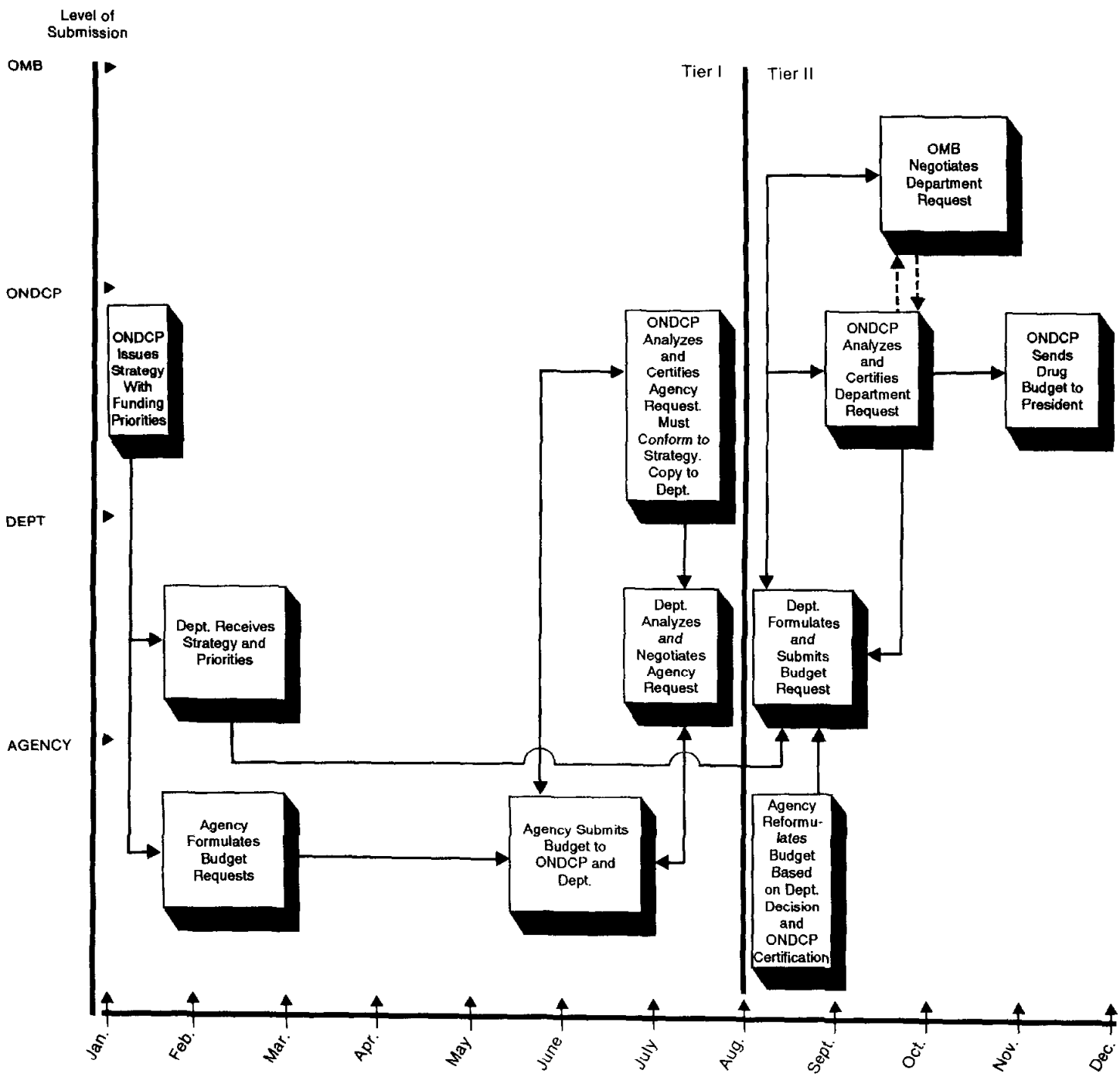
Federal Drug Budget Process



Summary of ONDCP's Drug Budget Submission Requirements

In March 1990 ONDCP distributed to department and agency budget officials updated guidance on the fiscal year 1992 drug budget preparation process. To discuss the guidance and to explain the drug budget process, ONDCP convened a meeting of all budget directors from the affected agencies and departments. By holding the meeting, ONDCP hoped to eliminate confusion and formalize the process.

