REPORT OF THE

OFFICE OF THE AUDITOR GENERAL

TO THE

JOINT LEGISLATIVE AUDIT COMMITTEE

291

# A CATALOG OF SOURCES AND USES OF FEDERAL AND STATE DRUG ABUSE FUNDS IN CALIFORNIA

MAY 1977

# Joint Legislative Audit Committee

OFFICE OF THE AUDITOR GENERAL

# California Legislature

CHAIRMAN
MIKE CULLEN
LONG BEACH

ASSEMBLYMEN
DANIEL BOATWRIGHT
CONCORD
EUGENE A. CHAPPIE
ROSEVILLE
VACANCY

**MIKE CULLEN**
CHAIRMAN

VICE CHAIRMAN
VACANCY

SENATORS
GEORGE DEUKMEJIAN
LONG BEACH
NATE HOLDEN
LOS ANGELES
ALBERT RODDA
SACRAMENTO

May 16, 1977

The Honorable Speaker of the Assembly
The Honorable President pro Tempore of the Senate
The Honorable Members of the Senate and the
Assembly of the Legislature of California

Members of the Legislature:

Your Joint Legislative Audit Committee is pleased to submit a catalog compiled by the Auditor General of drug abuse programs, both federal and state, in California. $108 million are presently distributed to three federal California operations, eleven state departments, and to local government and private grantees.

In the absence of centralization on any level, the opportunities for duplication of effort abound. The State Office of Narcotics and Drug Abuse is presently developing the 1977–78 State Plan for Drug Abuse Prevention. Standing committees to which the report is referred and fiscal committees will be vitally interested in cost economics of possible centralization and consolidation.

The auditors are Gerald A. Silva, CPA; Steven L. Schutte; Dennis L. Sequeira; Edwin H. Shepherd; Nancy L. Szczepanik, CPA; Jeffrey L. Mikles; and Michael L. McGarity.

Respectfully submitted,

Mike Cullen

MIKE CULLEN, Chairman
Joint Legislative Audit Committee

SUITE 750 • 925 L STREET • SACRAMENTO 95814 • (916) 445-0255

TABLE OF CONTENTS

# SUMMARY

Federal and state agencies committed over $108 million for the care, treatment and rehabilitation of drug addicts; for drug research; for public education; and for manpower development (training) in California during fiscal year 1975-76. The cost of the federal and state effort to enforce narcotic laws and control illegal drug traffic is not included in this figure.

Federal agencies committed over $52.8 million on drug abuse programs in California during fiscal year 1975-76. The primary federal funding agency, the National Institute on Drug Abuse, committed $32.3 million of this amount. The remaining federal funds came from 14 other federal agencies.

Obtaining information regarding the federal drug abuse effort is very difficult, and at times, impossible because information is (1) not centralized for the federal effort as a whole, (2) often not centralized at the national, regional or local level for individual departments or agencies, and (3) often indeterminable because departments or agencies are unable to produce such information. As a result, the information on the federal drug abuse effort as stated in this catalog may be incomplete given the availability of information at the federal level.

The State General Fund provided over $56 million for drug abuse-related activities in fiscal year 1975-76. The majority of these funds were expended in three areas:

- The Short-Doyle drug abuse and regular mental health programs; $27 million.
- The Department of Corrections programs to rehabilitate civilly committed (non-felon) narcotic addicts; $21.7 million.
- The medical assistance program for the needy (Medi-Cal); the exact amount of which cannot be determined.

Some state agencies were unable to supply the information requested. The University of California, for example, does not coordinate or centralize its drug abuse activities at the various campuses. To identify systemwide drug activities, individual campuses had to be contacted.

We identified 13 state agencies with programs related to drug abuse. Of these, two agencies have programs related only to control and law enforcement and are, therefore, excluded from this catalog.

The following schedule summarizes the sources and uses of funds administered by federal and state agencies for narcotic and drug abuse programs in California during fiscal year 1975-76.

# INTRODUCTION

In response to a resolution of the Joint Legislative Audit Committee, we have determined the sources and uses of funds in support of California's narcotic and drug abuse program. To facilitate the use of the data we obtained during this study, we have cataloged the information according to federal and state sources of funds, and responsible government agency. This study was conducted under authority vested in the Auditor General by Section 10527 of the Government Code.

During the late 1960s and early 1970s, narcotic and drug abuse, particularly by young people, received widespread attention and became a serious social problem. The use of so-called "street" drugs such as heroin and cocaine, which had been historically restricted to the lower socio-economic segments of society, spread throughout the entire social spectrum.

In an attempt to stem the tide of growing narcotic and drug abuse many government programs were initiated. Unfortunately, this explosion of government activity did not allow for an orderly evolutionary and developmental process for the newly formed narcotic and drug abuse programs. The result of this situation is the current lack of coordination among the various government agencies involved with narcotic and drug abuse and the lack of centralized information regarding the level of government activity and funding.

Currently there are at least 34 federal and state agencies involved in narcotic and drug abuse programs in California. These programs include such activities as care, treatment and rehabilitation; education and prevention; research, training and manpower development; special projects; and control, enforcement and regulation.

During fiscal year 1975-76 over $108 million was spent by federal and state government agencies on narcotic and drug abuse programs in California. This amount excludes activities related to enforcement or regulation. Federal expenditures totaled an estimated $52.8 million and state expenditures totaled an estimated $56 million during that period.

This catalog identifies the sources of funding for narcotic and drug abuse programs in California at the federal and state government levels. Narcotic and drug abuse programs as defined in this catalog do not include programs related to alcoholism. Expenditures by local government agencies, private groups or foundations for narcotic and drug abuse programs are not included in this catalog. In addition, no attempt was made to place a dollar value on those government narcotic and drug abuse program activities related to control, enforcement or regulation.

The Office of the Auditor General wishes to express its gratitude to the many people and agencies that contributed to the preparation of this report. The organizations contacted in preparing this report are listed in Appendix A.

# FEDERAL FUNDS

## Overview

Sixteen federal agencies funded over $45.9 million and $52.8 million in narcotic and drug abuse activities in California during fiscal years 1974-75 and 1975-76 respectively. These amounts exclude control, enforcement and regulation activities. The federal drug abuse effort is composed of many diverse activities spread throughout numerous federal agencies. In September 1975 the Domestic Council Drug Abuse Task Force reported that the federal effort to simultaneously reduce the supply of and demand for illicit drugs involved seven Cabinet Departments and 17 agencies.

Information regarding the federal drug abuse effort is very difficult, and at times impossible, to obtain, as it is (1) not centralized for the federal effort as a whole, (2) often not centralized at the national, regional or local level for individual departments or agencies, and (3) often indeterminable because departments or agencies are unable to produce such information. As a result, the information on the federal drug abuse effort as stated in this catalog may be incomplete, given the availability of information at the federal level.

In order to develop the information on federal drug abuse expenditures in California it was necessary to contact each federal agency that administers funds which could possibly be used for drug abuse programs or activities. The 1976 Catalog of Federal Domestic Assistance

was reviewed to identify potential drug abuse funding programs and administering agencies. This publication contains 1,044 different funding programs which are administered by 55 federal agencies. Five agencies and 17 funding programs that specifically fund drug abuse activities were listed. Funding for drug abuse activities is often provided by unexpected sources. For example, the National Institute on Alcohol Abuse and Alcoholism (page 20) directly supports drug abuse training projects in California. The Department of Labor (page 36) also funds drug abuse programs in California through the Comprehensive Employment and Training Act. Federal revenue sharing funds spent by local governments on drug abuse activities were not included in our review.

Eventually, 36 federal agencies that may have some involvement in drug abuse activities in California were identified. These agencies were contacted and requested to provide information concerning expenditures for drug abuse programs or activities. Many agencies were unable to provide the information requested (see Appendix B). Additionally, the information provided by federal agencies did not always agree with records maintained by the State of California. For example, the Food and Drug Administration (page 28) reported that it did not fund any drug abuse activities in California. However, the state Department of Health's records indicate that the Food and Drug Administration issued a contract for $63,000 to the Department in fiscal year 1974-75 to inspect methadone treatment programs.

Following is a presentation by agency of federal commitments and expenditures for drug abuse programs or activities in California during fiscal years 1974-75 and 1975-76.

