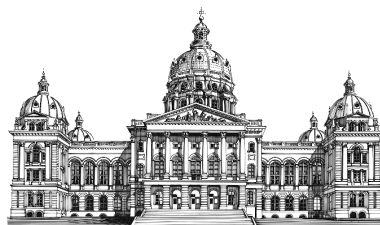


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# Iowa Legislative Fiscal Bureau

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## State Funded Drug Grant Moneys - Update

### ISSUE

Federal funds are often passed to State agencies as "seed" money for new programs through grants with the intent that alternative funding sources within the State will provide full funding when the grants expire. Currently, little forethought is being given to how these programs will be funded when federal funding has expired. Departments turn to the General Fund or cut other programs in order to continue those begun with federal seed money.

A 1993 Issue Review discussed several programs for which FY 1994 was the final year funding would be received from the Governor's Alliance on Substance Abuse (GASA), under the Drug Control and System Improvement Grant Program/Edward Byrne Memorial State and Local Law Enforcement Assistance Formula Grant. This Issue Review will explore:

- Whether those programs were continued and if so, how they were funded.
- Programs for which funding will expire at the end of FY 1995 and departmental intentions for continuation of these programs.

### AFFECTED AGENCIES

Department of Corrections  
Department of Human Services  
Governor's Alliance on Substance Abuse  
Department of Public Safety  
Department of Public Health  
Judicial Department

### BACKGROUND

The GASA provides financial assistance to State and local units of government for projects which improve enforcement of State and local drug laws and drug education, and enhance the functioning of the criminal justice system with an emphasis on violent crime and serious offenders. Funding is passed to State agencies through an annual competitive grant process.

To qualify for a grant through the GASA, programs must meet the following requirements.

- Applicants must be units of State or local governments.
- Programs must provide a mandatory 25.0% cash match, and the funds cannot be used to supplant existing sources of funds. Federal funds made available under this grant must be used to increase the amount of funds that would, in the absence of federal funds, be made available for law enforcement activities.
- There is a funding limitation of four years, with the exception of multijurisdictional drug law enforcement task force projects, which can be funded indefinitely.
- Project funds must be used for criminal justice activities.

### **CURRENT SITUATION**

In FY 1991, several programs began receiving funding through the Drug Control Grant. This funding expired at the end of FY 1994. In seeking alternative funding sources for FY 1995, many of the departments involved requested, and received, funding from the General Fund to maintain programs. A list of these programs, planned strategies for obtaining funding to continue the programs, and actual strategies employed is included as Attachment A.

Funding for programs which began receiving grants in FY 1992 will expire at the end of FY 1995, forcing departments once again to seek alternative funding sources or discontinue programs. A list of these programs and planned strategies for obtaining funding is included as Attachment B.

### **ALTERNATIVES**

- Appropriate requested funds to affected departments to allow programs to continue.
- Designate funds received from current alcohol and tobacco abuse related fines and fees for programs.
- Provide no appropriation and require departments to seek alternative funding sources if they wish to continue programs.
  - According to authorities at the National Conference of State Legislatures, many grants are available through various foundations.
  - It may be possible for departments to fund programs through budget reductions in other areas of the department or division.
- Appropriate a portion of requested funds and require departments to seek alternative funding sources for the remainder of the program needs.
- Make provisions for funding to provide for continuation of programs at the time federal funding is granted to the department, contingent upon performance of the program.
- Require departments to detail future funding sources at the time a grant application is made.
- Select and fund only those programs for which departments can demonstrate a substantial positive impact.

- Institute a legislative approval process for any federal grant applications which may require future General Fund dollars for continuation of programs.

**BUDGET IMPACT**

The budget impact on the General Fund in FY 1995 of the continuation of programs for which GASA funding expired at the end of FY 1994 was an increase of \$1.1 million (see Attachment A).

Analysis of the budget impact of the alternatives listed above is based on the assumption that State matching funds provided from the General Fund in FY 1995 have been accounted for in each department's base budget in FY 1996 funding requests and therefore have not been included in the department's new funding requests.

- Not appropriating any funds and allowing programs to be discontinued would result in the General Assembly being able to reduce departmental appropriations by \$80,000, which is currently built into the department's base budgets (see Attachment B).
- The budget impact on the General Fund of a direct appropriation of funds to departments to continue programs is \$130,000, of which \$50,000 would replace GASA funds and \$80,000 is built into the department's base budgets.
- The impact on the General Fund of all other alternatives, with the exception of not appropriating any funds, is contingent upon the amount of funding received from sources other than the General Fund.