As established in the fiscal year 1992 guidance, the drug budget submission process is a two-tiered process. Documents are due to ONDCP at two different times. The first submission to ONDCP is made from the agency level, or program level if there is no agency, at the same time they submit the request to the respective department. The second submission to ONDCP, which is from the department level, is made shortly before the department submits its budget to OMB.

According to ONDCP fiscal year 1992 drug budget requirements, drug budget submissions are to include the following:

1. Transmittal letter: The transmittal letter from the head of the bureau or department to the Director of ONDCP should summarize the drug budget submission of each agency and identify broad policies and how they relate to the strategy, objectives and plans on which the estimates are based, and the total amounts requested to achieve the projected results.

2. Introductory section: The introductory sections should summarize the agency budget proposal in the format contained in the fiscal year 1991 Budget Summary, discuss in detail how the budget request relates to the strategy, justify the need for this federal effort, and provide general information such as whether new legislative authority will be required. This section should also include summary tables. The tables are to include (1) budget authority, outlays, and personnel requested for past year, current year, budget year, and budget year +1 through budget year +4, by decision unit; (2) ranking of programs in order of decreasing priority; and (3) crosswalk to drug functional breakouts (organize programs into one of the standard strategies, e.g., intelligence or interdiction, defined in the guidelines).

3. Decision unit presentation: The guidance requires that, for each decision unit with drug-related resources, information be provided about (1) the problems the program should address, the assessed effectiveness of the present program, including recent evaluation results, the impact of alternative funding levels of the accomplishment of objectives in the

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Abbreviations

ADAMHA	Alcohol, Drug Abuse, and Mental Health Administration
FBI	Federal Bureau of Investigation
OMB	Office of Management and Budget
ONDCP	Office of National Drug Control Policy

when the same equipment—for example, a Coast Guard patrol boat—is employed for more than one agency mission.

Despite these difficulties, we believe that having the capacity to track drug expenditures with a reasonable level of precision is essential if meaningful evaluations are to be made of the effectiveness of the numerous and varied approaches currently being used to address the drug problem. Such evaluations can help identify those approaches that are most effective and contribute to better uses of scarce resources in the future.

Recommendations

Accordingly, we recommend that the Director of ONDCP make sure that in its current efforts to improve the drug budget process sufficient emphasis is given to improving the government's capacity to identify and track drug expenditure data. We also recommend that he encourage agencies with drug programs to explore options that will provide better data with which to evaluate the effectiveness of their drug program expenditures.

Agency Comments

As agreed with the Subcommittee, we did not request official agency comments. We did, however, discuss the information we developed with OMB, ONDCP, ADAMHA, Public Health Service, Department of Health and Human Services, Department of Education, Coast Guard, Department of Transportation, FBI, Department of Justice, and Department of Defense officials. These officials generally agreed with the facts presented but, as discussed above, expressed concerns about the feasibility and cost consequences of developing significantly improved accounting data.

We plan no further distribution of this report until 30 days after the date of this letter, unless you publicly announce its contents earlier. At that time, we will send copies to the Director of the Office of National Drug Control Policy and the Director of the Office of Management and Budget. We will send copies to other interested parties upon request.

Views on Improving the Quality of Drug Funding Information

We asked officials at six agencies and departments[12] to comment on the merits of establishing a distinct and separate appropriation account for each agency's drug programs to improve the quality of drug funding information. Agency, OMB, and ONDCP officials suggested that the requisite resources could be better used to expand different programs or support program evaluation.[13]

None of the officials we interviewed supported the concept of a separate appropriation account. They reasoned that a separate appropriation account for drug programs would mean a loss in flexibility in allocating resources in multimission agencies and agencies with block grants, where anti-drug initiatives can be closely interrelated with other programs. In multimission agencies, resources such as personnel, equipment, and facilities can serve multiple purposes and must be directly transferrable from one mission to another. For agencies providing grants to states and localities, having a separate appropriation account would not eliminate delays in reporting from the state and local level. They said that a separate appropriation account would limit an agency's ability to respond to changing needs.