## NATIONAL INSTITUTE ON DRUG ABUSE (DHEW)

Expenditures:

Fiscal Year 1974-75 - $30,903,000 (estimated)
Fiscal Year 1975-76 - $32,251,000 (estimated)

The National Institute on Drug Abuse (NIDA) is the primary source of federal funding for drug abuse activities in California. NIDA is functionally located within the Department of Health, Education and Welfare (DHEW) and is responsible for administering numerous drug abuse activities, including programs for the prevention and treatment of drug abuse and for the rehabilitation of drug abusers.

During fiscal years 1974-75 and 1975-76 NIDA contracted or granted $30,903,000 and $32,251,000 respectively, for drug abuse activities in California. This money was granted for six basic categories of programs as shown in the following table:

| | Fiscal Year | |
|---|---|---|
| Program | 1974-75 | 1975-76 |
| Drug Abuse Prevention Formula Grants | $ 1,534,000 | $ 3,641,000 |
| Drug Abuse Community Service Programs | 16,959,000 | 17,454,000 |
| Drug Abuse Education Programs | 1,150,000 | 1,517,000 |
| Drug Abuse Research Programs | 6,226,000 | 5,557,000 |
| Drug Abuse Training Programs | 4,350,000 | 3,231,000 |
| Drug Abuse Demonstration Programs | 611,000 | 663,000 |
| Miscellaneous | 73,000 | 188,000 |
| Total | $30,903,000 | $32,251,000 |

Drug Abuse Prevention
Formula Grants

Drug Abuse Prevention Formula Grants are made by NIDA to states to assist them in planning more effective drug abuse prevention programs and to defray administrative expenses associated with these plans. A state must designate to one agency the responsibility for preparation and administration of the state plan in order to qualify for NIDA grant money. In California, the State Office of Narcotics and Drug Abuse (SONDA) is the designated agency.

The Secretary of Health, Education and Welfare allots Drug Abuse Prevention Formula Grant money among the states on the basis of relative population and demonstrated need. The funds allotted to the states are available for the year of the allotment and the next fiscal year; however, the Secretary of DHEW can reduce an allotment prior to the expiration of the two-year period.

SONDA administers Drug Abuse Prevention Formula Grants awarded to California in that it (1) issues contracts to the entities that actually prepare the drug abuse prevention programs, (2) reviews and approves invoices submitted by the contractors, and (3) forwards approved invoices to the state Department of Health for payment.

During fiscal years 1974-75 and 1975-76 the Secretary of DHEW allotted $1,534,000 and $3,641,000 respectively, of Drug Abuse Prevention Formula Grants to California. These funds were contracted for drug abuse services as follows:

| | Fiscal Year | |
|---|---|---|
| Recipient | 1974-75 | 1975-76 |
| State Office of Narcotics and Drug Abuse (Administrative Costs) | $ 119,000 | $ 144,000 |
| Department of Education | | 200,000 |
| Department of Justice | | 88,000 |
| University of California | | 50,000 |
| Department of Youth Authority | | 350,000 |
| Department of Benefit Payments | | 63,000 |
| Local Government | 1,157,000 | 1,480,000 |
| Private Providers of Service | 258,000 | 1,266,000 |
| Total | $1,534,000 | $3,641,000 |

Drug Abuse Community
Service Programs

Drug abuse community service programs are intended to reach, treat and rehabilitate narcotic addicts and drug abusers through a wide range of community-based services. Staffing grants and drug abuse treatment service projects are part of the community service programs. Staffing grants may be used to pay for professional and technical personnel, while drug abuse service projects provide community-based detoxification, institutional and/or aftercare treatment services.

Grants for staffing and drug abuse service projects can be for as long as eight years, with the federal share of the funding decreasing from a high of 90 percent in the first year to a low of 20 percent in the last year of the grant. Applicants eligible for staffing grants are community mental health centers, or nonprofit agencies in areas where there are no community mental health centers. Applicants for drug abuse treatment services must be nonprofit organizations.

In fiscal years 1974-75 and 1975-76 NIDA granted $16,959,000 and $17,454,000 respectively, within California, for drug abuse community services that will ultimately be used as follows:

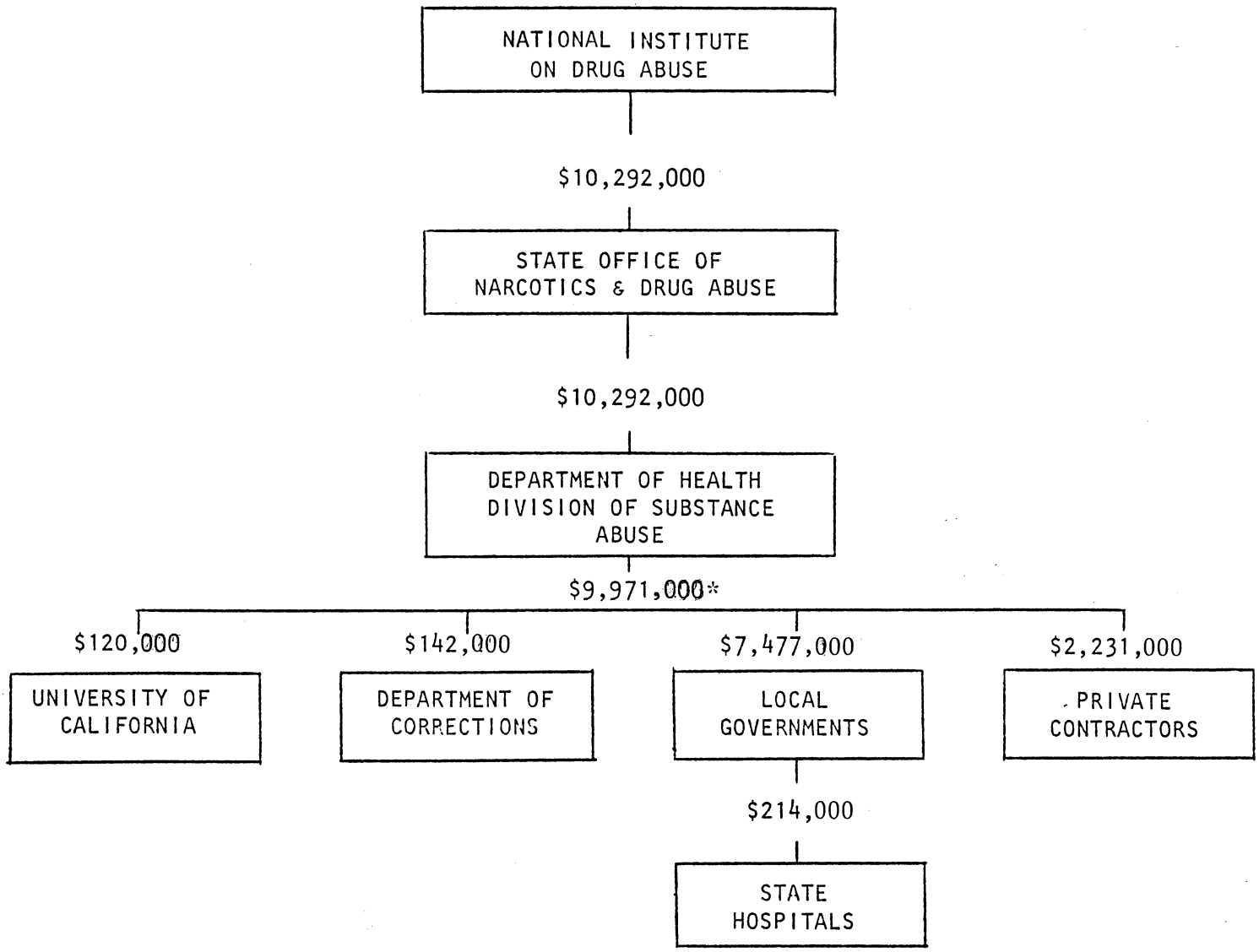
| Recipient | Fiscal Year 1974-75 | 1975-76 |
|---|---|---|
| Department of Health - Division of Substance Abuse (Administrative Costs) | $ 174,000 | $ 321,000 |
| Department of Corrections | 236,000 | 142,000 |
| University of California | 1,747,000 | 895,000 |
| State Hospitals | 139,000 | 214,000 |
| Local Government | 6,940,000 | 9,179,000 |
| Private Providers of Service | 7,723,000 | 6,703,000 |
| Total | $16,959,000 | $17,454,000 |

Of the above amounts, $6,309,000 and $10,292,000 in fiscal years 1974-75 and 1975-76 respectively, were initially granted by NIDA to the State Office of Narcotics and Drug Abuse (SONDA). Those funds, however, are administered by the Department of Health, Division of Substance Abuse. Interagency agreements provide that the Division of Substance Abuse will act as the funding, billing, accounting, monitoring and fiscal unit for SONDA in administering community service grants. In addition, the Division of Substance Abuse awards contracts to private contractors, government agencies and counties to provide drug treatment services.

