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# Shoveling Up II: The Impact of Substance Abuse on Federal, State and Local Budgets

May 2009

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## Foreword and Accompanying Statement by Joseph A. Califano, Jr., Founder and Chairman

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In this report, The National Center on Addiction and Substance Abuse (CASA) at Columbia University has identified the total amount spent by federal, state and local governments on substance abuse and addiction--the first time such an analysis has ever been undertaken.

This CASA report finds that in 2005 federal, state and local government spending as a result of substance abuse and addiction was at least \$467.7 billion: \$238.2 billion, federal; \$135.8 billion, state; and \$93.8 billion, local.\* Total government spending of \$467.7 billion on substance abuse and addiction amounted to 10.7 percent of their entire \$4.4 trillion budgets.

Of every dollar *federal and state governments*<sup>†</sup> spent on substance abuse and addiction in 2005, 95.6 cents went to shoveling up the wreckage and only 1.9 cents on prevention and treatment, 0.4 cents on research, 1.4 cents on taxation or regulation and 0.7 cents on interdiction.

Under any circumstances spending more than 95 percent of taxpayer dollars on the consequences of tobacco, alcohol and other drug abuse and addiction and less than two percent to relieve individuals and taxpayers of this burden would be considered a reckless misallocation of public funds. In these economic times, such upside-down-cake public policy is unconscionable.

The facts revealed in this report constitute a searing indictment of the policies of government at every level that spend virtually all of the funds in this area to shovel up the wreckage of substance abuse and addiction and practically nothing to prevent and treat it.

In the face of evidence that prevention programs aimed at smoking, illegal and prescription drug abuse and underage and excessive adult drinking

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\* In this report, numbers may not always add due to rounding.

† This analysis does not include local spending due to data limitations.

can be effective, and that many treatment programs have outcomes more favorable than many cancer treatments, our current spending patterns are misguided. They drain urgently needed funds from government budgets and permit the savaging of millions of lives through preventable accidents, homicides, suicides, domestic violence, child abuse, sexual assaults, unplanned pregnancies, homelessness, forgone educations, STDs, birth defects and more than 70 illnesses requiring hospitalization. It is past time for this fiscal and human waste to end.

The figures are based on 2005 spending because that was the most recent year for which data were available over the course of the study, but there is nothing to suggest that anything in this area has changed since then.

For three years, CASA has been analyzing the federal budget and budgets of the 50 states, the District of Columbia and Puerto Rico and reviewing local government expenditures, including case studies of four local jurisdictions. Based on a careful examination of national and peer-reviewed research, we have estimated the spending related to smoking, underage and excessive drinking and illegal and prescription drug abuse and addiction. The result of this effort is the first comprehensive picture ever assembled of substance-related spending across all levels of government.

Troubling as this unprecedented analysis is, it understates the burden of substance abuse and addiction on federal, state and local government taxpayers. In every case CASA made the most conservative assumptions about the burden of substance abuse and addiction on government budgets. Moreover, in some cases--higher education, tobacco and drug-related developmental disabilities, highway accidents linked to illicit or controlled prescription drug use, civil court costs, and workforce-related turnover and higher health insurance costs--we were unable to include any estimate at all due to data limitations.

In these areas where we could not estimate costs, we know that substance-related spending could be sizable. For example, 22.9 percent of full-time college students meet medical criteria for substance abuse and addiction and about 80 percent of heavy drinkers and two-thirds of illegal drug users in the U.S. are employed full or part time, imposing increased costs on governmental budgets for higher education and the workforce.

In spite of its conservative nature, the report offers the nation examples of just how much our failure to prevent and treat addiction costs federal, state and local governments. It also offers specific actions to reduce the burden on governments and taxpayers, save lives and untold agony for millions of families, and improve health.

Key 2005 findings of the report are:

- For every dollar *federal and state governments* spent to prevent and treat substance abuse and addiction, they spent \$59.83 in public programs shoveling up its wreckage.
- If substance abuse and addiction were its own *state* budget category, it would rank second just behind spending on elementary and secondary education.
- If substance abuse and addiction were its own budget category at the *federal* level, it would rank sixth, behind social security, national defense, income security, Medicare and other health programs including the federal share of Medicaid.
- *Federal and state governments* spend more than 60 times as much to clean up the devastation substance abuse and addiction visits on children as they do on prevention and treatment for them.