Officials also said that a separate appropriation account would require substantial modifications in agency accounting systems. These changes would demand increases in or reallocation of personnel and funding. Agency and ONDCP officials questioned whether the benefits that would be derived from these adjustments would be worth the cost of implementing them.

ONDCP officials indicated that ONDCP has taken no formal position on the merits of having separate appropriation accounts for drug programs and does not plan to implement such a change administratively. Their perception is that this approach would be burdensome for the agencies and may not be worthwhile or even achievable.

To better assess how anti-drug funds were being used, officials from OMB and drug prevention and treatment agencies and departments emphasized the need for program evaluation. They questioned whether, without such evaluations, an agency could determine which anti-drug programs work, whether its drug budget funds are being spent in the

[12]FBI, Department of Justice, ADAMHA, Coast Guard, Department of Defense, and Department of Education.

[13]Program evaluation is the application of systematic methods to the assessment of program conceptualization, implementation, and effectiveness.

No Uniform Method Used to Determine Agency Drug Budgets

During the past decade, agencies and departments used a variety of methods to formulate drug budgets. Although ONDCP guidelines established more uniform reporting requirements and a standardized reporting format, because of the variety of ways drug programs continue to be funded, there is no uniform method used by all agencies to determine agency drug budgets. For example, the FBI's drug budget includes 100 percent of its drug decision unit[9] within the Bureau's budget and the proportionate share of other FBI activities, such as Forensic Services and Technical Field Support and Equipment, estimated to support the FBI's drug effort. In contrast, the Department of Education's drug budget includes all funds spent under the Drug Free Schools and Communities Act and approximately 1.5 percent of the funds spent on vocational rehabilitation.

According to ONDCP officials, ONDCP would like drug budget estimates that are as precise and accurate as possible. The officials said they were satisfied with what the guidelines had achieved for ONDCP's first year of operation, although some agencies had resisted the process.

Tracking the Obligation of Federal Drug Dollars

Officials said that generally the obligation of federal drug program funds cannot be tracked with precision because agency accounting systems track obligations by appropriation account, not by a specific program. Further, since drug programs are usually within an account that includes a number of programs, drug funds remaining in the account at the end of a fiscal year cannot be distinguished from funds used for non-drug activities. For example, for fiscal year 1991 ADAMHA estimated that one-third of the Alcohol, Drug Abuse, and Mental Health Block grant will be used for drug programs, but since states are not required by law to provide the federal government with an actual breakdown of how these funds are disbursed across the three programs, the "actual" proportion of the block grant obligated for drug programs will be an estimate.

[9]A decision unit is that part of the basic program or organizational entity for which budget requests are prepared.

bureaus, and all independent agencies,[7] but not from all program managers. An ONDCP official said they modified the three-tier approach because (1) ONDCP does not have the staff necessary to review hundreds of submissions from program managers; (2) bureau/agency reviews of program-level budget submissions eliminate excessive requests or requests contrary to policy; and (3) since the 1988 law does not define program manager, developing a definition would require weeks to months of negotiations between ONDCP and the affected agencies and departments. (See apps. I and II.)

ONDCP Implemented Drug Budget Process in Fiscal Year 1991, and the Process Continues to Evolve

Since the fiscal year 1991 budget cycle was underway before ONDCP issued its guidelines, ONDCP shortened the drug budget process by requesting drug budget submissions only from agencies and departments. Officials said that agencies and departments had largely complied with the guideline requirements to submit drug budget requests to ONDCP. Although the fiscal year 1991 drug budget information contained in the National Drug Control Strategy: Budget Summary was standardized and in the same format, according to officials the methodology used by agencies to prepare their budget requests varied. Further, agencies and departments continued to negotiate with ONDCP over the level and allocation of their drug budgets to arrive at the final submissions included in the fiscal year 1991 drug budget.

The process continues to evolve for fiscal year 1992, which will be the first complete drug budget cycle for ONDCP. In March 1990, ONDCP met with agency and department budget officials to discuss drug budget submission requirements and the drug budget process for fiscal year 1992. In addition, ONDCP plans to implement the certification process, mandated in the Anti-Drug Abuse Act, which requires the ONDCP Director to certify whether each drug budget submission is adequate to implement the objectives of the national drug strategy.