Two counties, Los Angeles and Santa Barbara, subcontracted with Metropolitan and Camarillo State Hospitals, Department of Health, for $139,000 and $214,000 in fiscal years 1974-75 and 1975-76 for the provision of treatment services.

The Substance Abuse contracts are subject to and contingent upon SONDA's review and approval. The following diagram illustrates the flow of these funds during fiscal year 1975-76.

FLOW OF NIDA COMMUNITY SERVICE PROGRAM FUNDS
ADMINISTERED BY THE CALIFORNIA STATE DEPARTMENT OF HEALTH




* $321,000 retained by the Division of Substance Abuse for Administration Costs.

Drug Abuse Education Program

Drug Abuse Education grants or contracts are used for the following activities:

- Preparing and disseminating educational materials dealing with the use of drugs and the prevention of drug abuse.

- Developing and evaluating drug abuse education programs.

- Developing training workshops for drug abuse education personnel.

Only nonprofit organizations are eligible applicants for Drug Abuse Education grants or contracts. NIDA awarded $1,150,000 and $1,517,000 in Drug Abuse Education grants to California entities during fiscal years 1974-75 and 1975-76 respectively, as follows:

| | Fiscal Year | |
|---|---|---|
| Recipient | 1974-75 | 1975-76 |
| Local Government | $ 71,000 | $ 72,000 |
| Private Providers of Service | 1,079,000 | 1,445,000 |
| Total | $1,150,000 | $1,517,000 |

Drug Abuse Research Programs

NIDA provides the following types of drug abuse research grants: 1/

- Research Development Awards (Career Development Awards) which support individuals researching drug abuse.

- National Research Service Awards which support pre- and postdoctoral students for research training in drug related areas.

- Institutional National Research Service Grants which fund nonprofit institutions to develop drug abuse research training opportunities for individuals.

- Drug Abuse Research Program Awards which fund investigators affiliated with nonprofit agencies. The program's objective is to develop knowledge and new approaches to the diagnosis, treatment and prevention of drug abuse.

There are no matching requirements for the above grants, however, in some cases the grantee must share a portion of the costs. NIDA awarded $6,226,000 and $5,557,000 in drug abuse research grants to California entities during fiscal years 1974-75 and 1975-76 respectively, as follows:

1/ During 1974-75 NIDA also awarded fellowship grants which were used to provide training for research relating to the problems of narcotic addiction and drug abuse.

| Recipient | Fiscal Year 1974-75 | 1975-76 |
|---|---|---|
| Veterans Administration Hospitals | $ 195,000 | $ 151,000 |
| University of California | 3,353,000 | 2,486,000 |
| State Universities and Colleges | 98,000 | 84,000 |
| Local Governments | 24,000 | |
| Private Providers of Service | 2,556,000 | 2,836,000 |
| Total | $6,226,000 | $5,557,000 |

Drug Abuse Training Program

Drug Abuse Training grants are awarded to nonprofit institutions to support training programs for drug abuse treatment personnel and for the evaluation of teaching methods and the development of new training methods. Funds may only be used for expenses directly related to the training program.

NIDA awarded $4,350,000 and $3,231,000 in Drug Abuse Training grants to California entities during fiscal years 1974-75 and 1975-76 respectively, as follows:

| Recipient | Fiscal Year 1974-75 | 1975-76 |
|---|---|---|
| State Office of Narcotics and Drug Abuse | $ | $ 21,000 |
| University of California | 319,000 | 84,000 |
| State Universities and Colleges | | 84,000 |
| Local Governments | 29,000 | 32,000 |
| Private Providers of Service | 4,002,000 | 3,010,000 |
| Total | $4,350,000 | $3,231,000 |

Drug Abuse Demonstration Programs

Drug Abuse Demonstration grants provide funds for (a) treatment and rehabilitation programs that demonstrate new or more efficient methods of delivering service, and (b) drug treatment program evaluations. Applicants for Drug Abuse Demonstration grants must be nonprofit organizations with experience in drug treatment and rehabilitation.

NIDA awarded $611,000 and $663,000 in Drug Abuse Demonstration grants to California entities during fiscal years 1974-75 and 1975-76 respectively, as follows:

| Recipient | Fiscal Year 1974-75 | 1975-76 |
|---|---|---|
| University of California | $230,000 | $124,000 |
| Private Providers of Service | 381,000 | 539,000 |
| Total | $611,000 | $663,000 |

Miscellaneous

NIDA contracted with the State Office of Narcotics and Drug Abuse (SONDA) for the implementation of the Integrated Drug Abuse Reporting Process (IDARP). In addition, NIDA administered funds for intergovernmental transfer expenses incurred by the City of Richmond, California, during fiscal year 1975-76.

The Integrated Drug Abuse Reporting Process is designed to enable management to retrieve information necessary to direct drug abuse activities. The process consists of the following:

- Client Oriented Data Acquisition Process (CODAP) which is a system designed to provide drug clinic administrative data.

- National Drug Abuse Treatment Utilization Survey (NDATUS) which is an inventory of all drug abuse treatment units.

Although NIDA contracted with SONDA for the development of IDARP, the Department of Health, Division of Substance Abuse actually develops and implements the system in accordance with an interagency agreement between SONDA and the Division of Substance Abuse.

NIDA administered $73,000 and $188,000 in California for miscellaneous activities in fiscal years 1974-75 and 1975-76 respectively, as follows:

| | Fiscal Year | |
|---|---|---|
| Recipient | 1974-75 | 1975-76 |
| Department of Health, Division of Substance Abuse (IDARP) | $62,000 | $128,000 |
| State Office of Narcotics and Drug Abuse (IDARP) | 11,000 | -0- |
| Local Governments (City of Richmond) | _____ | 60,000 |
| Total | $73,000 | $188,000 |

NATIONAL INSTITUTE OF MENTAL HEALTH (DHEW)

Expenditures:

Fiscal Year 1974-75 - Undetermined
Fiscal Year 1975-76 - Undetermined

The 1976 Catalog of Federal Domestic Assistance identifies the Community Mental Health Centers program (13.240) and the Mental Health Research Grants program as potential drug abuse service funding sources. The National Institute of Mental Health regulates both programs.

The objectives of the Community Mental Health Centers program are to (1) fund the building of community mental health centers, (2) improve mental health services, and (3) provide modern treatment. Construction grants which are used to build community health centers are available to states, political subdivisions and nonprofit agencies.

This program also awards staffing grants for salaries of personnel who are providing new services within a mental health center. The National Institute of Mental Health reports that drug abuse services are among the new services that must now be provided in community mental health centers. To be eligible for a staffing grant, the applicant must furnish at least five essential services which include: inpatient and outpatient care, 24-hour emergency care, partial hospitalization, consultation and education.

The research grant program (13.242) provides nonprofit agencies and institutions with funds to develop new approaches to the diagnosis, treatment and prevention of mental diseases. Research grants support clearly defined projects, broad-based research programs and exploratory pilot studies.

The National Institute of Mental Health reported that while it funds community mental health centers, it does not directly support any drug abuse programs. The amount of monies spent by community mental health centers in California on drug abuse services was unavailable. Also, no information was provided on the Mental Health Research Grants.

NATIONAL INSTITUTE ON ALCOHOL ABUSE AND ALCOHOLISM (DHEW)

Expenditures:

Fiscal Year 1974-75 - $83,000
Fiscal Year 1975-76 - $92,000

The 1976 Catalog of Federal Domestic Assistance states that Alcohol Training Programs (13.274) award grants to nonprofit institutions for specialized training of personnel who will staff community projects. Funds may be used only for expenses directly related to the training program.

The National Institute on Alcohol Abuse and Alcoholism reported that alcohol training grants are awarded for both alcohol and drug abuse training programs. The University of California at Berkeley received two 3-year training grants, $83,000 during fiscal year 1974-75 and $92,000 during 1975-76.

SOCIAL AND REHABILITATION SERVICE (DHEW)

Expenditures:

Fiscal Year 1974-75 - Undetermined
Fiscal Year 1975-76 - $2,300,000 (incomplete amount)

The Social and Rehabilitation Service (SRS) reported that individuals affected by narcotic and drug abuse may receive SRS program services. The SRS reported, however, that it: ". . . does not have information on drug abuse incidence in the California population receiving SRS program services and benefits."