**Federal Outlays by Budget Function  
Including Spending on Substance Abuse  
and Addiction  
(in Billions)**

<b>Budget Function*</b>	<b>2005</b>
Social Security	\$523
National defense	494
Income security	348
Medicare	299
Other health	250
<b>Substance abuse and addiction</b>	<b>238</b>
* The top five budget categories also contain costs linked to substance abuse and addiction.	

This report represents the second in CASA’s analysis of the impact of tobacco, alcohol and other drug abuse and addiction on government. Our first report, *Shoveling Up: The Impact of Substance Abuse on State Budgets*, was released in 2001 and was limited to *state* spending. Such spending has increased since CASA’s 2001 report. In 2005, *states* spent 15.7 percent of their budgets on substance abuse and addiction compared with 13.3 percent in 1998, up more than 18 percent.

Almost three-quarters (71.1 percent) of total federal and state spending on the wreckage or burden of addiction is in two areas: health care and justice system costs. Increasing costs in these areas are devastating state budgets while health care costs are consuming a larger and larger share of federal spending. The largest share of *federal and state spending* to shovel up the burden of substance abuse and addiction is in health care costs (58.0 percent). At the federal level, 74.1 percent of all shoveling up spending is in the area of health care, underscoring the critical importance of addressing this issue in the context of national health care reform.

Sin taxes are inadequate to compensate for the harm caused by tobacco use, underage drinking and adult excessive drinking. The public health goal for tobacco taxes is to help eliminate use. The public health goal for alcohol taxes is to curb underage and adult excessive drinking. For each dollar in alcohol and tobacco taxes and liquor store revenues that goes to *federal and*

*state* coffers, these governments spend \$8.95 on the consequences of smoking and alcohol abuse and addiction.

To stem this hemorrhage of government shoveling up spending, the report recommends action in several areas:

- Prevention and early intervention,
- Treatment and disease management,
- Tax and regulatory policies; and,
- Expanded research.

Prevention is the top priority and the surest way to reduce the burden that shoveling up imposes on children, families and taxpayers. Prevention begins with individuals changing their conduct. It requires the kind of public health campaign that cut smoking almost in half over the past three decades; engages our elementary, secondary and university educational systems; and engages the medical profession in screenings and brief interventions to avoid the problem or identify it early when it can be dealt with in time to reduce or eliminate the costs of substance abuse and addiction to families, government and society.

A focus of public health prevention efforts must be our children: 17 years of research at CASA have shown that a child who reaches age 21 without smoking, using illicit drugs or abusing alcohol is virtually certain never to do so. We need, for example, to launch an effective public health media campaign aimed at drug abuse and underage drinking as the American Legacy Foundations’ **truth**® campaign has so effectively targeted youth smoking.

As with other chronic health problems, it is critical to acknowledge the issue of personal responsibility. While some people are at greater risk than others for developing addictive disorders (genetics, family and community characteristics, co-occurring health problems, etc.), in the vast majority of cases initial use of tobacco, alcohol or other drugs is very much a

matter of personal choice. When use of these substances progresses to the point of meeting medical criteria for abuse or addiction, changes have occurred in the brain which make cessation of use extraordinarily difficult. Having a chronic disease should not, however, excuse an individual from the consequences of his or her actions or society from providing appropriate health care. The bottom line is that while an individual is responsible for his or her actions related to the disease, the disease must be treated.

Effective, evidence-based treatment is critical since some nine percent of the U.S. population has a clinical substance use disorder. The return on investments in treatment would bring a smile to any corporate CEO: scientific research has established that every dollar spent on quality treatment can deliver a return of \$12.00 or more in reduced substance-related crime and criminal justice and health care costs. Failure of the medical profession to treat substance abuse and addiction as a chronic disease where relapse may occur (like diabetes, depression, hypertension or asthma) and the failure of the health insurance industry across the board to provide adequate coverage for such treatment are inhumane and wasteful decisions that have resulted in broken families, lost lives and billions in wasted taxpayer dollars.

Deploying taxation to increase the price of cigarettes has been an effective companion to public health education in reducing smoking in our nation. This tool can be used to help reduce underage drinking and excessive adult drinking. Regulatory policies to curb underage access to tobacco and alcohol also can be effective in reducing use. Just as reducing smoking has cut health care costs, so can reducing underage and adult excessive drinking.