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**State Funded Drug Control And System Improvement Grant Projects  
Funding Expired FY 1994**

| <u>Department/Program</u>   | <u>Project Summary</u>   | <u>FY 1995 Funding Strategy</u>   | <u>FY 1995 Funding Request</u> | <u>FY 1995 Funding Status</u>   |
|---|--|---|--------------------------------|---|
| <u>Corrections</u>  |  |   |                                |   |
| Newton Correctional Release Center, Substance Abuse Treatment Program | Provides funding for two Certified Drug Abuse Counselors at the Correctional Release Center.   | Request from the General Fund.  | \$ 74,848                      | General Fund appropriation of \$74,848.   |
| Central Office, Substance Abuse Coordinator                           | Provides funding for a Substance Abuse Coordinator, who is responsible for establishing effective statewide substance abuse programming.   | Request from the General Fund.  | 51,866                         | General Fund appropriation of \$51,866.   |
| Iowa Men's Reformatory, Anamosa, Substance Abuse Treatment Program    | Provides funding for a Drug Abuse Counselor at the Iowa Men's Reformatory.   | Request from the General Fund.  | 35,240                         | General Fund appropriation of \$26,430.   |
| Treatment Alternatives to Street Crime (TASC)                         | Provides funding which allows for treatment of drug abusing offenders in an effort to reduce criminal behavior.  | Request from the General Fund.  | 610,062                        | General Fund appropriation of \$610,660.  |
| Statewide Electronic Monitoring Program                               | Provides funding for electronic wristlets which allow for close supervision of the movements of substance abusing offenders.   | Request from the General Fund.  | 178,233                        | General Fund appropriation of \$115,728.  |
| <u>Judicial Department</u>  |  |   |                                |   |
| Judicial Training Program   | Allows for training of judges and administrative staff which prepares judges to cope with an increasing number of drug related cases by improving their ability to assess and evaluate substance abuse information and tailor an appropriate sentence. | Request from the General Fund.  | 12,000                         | General Fund appropriation of \$12,000.   |
| <u>Public Safety</u>  |  |   |                                |   |
| State Patrol DARE   | Provides funding for two officers, two vehicles, and classroom materials necessary to conduct drug abuse prevention classes for elementary and middle school students.   | Funds in State Patrol budget.   | 0                              | Funds in State Patrol budget.   |
| Division of Narcotics Enforcement, Financial Conspiracy Unit          | Provides funding for the targeting and identification of money laundering operations and assets obtained through illegal drug trafficking.   | Request from the General Fund to replace funding for four special agents; funding for two special agents will be provided by a new GASA grant.  | 273,780                        | General Fund appropriation of \$205,780; funding for two special agents provided by different GASA grant.   |
| Division of Narcotics Enforcement, Diversionary Investigative Unit    | Provides funding necessary for investigation of three areas: 1) illegal use and distribution of pharmaceuticals; 2) clandestine laboratories; and 3) marijuana eradication.  | Funding will be provided by a new GASA grant.   | 0                              | Funding provided by different GASA grant.   |
| Crime Lab   | Provides funding for four criminalists to aid in improving case clearance time and coping with an increasing caseload as drug task forces, drug quantitation, designer drugs, and other forensic problems affect the criminal justice system.          | Reduced overtime budget to cover cost of replacing funding for four criminalists; request from the General Fund to replace lost overtime funds. | 175,000                        | Appropriation of \$40,000 from the General Fund to replace overtime funds. The Department of Public Safety received a flood waiver extending the GASA grant beyond the four-year limit, receiving \$135,000 in federal funds. |
| <u>Public Health</u>  |  |   |                                |   |
| Board of Pharmacy Mini-DAWN Program                                   | Provides funding for collection and analysis of drug abuse information in an effort to control and reduce the substance abuse problem in Iowa, primarily the diversion of legitimately produced pharmaceuticals into the illicit market.               | Request from the General Fund.  | 12,000                         | General Fund appropriation of \$12,000.   |
|   |  |   | <b>\$ 1,423,029</b>            | <b>Total General Fund appropriations of \$1,137,312.</b>  |

**State Funded Drug Control And System Improvement  
Grant Projects in Final Year of Funding**

| <u>Department/Program</u>                    | <u>Project Summary</u>  | <u>Grant Amount</u> | <u>State Match</u> | <u>FY 1996 Funding Strategy</u>  | <u>FY 1996<br/>Funding Request</u> |
|--|---|---------------------|--------------------|--|------------------------------------|
| <i>Corrections</i>                           |   |                     |                    |  |                                    |
| Iowa State Penitentiary                      | Provides funding for a substance abuse treatment program for adult offenders.   | \$ 26,685           | \$ 8,895           | Request from the General Fund.   | \$ 32,618                          |
| Sixth Judicial District                      | Provides funding for the Domestic Violence Intervention and Batterer's Education Program.                                       | 9,198               | 3,066              | Request from the General Fund.   | 17,155                             |
| <i>Human Services</i>                        |   |                     |                    |  |                                    |
| State Training School                        | Provides funding for substance abuse services for institutionalized juveniles in Iowa at both the Eldora and Toledo facilities. | 203,558             | 67,852             | Utilizing other federal funding sources for expenditures currently paid with State General Funds; General Funds will be shifted to pay for the cost of this program. | 0                                  |
| <i>Public Safety</i>                         |   |                     |                    |  |                                    |
| Division of Criminal Investigation Crime Lab | Provides funding for overtime and equipment for the crime lab.  | 135,000             | *45,000            | Seeking funding for overtime from alternative funding sources.   | 0                                  |
|  |   | <u>\$ 374,441</u>   | <u>\$ 124,813</u>  |  | <u>\$ 49,773</u>                   |

\*The State match for the GASA grant to the Division of Criminal Investigation is being provided from federal Asset Sharing Funds, not from the State General Fund, and therefore is not built into the Department of Public Safety's base budget for FY 1996.