ONDCP officials plan to continue to modify the drug budget formulation process in order to improve the process and secure more and better drug budget information. ONDCP officials expect, however, that it may take 2 to 3 years before the process is running smoothly, because of the unique nature of ONDCP's involvement at several points in the budget process.

[7]Departments, independent agencies, and bureaus refers to those designated by the President as National Drug Control Agencies in the National Drug Control Strategy.

- the process and limitations of tracking and monitoring drug program obligations, unobligated balances,[6] and outlays; and
- the views of officials from five selected agencies on whether providing separate appropriation accounts for each agency's drug program would improve the quality of drug funding information.

Since you asked us only to focus on the executive branch, we do not describe the role of Congress in the drug budget formulation process.

To meet our objectives, we interviewed OMB and ONDCP officials and budget officials at five agencies and their respective departments. The following agencies were judgmentally selected because they reflect a variety of types of drug programs (e.g., prevention, treatment, and law enforcement), and drug budget formulation processes: the Alcohol, Drug Abuse, and Mental Health Administration (ADAMHA), Department of Health and Human Services; the Department of Education; the Department of Defense; the Federal Bureau of Investigation (FBI), Department of Justice; and the Coast Guard, Department of Transportation. We also collected and reviewed relevant documents, including samples of agency drug budget submissions, memoranda laying out guidelines for drug budget preparation, general background publications about the roles and responsibilities of specific agencies, and descriptions of agency drug programs.

From these interviews and documents, we compiled information on how ONDCP developed the fiscal year 1991 federal drug budget; how the five agencies, selected for the purpose of example, formulated their respective drug budgets; what drug budget information was available; and how the executive branch monitored the drug program expenditures. We also identified the changes instituted in the drug budget formulation process; changes in the processes used to develop the drug budgets of each of the five selected agencies; the role of ONDCP and the National Drug Control Strategy in carrying out these changes; and how these changes have affected available drug budget information. For fiscal year 1992, we obtained information about the changes ONDCP will make in the federal drug budget formulation process.

After obtaining and reviewing the information, we confirmed our understanding of the figures and processes with the officials interviewed. We did our work from October 1989 through August 1990 using generally accepted government auditing standards.

[6]Unobligated balances represent that portion of budget authority that has not yet been obligated.

continue to refine the guidelines and expect that it may take 2 to 3 years before the process is running smoothly.

The legislatively mandated drug budget process has increased the information available for monitoring and tracking drug program funding, but the data still have limitations. As we found in the five agencies reviewed, drug budget, obligation, and expenditure data are usually estimates and cannot be tracked or monitored precisely through agency accounting systems because drug programs are generally not separate accounts but are combined with other programs in an account.

Agency, ONDCP, and OMB officials raised various concerns about loss of flexibility that would result from, and the resources that would be required in, establishing a separate appropriation account to improve the quality of drug funding information. They preferred to devote more attention to program evaluation. We believe both objectives, knowing how anti-drug funds are spent and developing the capacity to learn whether anti-drug programs are working, are important. Options that will provide better data with which to evaluate the effectiveness of drug program expenditures should be further explored.

Background

The process used to develop the federal drug budget has changed during the past decade. For fiscal years 1981 through 1990, the Federal Drug Abuse Budget Summary was prepared through the efforts of the OMB; the (now defunct) White House Drug Policy Office; and the National Drug Enforcement Policy Board, which was succeeded by the National Drug Policy Board, from data collected from federal agencies. OMB distributed these summaries for fiscal years 1981 through the 1990 budget request to executive branch and interested congressional agencies. According to a 1985 GAO report, the drug abuse budget summary was an informal report describing agencies' budget authority and outlays in the drug law enforcement and prevention and treatment areas.[3] The report also showed that there were no specific criteria for the agencies to follow in allocating drug-related expenditures, nor did reporting agencies prepare formal documentation.[4]

[3]Outlays include expenditures of federal funds, arising when checks are issued and/or cash is disbursed.

[4]Reported Federal Drug Abuse Expenditures—Fiscal Years 1981 to 1985 (GAO/GGD 85-61, June 3, 1985).