Finally, we need to increase our knowledge about the disease of addiction, its causes and correlates, and effective prevention and treatment strategies. This requires increased investments in research. On a health problem that costs this nation more than \$450 billion in 2005, we spent only \$1.6 billion on research. Instead, we spent billions researching the

consequences of addiction: cancers, strokes, cardiovascular ailments, respiratory diseases and AIDS. In 2005, the National Institutes of Health which supports 90 percent of the nation's basic biomedical research, spent at least \$11 billion researching these five diseases and 15 percent of this amount to study the largest single cause and exacerbator of that quintet of leading killers and cripplers.

To stop the nation's profligate spending on the burden of addiction, America must change its culture. Just as we did with tobacco, starting in 1978, we have to educate Americans of the health and other dangers of alcohol and other drug use. As a nation, we must face the fact that substance abuse is a public health problem and addiction is a medical problem and respond accordingly. We need the kind of campaign the public health community mounted with respect to AIDS: in a matter of a few years, AIDS went from being seen as a social curse to being recognized as a serious, treatable disease. It's time for the public health community to mount a similar effort with respect to alcohol and other drug abuse and addiction, to move the nation from stigmatizing it to recognizing it as a disease.

While America should invest both in supply and demand reduction strategies, when it comes to illicit drugs there appears to be much room for improvement in the efficacy of \$2.6 billion in current federal drug interdiction activities. We have been able to keep biological and nuclear materials from entering our borders, but we haven't been able to stop the flow of illicit drugs that kill and maim so many of our people and destroy neighborhoods. We need to commit the same level of expertise to keeping drugs out of our nation that we have used so successfully for biological and nuclear weapons.

This report includes many examples of proven and promising practices to reduce the crushing substance-related costs to government. Some actions--like indoor smoking bans, alcohol tax increases, screening and brief interventions and addiction treatments--will yield immediate results; most promising practices presented in

this report will provide significant savings over longer periods.

One particularly promising change is that in October 2008, Congress passed the Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Equity Act, with the support of key members of Congress including Representatives Patrick Kennedy and Jim Ramstad. The Act ensures that, as of January 2010, group health plans that provide any mental health and addiction treatment will provide the same coverage for mental health and addiction treatment as they do for all other medical and surgical care. While a major step toward coverage of addiction treatment, the Act only mandates parity for companies that already provide these services. The nation needs to make coverage for addiction treatment consistent with coverage for other chronic diseases.

This report lists the experts who served on our Advisory Commission and who made invaluable contributions. In particular, I would like to thank the Commission Chairman, Frederick M. Bohen, for his leadership and tireless effort. His work and that of the Commission members contributed significantly to the quality of this product.

Susan E. Foster, MSW, CASA's Vice President and Director of Policy Research and Analysis, was the principal investigator and staff director for this effort. The data analysis was conducted by CASA's Substance Abuse and Data Analysis Center (SADAC<sup>SM</sup>), headed by Roger Vaughan, DrPH, CASA Fellow and Professor of Clinical Biostatistics, Department of Biostatistics, Mailman School of Public Health at Columbia University, and associate editor for statistics and evaluation for the *American Journal of Public Health*. He was assisted by Elizabeth Peters. Others who worked on the project are: Sara Blachman, Kristen Keneipp, MHS, Akiyo Koderu, Linda Richter, PhD, Varouj Symonette, JD, Sarah Tsai, MA, CASA's librarian David Man, PhD, MLS, library research specialist Barbara Kurzweil, and bibliographic data base manager Jennie Hauser. Project interns included Hannah Kim, Jason Lerner and Emily Toto.

Jane Carlson handled administrative responsibilities.

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While many individuals and institutions contributed to this effort, the findings and opinions expressed herein are the sole responsibility of CASA.

# Chapter I

## Introduction and Executive Summary

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In 2005, federal, state and local governments spent at least \$467.7 billion on substance abuse and addiction. This report is the first comprehensive picture of substance related spending across all levels of government. Building on CASA's 2001 report, *Shoveling Up: The Impact of Substance Abuse on State Budgets*, this report reveals the pervasive and devastating burden of substance abuse and addiction to all government budgets.

*Federal and state*<sup>\*</sup> governments spent \$3.3 trillion in 2005 to operate government and provide public services such as education, health care, income assistance, child welfare, mental health, law enforcement and justice services, transportation and highway safety. Hidden in this spending was a stunning \$373.9 billion<sup>†</sup>-- 11.2 percent--that was spent on tobacco, alcohol and other drug abuse and addiction. A conservative estimate of local government spending on substance abuse and addiction in 2005 is \$93.8 billion.