Three SRS programs are potential funding sources for drug programs and aid to drug abusers: Aid to Families With Dependent Children (Title IV), Medicaid (Title XIX) and Social Services (Title XX). In California, federal Aid to Families with Dependent Children (AFDC) funds are administered by the Department of Benefit Payments; Medicaid and Social Services funds are administered by the Department of Health.

Aid to Families With Dependent Children

AFDC funds, along with state and county funds, provide cash grants to children and their caretakers whose income is insufficient to meet their basic needs. Individuals disabled by drug addiction and unable to support their children may be eligible to receive AFDC payments. The AFDC payment is administered by counties in accordance with regulations, standards and procedures set by the Department of Benefit Payments. Information relative to the number of drug addicts statewide

who are AFDC recipients, or the amounts paid, was unavailable from department reports.

Medicaid

Medicaid funds are used for drug abuse services in three Department of Health programs: Medi-Cal, the Short-Doyle drug abuse program, and the regular Short-Doyle mental health program.

Medicaid funds, except those going to the Short-Doyle programs, are administered by the Department of Health, Medi-Cal Division. Medi-Cal benefits are essentially those medical services available to eligible Californians under the Medicaid program. Certain drug abuse treatment services are allowable under the program. The amount of Medi-Cal payments for drug abuse treatment services was unavailable from Department of Health's reports. The Department of Health's Fiscal Intermediary Section, however, estimated in 1976 that Medi-Cal payments during a 12-month period for hospital inpatient drug treatment services amounted to $5,048,000. We estimate the federal portion of this amount to be $2,163,000.

Short-Doyle Drug Abuse Program

Medicaid funds provided to the State's Short-Doyle drug abuse (type 05) program are administered by the Department of Health, Division of Substance Abuse. The estimated federal portion of funds spent in this area for fiscal years 1974-75 and 1975-76 was $129,000 and $137,000 respectively.

Regular Short-Doyle Mental Health Program

The amount of Medicaid funds going to the Short-Doyle regular (type 01) mental health program for drug abuse services was unavailable from state records.

Social Services

The Department of Health's Social Services Division allocates Social Services funds to counties. An optional county program called "Services for Disabled Individuals" provides social services to the physically handicapped, developmentally disabled, mentally ill and persons addicted to drugs and/or alcohol. The estimated funding for this program in California for fiscal year 1975-76 was $1,329,000. The federal portion of these funds attributable solely to drug addiction was unavailable.

OFFICE OF EDUCATION (DHEW)

Expenditures:

Fiscal Year 1974-75 - $766,000
Fiscal Year 1975-76 - $739,000

The Alcohol and Drug Abuse Prevention program (13.420) in the 1976 Catalog of Federal Domestic Assistance indicates that the Office of Education, Department of Health, Education and Welfare awards grants for alcohol and drug abuse education projects. The program has two major objectives. The first is to promote awareness and understanding of alcohol and drug abuse among youth. The second is to develop and disseminate prevention methods and materials that attack the causes of alcohol and drug abuse. Eligible applicants are public and private schools and community agencies. Authorized projects include (1) the development and dissemination of instructional materials for use in educational programs, (2) school and community demonstration programs, and (3) training programs for teachers, counselors, parents and law enforcement officials.

In fiscal year 1974-75 the Office of Education granted the University of California $67,000 for a demonstration project and $17,000 for a staff training contract, both of which were related to drug abuse. Also in fiscal year 1974-75 two nonprofit centers in California received $413,000 in drug abuse training funds. The Office of Education granted $97,000 to 12 California school-based teams for drug prevention programs during fiscal year 1974-75.

The University of California and the two nonprofit centers received continuation grants in fiscal year 1975-76. The University drug demonstration project was granted $45,000 while the two nonprofit centers received $518,000 in drug abuse training grants. The school-based teams reportedly did not receive continuation grants in fiscal year 1975-76.

The Department of Education received drug abuse education funds from the U.S. Office of Education amounting to $172,000 and $176,000 during fiscal years 1974-75 and 1975-76 respectively.

OFFICE OF HUMAN DEVELOPMENT (DHEW)

Expenditures:

Fiscal Year 1974-75 - $1,679,000 (estimated)
Fiscal Year 1975-76 - $2,002,000 (estimated)

The 1976 Catalog of Federal Domestic Assistance indicates that two programs, Rehabilitation Services and Facilities (13.624) and Vocational Rehabilitation Services for Social Security Disability Beneficiaries (13.625), grant funds to provide vocational rehabilitation services. The programs are aimed at serving physically and mentally disabled persons. The grants can be used to fund counseling, training and employment placement programs. Eligible applicants are state vocational rehabilitation agencies.

The Office of Human Development reported that California did not receive any vocational rehabilitation funds specifically directed toward the rehabilitation of narcotic or drug abusers during fiscal years 1974-75 and 1975-76. The state Department of Rehabilitation, whose vocational rehabilitation programs are partly financed by the federal Office of Human Development, serves physically, mentally and culturally disadvantaged persons. Persons disabled primarily through drug abuse are served on a limited scale through the Department's general rehabilitation programs. In addition to its general programs, the Department has a pilot project for drug addicts under an agreement with the City of Long Beach.

The Department of Rehabilitation's regular budget and accounting records do not specifically identify drug abuse program costs. The Department estimates such costs based upon the percentage of its clients identified as drug abusers. The Department estimates that $1,679,000 and $2,002,000 in federal funds were allotted to clients with drug related disabilities during fiscal years 1974-75 and 1975-76 respectively.

FOOD AND DRUG ADMINISTRATION (DHEW)

Expenditures:

Fiscal Year 1974-75 - $63,000
Fiscal Year 1975-76 - -0-

The 1976 Catalog of Federal Domestic Assistance designates the Food and Drug Administration, Department of Health, Education and Welfare as a potential funding source for narcotic and drug abuse programs.

The Food and Drug Administration stated that it has not funded any narcotic and drug abuse programs in California during fiscal years 1974-75 and 1975-76. However, the state Department of Health's records indicate that the Food and Drug Administration issued a contract for $63,000 to the Department to inspect methadone treatment centers during fiscal year 1974-75.

SOCIAL SECURITY ADMINISTRATION (DHEW)

Expenditures:

Fiscal Year 1974-75 - Undetermined
Fiscal Year 1975-76 - Undetermined

The Social Security Administration was identified as a potential source of aid for drug abusers because it provides supplemental income to the disabled. The 1976 Catalog of Federal Domestic Assistance states that the Supplemental Security Income (SSI) program (13.807) provides direct payments to persons aged 65 and over and to persons blind or disabled. There are no restrictions on the use of benefits received.

The Social Security Administration reported that California drug abusers are possibly benefiting from SSI payments because any type of disability claim is allowable. At this time, however, the Social Security Administration is unable to positively identify drug abusers that are benefiting from SSI payments. The Social Security Administration is in the process of developing a better claims and identification system.

DRUG ENFORCEMENT ADMINISTRATION (Department of Justice)

Expenditures:

Fiscal Year 1974-75 - $100,000
Fiscal Year 1975-76 - $70,000

The Drug Enforcement Administration (DEA) reports that the vast majority of its funds are expended for law enforcement operations (which are not within the scope of this report). Reportedly no measurable funds are expended for treatment or rehabilitation in California.

The DEA does, however, contract with educational institutions to do research. The Drug Enforcement Administration reported letting a research contract to the University of California for $100,000 for fiscal year 1974-75. The contract was continued for $70,000 into fiscal year 1975-76.

LAW ENFORCEMENT ASSISTANCE ADMINISTRATION
(Department of Justice)

Expenditures:

Fiscal Year 1974-75 - $2,533,000
Fiscal Year 1975-76 - $1,899,000

The Law Enforcement Assistance Administration (LEAA), Department of Justice is a funding source for community-based treatment programs. One goal is to decrease the incidence of drug-related crimes by providing treatment. The LEAA funds both block and discretionary grants.

The 1976 Catalog of Federal Domestic Assistance states that the Discretionary Grants Program (16.501) funds projects aimed at achieving specific law enforcement objectives. One program area is Narcotic Enforcement and Treatment Alternatives to Street Crime. Grants are awarded by the LEAA directly to state and local governments and nonprofit organizations.

The Law Enforcement Assistance Administration reported awarding $857,000 in discretionary grants to two counties for drug treatment programs in California during fiscal year 1974-75. A third county was granted $461,000 for a treatment program during fiscal year 1975-76.

Block grants are mandated by Congress and allocated on a population basis solely to state governments. The state Office of Criminal Justice Planning administers the block grant funds in California.

The Office of Criminal Justice Planning (OCJP) reported funding block grants for drug abuse training, research, treatment and rehabilitation, and education in California. In calendar year 1974-75, local governments received grants for $171,000 for training, $26,000 for research, $915,000 for treatment and rehabilitation and $564,000 for education. In calendar year 1975-76, local governments received awards totaling $41,000 for research, $289,000 for treatment and rehabilitation and $208,000 for education. Fiscal year data were not provided. In addition to the grant amounts reported by OCJP, it was discovered that the Department of the Youth Authority was awarded $900,000 in federal block grant funds by OCJP for a community-centered drug program during fiscal year 1975-76.

BUREAU OF PRISONS (Department of Justice)

Expenditures:

Fiscal Year 1974-75 - $502,000
Fiscal Year 1975-76 - $495,000

The Bureau of Prisons presently has drug abuse programs within two federal correctional institutions in California: Lompoc and Terminal Island. The bureau also contracts with public and private clinics for aftercare services.

The Bureau of Prisons reported that $502,000 and $495,000 were expended during fiscal years 1974-75 and 1975-76 respectively, for drug abuse programs. Individual allocations of these expenditures to Lompoc, Terminal Island, and public and private clinics were not provided.

The Bureau of Prisons was, however, able to provide the following information for fiscal year 1976-77.

| Program Location | Estimated Expenditure |
|---|---|
| Lompoc | $155,983 |
| Terminal Island | 340,749 |
| Public and Private Clinics | 426,943 |
| Total | $923,675 |

## DEPARTMENT OF DEFENSE

Expenditures:

Fiscal Year 1974-75 - $3,237,000 (Excluding the Department of the Army)
Fiscal Year 1975-76 - $3,505,000 (Excluding the Department of the Army)

The Department of Defense conducts its own drug treatment programs for military personnel in California. No drug abuse services are provided by private contractors.

The Department of Defense reported that budget data on drug programs conducted in California were not available in the Washington, D.C. office nor at the headquarters of the individual military departments. We were requested to contact each military installation in California. Each military department in Washington, D.C. agreed to try to obtain the drug program expenditures of their respective installations in California. In each case they expressed difficulty in obtaining the budget data because of a lack of centralized information.

The United States Marine Corps, Department of the Navy, estimated expenditures of $30,000 for education and $48,000 for treatment in California during fiscal year 1974-75. In fiscal year 1975-76, they spent $24,000 for education and $49,000 for treatment in California.

The Department of the Army was unable to furnish data in the limited time available. The Army's accounting procedures are not set up to readily retrieve the data we requested.

The Department of the Air Force estimated expenditures of $426,000 on drug treatment and rehabilitation programs in California during fiscal year 1974-75. In addition, the Air Force also funded educational programs for $53,000 and training programs for $30,000 in fiscal year 1974-75. The fiscal year 1975-76 funding totals were: treatment and rehabilitation, $441,000; education, $61,000; and training, $30,000.

The Department of the Navy estimated expenditures of $2,650,000 on drug rehabilitation and counseling centers in California during fiscal year 1974-75. During fiscal year 1975-76 the Navy estimated funding $2,900,000 for drug rehabilitation and counseling centers in California.

DEPARTMENT OF LABOR

Expenditures:

Fiscal Year 1974-75 - $ 614,000
Fiscal Year 1975-76 - $1,760,000

The 1976 Catalog of Federal Domestic Assistance identifies the Employment and Training Administration (ETA) as a potential funding source for narcotic and drug abuse programs. ETA regulates the Comprehensive Employment and Training Act of 1973 (17.232) which provides funds for jobs in public service agencies (Title VI). These programs provide vocational training and employment opportunities for former drug abusers.

The Department of Labor reported providing $125,000 to a county for jobs solely for former drug abusers in fiscal year 1975-76. They also suggested that we contact each local government (prime sponsor) that administers a Comprehensive Employment and Training Act program. Each prime sponsor has the option of initiating its own program or subrogating to other entities.

We contacted each of the 38 prime sponsors in California. Fifteen prime sponsors reported funding drug abuse programs in some degree. In some cases programs were totally funded, in others, only limited public service employment positions were granted. Grants to private nonprofit entities for treatment and rehabilitation services totaled $436,000 in fiscal year 1974-75, and $841,000 in fiscal year 1975-76. Funds spent by local governments for treatment and rehabilitation

services totaled $178,000 in fiscal year 1974-75, and $764,000 in fiscal year 1975-76. Training grants to private nonprofit entities amounted to $30,000 in fiscal year 1975-76. Local governments received $125,000 in training grants in fiscal year 1975-76. There were no training grants to private nonprofit or local governments in fiscal year 1974-75.

VETERANS ADMINISTRATION

Expenditures:

Fiscal Year 1974-75 - $4,505,000
Fiscal Year 1975-76 - $4,613,000

The Veterans Administration was initially authorized to establish drug dependency treatment programs for eligible veterans in 1971. At that time the primary target group was the large number of veterans returning from Viet Nam suffering from heroin addiction.

Within California, the Veterans Administration operates drug dependence treatment programs at seven Veterans Administration hospitals. Treatment services include in- and outpatient detoxification, methadone maintenance, vocational counseling and family counseling. In addition to treatment services, some hospitals are involved in research and public education projects. All drug abuse related activities are performed by Veterans Administration staff, except for methadone maintenance services at the San Diego facility which are provided by a private drug treatment program on a per visit basis.

Following are the drug abuse related expenditures reported by the seven Veterans Administration hospitals within California:

| Hospital | Expenditures 1974-75 | 1975-76 |
|---|---|---|
| Brentwood | $ 839,000 | $ 886,000 |
| Long Beach | 302,000 | 374,000 |
| Los Angeles Outpatient Clinic | 409,000 | 455,000 |
| Martinez | 419,000 | 460,000 |
| Palo Alto | 1,550,000 | 1,615,000 |
| San Diego | 98,000 | 22,000 |
| Sepulveda | 888,000 | 801,000 |
| Total | $4,505,000 | $4,613,000 |

Veterans Administration staff stated that treatment services would begin April 1, 1977 at the San Francisco Veterans Administration hospital.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD)

Expenditures:

Fiscal Year 1974-75 - $770,000 (Los Angeles only)
Fiscal Year 1975-76 - $199,000 (Los Angeles only)

The 1976 Catalog of Federal Domestic Assistance indicates that the Community Development Block Grant Program (14.218) funds projects to assist low and moderate income people. Cities and counties are eligible to receive grants to: (1) acquire and construct certain public works, (2) improve facilities and housing rehabilitation, and (3) support public services not otherwise available.

The Model Cities Program allowed the use of HUD funds for drug abuse programs. The Housing and Community Development Act of 1974 consolidates the Model Cities Program into the Community Development Block Grant Program. In fiscal years 1974-75 and 1975-76 HUD reportedly granted $770,000 and $199,000 respectively, to drug abuse programs in Los Angeles. The details on drug abuse activities funded in other California cities were not provided.

U.S. DEPARTMENT OF AGRICULTURE

Expenditures:

Fiscal Year 1974-75 - $ 35,000 (Food stamps omitted)
Fiscal Year 1975-76 - $490,000

The 1976 Catalog of Federal Domestic Assistance shows that the Department of Agriculture has three programs that may be potential drug research sources. Two programs, Agricultural Research (10.001) and Grants for Scientific Research (10.200), provide grants for agricultural research. Applicants eligible for grants under Agricultural Research are nonprofit research organizations or institutions of higher learning. Any organization is eligible to receive funds under Grants for Scientific Research. The third program, Food Stamps (10.551), allows drug addicts who are participating in approved rehabilitation programs to use food stamps to purchase meals prepared under the program.

The U.S. Department of Agriculture reported that the University of California at Berkeley extension service received a research grant totaling $35,000 in fiscal year 1974-75. In addition, $490,000 worth of food stamps were redeemed by drug treatment programs in California during fiscal year 1975-76. No further data were provided for either fiscal year.