The vast majority of *federal and state*<sup>‡</sup> substance related spending--95.6 percent or \$357.4 billion--went to carry the burden to government programs of our failure to prevent and treat the problem while only 1.9 percent was spent on preventing or treating addiction. Another 0.4 percent was spent on research and the remaining two percent was spent on alcohol and tobacco tax collection, regulation and operation of state liquor stores (1.4 percent) and federal drug interdiction (0.7 percent).<sup>§</sup> For every dollar the federal and state governments spent on prevention and treatment, they spent \$59.83 shoveling up the consequences.

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<sup>\*</sup> Including the District of Columbia and Puerto Rico. State funds include own source revenues, not federal transfers.

<sup>†</sup> In this report numbers may not always add due to rounding.

<sup>‡</sup> This analysis does not include local spending due to data limitations.

<sup>§</sup> Numbers do not add to 100 percent due to rounding.

A staggering 71.1 percent of total *federal and state* spending on the burden of addiction is in two areas: health and justice. Almost three-fifths (58.0 percent) of federal and state spending on the burden of substance abuse and addiction (74.1 percent of the federal burden) is in the area of health care where untreated addiction causes or contributes to over 70 other diseases requiring hospitalization. The second largest area of substance-related federal and state burden spending is the justice system (13.1 percent).

This report shows how governmental spending is skewed toward shoveling up the burden of our continued failure to prevent and treat the problem rather than toward investing in cost effective approaches to prevent and minimize the disease and its consequences. Despite a significant and growing body of knowledge documenting that addiction is a preventable and treatable disease, and despite a growing array of prevention, treatment and policy interventions of proven efficacy, our nation still looks the other way while substance abuse and addiction cause illness, injury, death and crime, savage our children, overwhelm social service systems, impede education and slap a heavy and growing tax on our citizens.

In the current fiscal climate of growing economic hardship, we no longer can afford costly and ineffective policies that sap on average \$1,486 annually in government taxes and fees from each man, woman and child in America--\$5,944 each year for a family of four.

*Shoveling Up* establishes the categories of state spending that are tightly linked to tobacco, alcohol and other drug abuse and addiction (including both illicit and controlled prescription drugs)--the targets for policy intervention. It uses existing research to establish the proportion of government spending in each of these target categories that is substance related, providing estimates of the total costs of substance abuse and addiction--the aggregate costs--which include both avoidable and unavoidable costs. The bottom line for government is identifying where substance abuse and addiction must be prevented or treated if public costs are to be

reduced or avoided. We include examples of proven and promising ways to reduce those costs and examples of the potential for specific cost avoidance/savings.

Key findings of this report are that in 2005:

- The *federal* government spent \$238.2 billion on substance abuse and addiction or 9.6 percent of the federal budget. If substance abuse and addiction were its own budget category, it would rank sixth in size--behind social security, national defense, income security,\* Medicare and other health programs.†
- *State* governments, including the District of Columbia and Puerto Rico, spent 15.7 percent of their budgets (\$135.8 billion) to deal with substance abuse and addiction--*up from 13.3 percent in 1998*. If substance abuse and addiction were its own budget category, it would rank second behind elementary and secondary education. States spend more on substance abuse and addiction than they spend on Medicaid, higher education, transportation or justice.‡
- *Local* governments spent conservatively‡ \$93.8 billion on substance abuse and addiction or 9.0 percent of local budgets, outstripping local spending for transportation and public welfare.†
- Of every dollar *federal and state* governments spent on substance abuse and addiction:
  - 95.6 cents went to pay for the burden of this problem on public programs.

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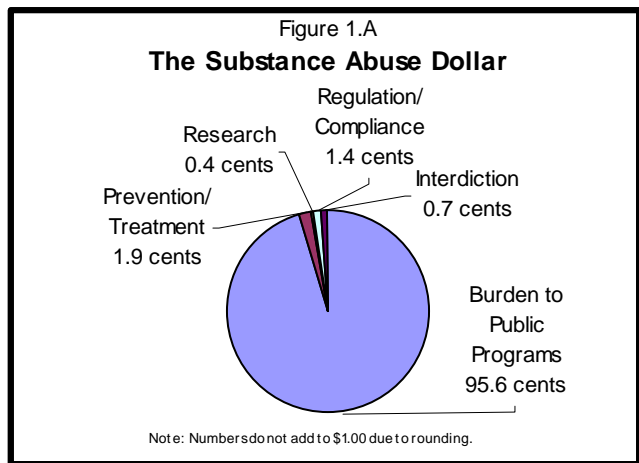
\* Includes Temporary Assistance for Needy Families, Supplemental Security Income and Social Security Disability.