# STATE FUNDS

## Overview

Statewide drug abuse program expenditures are reported each year in the Governor's Budget. This is done for informational purposes only to provide a centralized list of all state agencies performing drug related functions and their estimated costs. Statute requires the State Office of Narcotics and Drug Abuse to prepare a program budget for the statewide drug abuse control, prevention and treatment programs. The Legislature does not make a single budget appropriation for this item. Instead, funds are appropriated to the various agencies involved. There is, therefore, no central accountability for drug abuse expenditures statewide.

The Governor's Budget reports that 12 state agencies administer state and federal drug abuse funds. We requested these agencies, in addition to others not reported in the Governor's Budget which appear to have possible drug related activities, to identify their programs and related expenditures.

Information supplied by some of the agencies was incomplete. For example, the Office of Criminal Justice Planning did not identify a $1,000,000 contract ($900,000 federally funded) with the Department of the Youth Authority for community-centered drug programs. (See Law Enforcement Assistance Administration, page 31.)

Some state agencies were unable to supply the information requested. The University of California, for example, does not coordinate or centralize its drug abuse activities at the various campuses. To identify systemwide drug activities, individual campuses had to be contacted.

We identified 13 state agencies which have programs related to drug abuse. Of these, two agencies have programs related only to control and law enforcement and are, therefore, excluded from this catalog. Another two agencies administer only federal funds.

During fiscal year 1975-76, over $56,000,000 from the State General Fund was expended on drug abuse activities administered by nine state agencies.

Following is a description of state funded drug abuse activities.

## STATE OFFICE OF NARCOTICS AND DRUG ABUSE

General Fund Expenditures:

Fiscal Year 1974-75 - $315,000
Fiscal Year 1975-76 - $331,000

The State Office of Narcotics and Drug Abuse is the agency responsible for coordinating state and local narcotic and drug abuse prevention, care, treatment and rehabilitation programs. The General Fund expenditures indicated above were for the support of this office.

The 1977-78 Governor's Budget indicates that the State Office of Narcotics and Drug Abuse may be merged with the Division of Substance Abuse, Department of Health. A reorganization plan is to be submitted to the Legislature.

DEPARTMENT OF HEALTH - Division of Substance Abuse

General Fund Expenditures:

Fiscal Year 1974-75 - $ 9,126,000
Fiscal Year 1975-76 - $11,276,000

The Division of Substance Abuse administers state and federal funds for local drug abuse treatment services and provides technical assistance to local groups and organizations in the operation of such services.

State General Fund money is used by the Division of Substance Abuse for support of the division and for local assistance to counties under the Short-Doyle drug abuse program. Support costs for fiscal years 1974-75 and 1975-76 were $1,029,000 and $1,188,000 respectively. Local assistance expenditures amounted to $8,097,000 and $10,088,000 respectively, which include the State's portion of (Short-Doyle) drug abuse services covered by Medi-Cal.

Local assistance for drug abuse programs was authorized through the Drug Abuse Treatment Act of 1972. This act established a separate drug abuse program within the existing Short-Doyle mental health system. Under this system each county is required to appoint a drug abuse program coordinator and annually develop a county drug abuse prevention plan. The county coordinators administer the Short-Doyle drug program funds allocated to the county by the Division of Substance Abuse.

The Short-Doyle drug abuse program provides for a state-county matching fund formula which is applied to the total allowable costs of services provided, less any fees, insurance and other revenues received by the counties. The state funds received by the counties are to be used for drug abuse treatment services, community services (drug prevention and education) and administration.

DEPARTMENT OF HEALTH - Mental Health Services Program

General Fund Expenditures:

Fiscal Year 1974-75 - $ 7,500,000 (estimated)
Fiscal Year 1975-76 - $13,800,000 (estimated)

The Short-Doyle Act authorizes local government agencies to organize community mental health services and receive funding support from the State of California. Currently, the Short-Doyle Act encompasses three service programs:

- Drug Abuse. This program is administered by the Department of Health, Division of Substance Abuse and is discussed on page 45 of this catalog.

- Continuing Care. This program is the responsibility of the Department of Health, Mental Health Services Program and provides follow-up psycho-social care (in accordance with federal Title XX guidelines) for patients discharged to the community from local and state hospitals. Included within continuing care is an optional county program called Services for Disabled Individuals (see Social and Rehabilitation Service, page 21) which provides services to disabled individuals including those with drug addiction. This program is partially funded by the State General Fund, however, the portion used to service individuals suffering from drug addiction is unknown.

- Regular. This program is also the responsibility of the Department of Health, Mental Health Services Program and provides service to persons suffering from all types of mental disorders, including drug addiction. A discussion of the regular Short-Doyle program and an estimate of expenditures for drug abuse services follows.

Counties must prepare an annual mental health services plan and submit it to the Department of Health, Mental Health Services Program in order to receive regular Short-Doyle program funds. The Department then allocates funds to the counties based upon the plans submitted. Total budgeted expenditures reported by the counties for drug abuse services under the regular Short-Doyle program were $24,081,000 and $44,580,000 for fiscal years 1974-75 and 1975-76 respectively.

The amount of State General Fund money used to reimburse counties for drug abuse services under the program cannot be identified by the Department's fiscal reporting system. Furthermore, only five of the 21 counties that are the most heavily involved in this program could identify the amount of State General Fund money used for drug abuse services. Based upon information provided by these five counties we estimate that $7.5 million and $13.8 million in General Fund money was expended statewide for drug abuse services under the regular Short-Doyle program during fiscal years 1974-75 and 1975-76 respectively.

DEPARTMENT OF HEALTH - Medi-Cal Division

General Fund Expenditures:

Fiscal Year 1974-75 - Undetermined
Fiscal Year 1975-76 - $3,245,000 (incomplete amount)

The Department of Health was unable to provide the amount of Medi-Cal payments for drug abuse treatment services (refer to discussion of Medicaid, page 22). We estimate that the state portion of Medi-Cal payments during fiscal year 1975-76 for hospital inpatient drug abuse services amounted to $3,245,000. We were unable to estimate the amount of Medi-Cal payments for services other than hospital inpatient drug abuse services. Department of Health officials stated that information regarding these expenditures was unavailable.

DEPARTMENT OF HEALTH - State Hospitals

General Fund Expenditures:

Fiscal Year 1974-75 - $3,206,000
Fiscal Year 1975-76 - $3,134,000

During fiscal year 1974-75, Patton, Camarillo and Metropolitan State Hospitals conducted drug abuse programs. Drug abuse treatment services provided at the hospitals included detoxification, short-term treatment and long-term family treatment.

Metropolitan State Hospital is the only state hospital currently operating a drug abuse program. The drug abuse programs at Patton State Hospital and Camarillo State Hospital were discontinued during fiscal years 1975-76 and 1976-77 respectively.

DEPARTMENT OF JUSTICE

General Fund Expenditures:

Fiscal Year 1974-75 - $34,000
Fiscal Year 1975-76 - $33,000

The Research Advisory Panel approves state research projects involving controlled substances. The panel was created to encourage research into the nature and effects of marijuana and hallucinogenic drugs and to coordinate research efforts on such subjects.

DEPARTMENT OF REHABILITATION

General Fund Expenditures:

Fiscal Year 1974-75 - Undetermined
Fiscal Year 1975-76 - $273,000 (estimated)

The State General Fund provided an estimated $273,000 to the Department of Rehabilitation to match federal funds provided by the Office of Human Development (refer to page 26) for rehabilitation of drug addicts.

## DEPARTMENT OF THE YOUTH AUTHORITY

General Fund Expenditures:

Fiscal Year 1974-75 - Undetermined
Fiscal Year 1975-76 - $1,504,000

The Department of the Youth Authority provides drug abuse prevention and treatment services to delinquent youths through their institutional and community-centered drug programs.

The institutional drug program provides treatment services for the more serious drug abusers. During fiscal years 1974-75 and 1975-76 these services were conducted at four institutions (Preston School of Industry, Ventura School, Youth Training School, and Fred C. Nelles School) and two halfway houses (Zenith House and Preston). Some drug abuse education is also provided at the Department's other institutions as part of the regular educational curriculum.

The community-centered drug program provides community-based treatment services to both institutional and parole status wards of the Youth Authority. Services provided include information and motivational and direct treatment services. The Department of the Youth Authority contracts with private community-based organizations for some of these services. The Department's budget office estimates that these contracts amounted to $251,000 in 1975-76.

## DEPARTMENT OF BENEFIT PAYMENTS

Expenditures:

Fiscal Year 1974-75 - Undetermined
Fiscal Year 1975-76 - Undetermined

The Department of Benefit Payments manages the State's welfare payment program. The welfare payment program is comprised of three elements which may provide aid to individuals disabled by drug addiction: payments to adults (aged, blind and disabled), payments to children (Aid to Families with Dependent Children, AFDC) and food stamps.

### Payments to Adults

The purpose of this program is to provide financial assistance to aged, blind and disabled state residents. The Supplemental Security Income/State Supplementary Program (SSI/SSP) payment operation is a federally administered program under which eligible recipients receive a monthly check from the Social Security Administration (page 29), comprised of federal funds (SSI) and state funds (SSP). The Department of Benefit Payments is responsible for monitoring the federal payment operation to determine whether state monies are properly expended.

Individuals determined disabled by drug addiction and undergoing treatment at an approved facility may be eligible for SSI/SSP payments. Department of Benefit Payments officials stated that the amount of such payments was not currently identified.

Payments for Children

Payments for children (Aid to Families with Dependent Children) are comprised of federal funds (see Social Rehabilitation Service, page 21), State General Fund money and county funds. Individuals disabled by drug addiction and unable to support their children may be eligible for such payments. The General Fund portion of such payments is unknown.

Food Stamps

The objective of this federally funded payment system is to raise nutrition levels among welfare and other low income households. This is accomplished by offering eligible households the opportunity to purchase food stamps at a percent of their redemption value when used to buy food at local markets. Drug addicts who are participating in approved rehabilitation programs may use food stamps to purchase meals prepared under the program. Federal administration of the food stamp system is the responsibility of the U.S. Department of Agriculture (refer to page 41), which contracts with the Department of Benefit Payments to supervise distribution of the food stamps by counties. The amount of State General Fund money used to administer the food stamp program as it relates to drug abuse is unknown.

DEPARTMENT OF CORRECTIONS

General Fund Expenditures:

Fiscal Year 1974-75 - $18,609,000 (Civil Addict Program only)
Fiscal Year 1975-76 - $21,693,000 (Civil Addict Program only)

The major drug abuse program administered by the Department of Corrections is the Civil Addict Program. The purpose of the program is to provide control, treatment and rehabilitation for narcotic addicts. Entry into this program is gained through referral by the District Attorney or court referral following criminal conviction, if drug addiction is determined to be the underlying cause of the crime.

The Civil Addict Program consists of two major components, institution and outpatient. The California Rehabilitation Center at Corona is the main institution for the Civil Addict Program with auxiliary beds at other institutions. Drug treatment is continued following release from the institutions through an outpatient program which provides services such as methadone maintenance counseling, job assistance and field visits.

The Department of Corrections provides other drug abuse services at various penal institutions. However, reports that would identify expenditures for these programs were unavailable from the Department of Corrections.

THE CALIFORNIA STATE UNIVERSITY AND COLLEGES

General Fund Expenditures:

Fiscal Year 1974-75 - $240,000
Fiscal Year 1975-76 - $235,000

The California State University and Colleges reported the above General Fund Expenditures for classes in drug abuse education.

## OTHER FEDERAL AND STATE FUNDS

The sources of some funds used by state agencies on drug abuse related activities were undetermined.

For example, the University of California reported to the State Office of Narcotics and Drug Abuse that $5,954,000 in federal and $564,000 in state funds had been expended for drug abuse activities in fiscal year 1975-76. Detailed records showing the specific sources and uses of these reported funds were not available at the University. However, we were able to identify the sources of $3,846,000 in federal funding for University drug abuse projects. We therefore assume that $2,108,000 was provided by other undetermined federal agencies and $564,000 was provided by undetermined state sources.

The California State University and Colleges reported expenditures of $239,000 for drug abuse projects in fiscal year 1975-76. These projects were funded by the Department of Health, Education and Welfare (DHEW). The source agency within DHEW was undetermined.

Respectfully submitted,

JOHN H. WILLIAMS
Auditor General

Date: May 12, 1977

Staff: Gerald A. Silva, CPA
Steven L. Schutte
Dennis L. Sequeira
Edwin H. Shepherd
Nancy L. Szczepanik, CPA
Jeffrey L. Mikles
Michael L. McGarity

**State of California** **Department of Health**

# Memorandum

To : John H. Williams
Auditor General
Office of the Auditor General
925 L Street, Suite 750
Sacramento, CA

Date : May 11, 1977

Subject :

From : Office of the Director

We concur in the information and estimates in this report pertaining to the Department of Health. We are grateful for this comprehensive report and will find it useful.

Albert C. Lackner
for Jerome A. Lackner, M.D.
Director of Health

STATE OF CALIFORNIA---HEALTH AND WELFARE AGENCY

EDMUND G. BROWN JR., Governor

**STATE OFFICE OF NARCOTICS AND DRUG ABUSE**
915 CAPITOL MALL, ROOM 235
SACRAMENTO, CA 95814
PHONE: (916) 322-2350

May 11, 1977

Mr. John H. Williams
Auditor General
Joint Legislative Audit Committee
Office of the Auditor General
California Legislature
925 L Street, Suite 750
Sacramento, CA 95814

ATTENTION: Mr. Steven L. Schutte

Dear Mr. Williams:

Thank you for your letter of May 6, 1977, to which you attached the proposed draft "Report of the Office of the Auditor General to the Joint Legislative Committee -- A Catalogue of Sources and Uses of Federal and State Drug Abuse Funds in California."

We have reviewed your draft report and find that there do not appear to be any errors or omissions worthy of mention. We believe that the report will be useful to us in the development of the 1977-78 State Plan for Drug Abuse Prevention. It would be helpful if we can be notified when the draft report is officially adopted by the Joint Legislative Audit Committee as we would like to quote portions of it in our State Plan.

Your Office is to be commended for the effort needed to compile the report.

Sincerely,

Stuart Snyder

STUART SNYDER
Director

cc: Josette Escamilla-Mondanaro, M.D., Deputy Director, Division of Substance Abuse, Department of Health
Xavier Mena, Assistant to the Secretary, Health and Welfare Agency

APPENDIX A

# LIST OF ORGANIZATIONS CONTACTED IN PREPARING THIS REPORT

## FEDERAL AGENCIES

ACTION

Civil Service Commission

Central Intelligence Agency

Community Services Administration

Department of Agriculture

- Agricultural Research Service
- Food and Nutrition Service

Department of Commerce

Department of Defense

- Office of the Secretary of Defense
- Department of the Army
- Department of the Navy
- U.S. Air Force
- U.S. Marine Corps

Department of Health, Education and Welfare

- Audit Agency
- Food and Drug Administration
- Health Resources Administration
- Health Services Administration
- National Institute of Mental Health
- National Institute on Alcohol Abuse and Alcoholism
- National Institute of Health

Office of Education

Office of Human Development

Social and Rehabilitation Service

Social Security Administration

Department of Housing and Urban Development

Department of Justice

- Bureau of Prisons
- Community Relations Service
- Drug Enforcement Administration
- Federal Bureau of Investigation
- Immigration and Naturalization Service
- Law Enforcement Assistance Administration

Department of Labor

Department of State

- Agency for International Development

Department of Transportation

- Coast Guard
- Federal Aviation Administration

Department of the Treasury

- Bureau of Alcohol, Tobacco and Firearms
- Customs Service
- Internal Revenue Service

General Services Administration

- Federal Information Center

National Drug Abuse Council

Office of Management and Budget

Veterans Administration

- Alcohol and Drug Dependence Division
- Brentwood Hospital
- Long Beach Hospital
- Los Angeles Outpatient Clinic
- Martinez Hospital
- Palo Alto Hospital
- San Diego Hospital
- Sepulveda Hospital

STATE AGENCIES

California Commission on Aging

California Law Revision Commission

California State Bar

California State Legislature

- Assembly Health Committee
- Assembly Office of Research
- Assembly Ways and Means Committee
- Joint Legislative Budget Committee
- Senate Office of Research
- Senate Health and Welfare Committee

Commission on California State Government and Economy

Community Colleges

Department of Consumer Affairs

Department of Education

Department of General Services

Department of Industrial Relations

Department of Justice

Department of Motor Vehicles

Department of Parks and Recreation

Department of Veterans Affairs

Department of the California Highway Patrol

Health and Welfare Agency

- Department of Benefit Payments
- Department of Corrections

Department of Employment Development

Department of Health

- Administration Division
- Financial Operations Division
- Medi-Cal Division
- Social Services Division
- Substance Abuse Division
- Treatment Services Division