† Costs of substance abuse and addiction also are embedded in the top five categories of spending.

‡ Due to data limitations, does not include all areas of spending on the burden to public programs, prevention, treatment, research, or taxation/regulation of alcohol and tobacco.

Substance abuse and addiction increases, for example, the cost of America's prisons and jails; Medicaid and other health programs; elementary and secondary schools; child welfare, juvenile justice and mental health systems; public safety; and government payrolls.

- 1.9 cents went to fund prevention and treatment programs aimed at reducing the incidence and consequences of substance abuse and addiction.
- 1.4 cents covered costs of collecting alcohol and tobacco taxes, regulating alcohol and tobacco products and operating state liquor stores.
- 0.4 cents was spent on addiction-related research.
- 0.7 cents was spent by the federal government on drug interdiction. (Figure 1.A and Table 1.1)



- For every dollar *federal and state* governments spent to prevent and treat substance abuse and addiction, they spent \$59.83 in public programs shoveling up its wreckage, despite a substantial and growing body of scientific evidence confirming the efficacy of science-based interventions and treatment and their cost-saving potential.

- The largest area of *federal and state* government spending on the burden of substance abuse and addiction was health care, totaling \$207.2 billion (58.0 percent) in 2005. Federal substance-related health care spending totaled \$170.3 billion, 74.1 percent of all federal burden spending.
- The second largest area of *federal and state* spending on the burden of substance abuse and addiction, and the largest area of state spending, is the justice system, including costs of incarceration, probation and parole, juvenile justice and criminal and family court costs of substance-involved offenders. These costs totaled \$47.0 billion (13.1 percent) in federal and state burden spending in 2005. State substance-related justice spending totaled \$41.4 billion, 32.5 percent of all state burden spending.
- Other areas of significant *federal and state* spending on the burden to government of our failure to prevent or treat substance abuse and addiction include:

- \$33.9 billion on the burden to education programs,
- \$46.7 billion on the burden to child and family assistance programs, and
- \$11.8 billion on the burden to mental health and developmental disabilities programs.

- Almost half (47.3 percent) of government spending on substance abuse and addiction cannot be disaggregated by substance. In fact, research shows that most individuals with substance use disorders use more than one drug. Of the \$248 billion in substance-related spending that can be linked to specific drugs of abuse, 92.3 percent is linked to the legal drugs of alcohol and tobacco.
- For every dollar *federal and state* governments spent on prevention or

treatment for children, they spent \$60.25 on the consequences of substance abuse and addiction to them. Combined federal and state government spending in 2005 on costs of substance abuse and addiction to children totaled \$54.2 billion.

- Alcohol and tobacco taxes fail to pay their way. The public health goal for tobacco taxes is to help eliminate use. The public health goal for alcohol taxes is to curb underage and adult excessive drinking. For each dollar in alcohol and tobacco taxes and liquor store revenues that hit federal and state coffers, these governments spent \$8.95 cleaning up the wreckage of substance abuse and addiction. Federal, state and local governments collected \$14.0 billion in alcohol and \$21.2 billion in tobacco taxes in 2005 for a total of \$35.2 billion; 18 states expended \$4.4 billion in 2005 operating liquor stores and collected \$5.6 billion in revenues. Few governments dedicate revenues to reducing the burden of substance abuse or addiction or use alcohol tax increases as a way to reduce use by teens.
- According to the National Institute on Drug Abuse, the return on investing in treatment alone may exceed 12:1; that is, every dollar spent on treatment can reduce future burden costs by \$12 or more in reduced drug-related crime and criminal justice and health care costs.

Building on the methodology developed for our first analysis, this report is the result of an intensive three year analysis. As part of this unprecedented study, CASA convened an advisory panel of distinguished public officials, researchers and representatives of federal, state and local governments and interest groups.