Department of Rehabilitation

Department of the Youth Authority

State Office of Narcotics and Drug Abuse

Health Facilities Commission

Judicial Council of California

Manpower Planning Office

Military Department

Office of Criminal Justice Planning

Office of Planning and Research

Office on Aging

State Personnel Board

State Public Defender

State Universities and Colleges

University of California

COUNTIES

Alameda
Butte
Contra Costa
Fresno
Humboldt
Imperial
Kern
Kings
Los Angeles
Marin
Mendocino
Merced
Monterey
Orange
Riverside
Sacramento
San Bernardino
San Diego
San Francisco
San Joaquin
San Luis Obispo
San Mateo
Santa Barbara
Santa Clara
Santa Cruz
Solano
Sonoma
Stanislaus
Tulare
Ventura
Yolo

CITIES

Berkeley
Fremont
Glendale
Long Beach
Los Angeles
Oakland
Pasadena
Richmond
Sacramento
San Diego
San Francisco
San Jose
Santa Cruz

Stockton
Sunnyvale
Torrance

OTHER

National Association of State Drug Abuse Program Coordinators

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
PUBLIC HEALTH SERVICE
ALCOHOL, DRUG ABUSE, AND MENTAL HEALTH ADMINISTRATION

February 11, 1977

NATIONAL INSTITUTE OF MENTAL HEALTH
5600 FISHERS LANE
ROCKVILLE, MARYLAND 2085
AREA CODE 202 TEL: 655-4000

Mr. John H. Williams
Auditor General
State of California
925 L Street, Suite 750
Sacramento, California 95814

Dear Mr. Williams:

This is in response to your request for information on drug abuse activities conducted by the National Institute of Mental Health (NIMH) within the State of California for the fiscal years 1974 to 1977.

NIMH does not directly support drug abuse programs; however, community mental health centers must now include drug abuse activities among their services as required by Public Law 9463, enacted July 1975. Unfortunately, there is no breakout available of the actual amounts spent by community mental health centers on these activities.

Please let me know if I may be of further assistance.

Sincerely yours,

Iris H. Gelberg

Iris H. Gelberg
Acting Director
Executive Secretariat
NIMH

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
REGIONAL OFFICE
50 FULTON STREET
SAN FRANCISCO, CALIFORNIA 94102

OFFICE OF
HUMAN DEVELOPMENT

February 10, 1977

Mr. John Williams
Officer of Auditor General
925 L Street - Suite 750
Sacramento, Calif. 95814

Attention: Jeff Michael

Dear Mr. Williams:

In reply to my telephone conversations with Mr. Michael this morning, to the best of my knowledge the Federal Office has not funded any vocational rehabilitation programs in California during Fiscal Years 1975 or 1976 which were specifically directed toward the rehabilitation of narcotics or drug abusers.

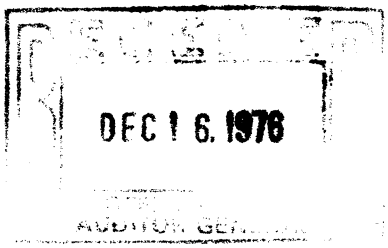
Sincerely yours,

Dale C. Williamson

Dale C. Williamson
Director, Office of
Rehabilitation Services

**UNITED STATES DEPARTMENT OF COMMERCE**
**Domestic and International Business Administration**
District Office
450 Golden Gate Avenue - Box 36013
San Francisco, California 94102

December 13, 1976




Mr. John H. Williams
Auditor General
Joint Legislative Audit Committee
California Legislature
925 L Street
Sacramento, California 95814

Dear Sir:

We address ourselves to your letter of December 10 concerned with money spent in the State of California on narcotics and drug abuse programs.

So far as the Domestic and International Business Administration is concerned, I am unaware of any funding in the areas defined in your second paragraph. Further, I am unaware of any being carried out by the other Department of Commerce agencies located near us here in the Federal Building.

Sincerely,

Philip M. Creighton

Philip M. Creighton, Director
SF District Office of Field Operations

OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE
WASHINGTON, D. C. 20301

HEALTH AFFAIRS

21 December 1976

Mr. John H. Williams, Auditor General
Joint Legislative Audit Committee
California Legislature
Suite 750 - 925 L Street
Sacramento, California 95814

Dear Mr. Williams:

This is in response to your letter dated December 10, 1976, requesting budgetary information regarding the Department of Defense drug abuse programs within the State of California.

The Department of Defense drug and alcohol abuse control program is mandated by three statutes. Public Law 92-129 requires identification and treatment of drug and alcohol dependent persons in the Armed Forces. Appropriate prevention, treatment and rehabilitation programs and services for alcohol abuse (Public Law 91-616) and drug abuse (Public Law 92-255) are required for federal civilian employees.

Unfortunately, the budget data on programs conducted within the State of California are not available in this office nor at the headquarters of the individual Military Departments. The individual military installations located in California, however, should be able to provide you with the information requested in your letter.

Your interest in the Department of Defense drug abuse programs is appreciated.

Sincerely,

E. D. Schmitz
Chief, Office of Drug & Alcohol
Abuse Prevention

DEPARTMENT OF THE ARMY
OFFICE OF THE DEPUTY CHIEF OF STAFF FOR PERSONNEL
WASHINGTON, D.C. 20310

23 FEB 1977

DAPE-HRL-A

Mr. John Williams
Auditor General
925 L Street
Suite 750
Office of The Auditor General
Sacramento, CA 95814

Dear Mr. Williams:

Reference your letter of 14 February 1977 and the phone conversation between Mr. Jeff Mikles and LTC William E. Nolan on 22 February 1977 regarding monies spent in the state of California on narcotics and drug abuse programs.

LTC Nolan previously explained to Mr. Mikles that our accounting procedures do not provide us the information that you are seeking on a readily available basis. In order for us to amass this type of information we would have to conduct a survey of the Major Army Commands that have control over facilities in the state of California. The magnitude of a survey of this type would be very demanding, however, if necessary, could be accomplished. The time involved, as was discussed between Mr. Mikles and LTC Nolan, would be much longer than is necessary to meet the required deadline referred to in your letter.

The Department of the Army is very interested in not just drug abuse programs but also alcohol abuse programs. We provide a large sum of money to support both of these programs at all Army installations throughout the United States and overseas. California will continue to receive its fair share of the monies that are appropriated to support this dual program.

I hope this information will be useful.

FOR THE DEPUTY CHIEF OF STAFF FOR PERSONNEL:

ALLAN R. BORSTORFF
Lieutenant Colonel, GS
Chief, Alcohol and Drug
Policy Branch

DEPARTMENT OF THE NAVY
HEADQUARTERS UNITED STATES MARINE CORPS
WASHINGTON, D.C. 20380

IN REPLY REFER TO
MPH-41-lge
7100/1
23 Feb 1977

Mr. John H. Williams, Auditor General
Office of the Auditor General
California Legislature
615 L. Street
Sacramento, California 95814

Dear Sir:

This is in reply to your letter of 14 February 1977.

The Marine Corps operates a decentralized, joint alcohol and drug abatement program, which makes it difficult to isolate the drug cost.

The Marine Corps' approach is three headed: Education, Identification and Rehabilitation.

This Headquarters and field commands provide numerous courses on drugs and alcohol. Formal courses are presented by Navy and private institutions to aid in counseling and program management. Only a portion of the cost for these courses are borne by the Marine Corps.

Identification costs center around urinalysis screening and tests. Each Marine recruit receives such a test upon arrival at Marine Corps Recruit Depot, San Diego. Other tests are administered by local commanders on an as required basis.

Rehabilitation is the final phase. The Navy traditionally bears the burden of this cost by operating the Drug Rehabilitation Center at Naval Air Station, Miramar, California. The Marine Corps assists by providing trained counselors. Their salary has been included in these figures. Each Marine commander is charged with providing some form of local rehabilitation which is determined by local need. This allows effort to be focused where needed and a certain degree of flexibility. Exact costs are not available at this Headquarters but have been estimated based on experience.

The enclosure contains a "best guess" estimate of the Marine Corps Drug Program costs within the State of California.

If you have additional questions please do not hesitate to ask.

Sincerely,

Carson N. Robinson

Encl.

cc: Members of the Legislature
Office of the Governor
Office of the Lieutenant Governor
Secretary of State
State Controller
State Treasurer
Legislative Analyst
Director of Finance
Assembly Office of Research
Senate Office of Research
Assembly Majority/Minority Consultants
Senate Majority/Minority Consultants
California State Department Heads
Capitol Press Corps