Table 1.1  
For Every \$100.00 Federal and State Governments Spend on Substance Abuse and Addiction:<sup>a</sup>

[ranked by spending on prevention, treatment and research]

State	Amount Spent on Prevention, Treatment and Research	Amount Spent on Burden to Public Programs	Regulation/Compliance <sup>b</sup>
Connecticut	\$10.39	\$89.27	\$0.35
Kentucky	7.32	92.01	0.67
Wyoming	6.90	71.83	21.27 <sup>b</sup>
South Dakota	6.80	93.13	0.07
Oregon	5.55	84.38	10.06 <sup>b</sup>
Maryland	4.53	95.34	0.13
Arkansas	4.31	95.28	0.41
Illinois	3.70	96.13	0.17
Mississippi	3.67	80.05	16.28 <sup>b</sup>
District of Columbia	3.31	96.69	NA
Colorado	3.23	96.54	0.23
Louisiana	3.07	96.61	0.32
Montana	2.93	84.20	12.87 <sup>b</sup>
Pennsylvania	2.84	80.55	16.62 <sup>b</sup>
Washington	2.81	85.34	11.84 <sup>b</sup>
Iowa	2.66	87.46	9.88 <sup>b</sup>
New Jersey	2.62	97.16	0.23
Idaho	2.58	67.96	29.46 <sup>b</sup>
Georgia	2.42	96.38	1.20
Delaware	2.38	97.53	0.09
Minnesota	2.33	97.65	0.02
Oklahoma	2.30	97.31	0.39
Vermont	2.21	90.19	7.60 <sup>b</sup>
Ohio	2.21	90.44	7.35 <sup>b</sup>
New York	2.14	97.70	0.16
Nebraska	1.99	97.86	0.15
Missouri	1.94	97.94	0.11
Texas	1.91	96.36	1.74
Florida	1.83	97.57	0.60
Arizona	1.77	97.97	0.27
California	1.71	97.99	0.30
Kansas	1.55	98.13	0.32
Virginia	1.54	84.93	13.53 <sup>b</sup>
Massachusetts	1.45	98.51	0.04
West Virginia	1.33	91.75	6.92 <sup>b</sup>
New Mexico	1.23	98.68	0.09
North Carolina	0.98	91.17	7.85 <sup>b</sup>
Alaska	0.91	99.09	0.005
Michigan	0.90	88.53	10.58 <sup>b</sup>
Maine	0.71	98.75	0.54 <sup>b</sup>
South Carolina	0.64	99.29	0.07
Alabama	0.60	83.61	15.79 <sup>b</sup>
Nevada	0.57	99.38	0.05
Hawaii	0.55	99.32	0.13
New Hampshire	0.22	61.09	38.69 <sup>b</sup>
Puerto Rico	0.20	99.80	NA
Wisconsin	0.05	97.83	2.12
<b>Average State</b>	<b>\$2.38</b>	<b>\$93.95</b>	<b>3.67</b>
<b>Federal<sup>c</sup></b>	<b>\$2.33</b>	<b>\$96.53</b>	<b>0.03</b>
<b>Average State and Federal Spending<sup>c</sup></b>	<b>\$2.35</b>	<b>\$95.59</b>	<b>1.35</b>

<sup>a</sup> Numbers may not add to 100 due to rounding.

<sup>a</sup> Throughout this report, "State Total" or "State Average" refers to the 50 states, Puerto Rico and the District of Columbia.

<sup>b</sup> One of 18 designated alcohol control states where state operates liquor stores. Total liquor store expenditures in these states in 2005 were \$4.4 billion; total liquor store revenues were \$5.6 billion.

<sup>c</sup> The difference between the sum of the columns and \$100.00 is federal spending on interdiction.

For this report, CASA refined the methodology developed for its 2001 *Shoveling Up* report in several ways. In order to provide a basis of national comparison with 1998 state data, CASA recalculated state spending for 1998 based on these refinements. All comparisons of total state spending between 1998 and 2005 presented in this report are based on the refined methodology. Because CASA could not assure uniformity in each state's reporting between 1998 and 2005, state specific comparisons between these two years should not be made. (See Appendix B, Methodology)

CASA conducted an extensive review of more than 900 articles and publications linking substance abuse and addiction to public spending. In order to provide guidance to governments of more cost effective investments, we examined a large body of national and international research evaluating federal, state and local programs designed to prevent and treat substance use problems, regulate or tax addictive substances and deal with their consequences, and cost studies of their impact. In this report, we include examples of promising interventions along with available data on their results and cost avoidance or income generation potential.

## Next Steps

In CASA's 2001 report, we made three key recommendations: a) make targeted investments in prevention and treatment; b) expand use of state powers of legislation, regulation and taxation to reduce the impact of substance abuse and addiction; and c) manage investments for better results. America's failure to act on these and other recommendations has contributed to the current economic crisis governments now face.

The U.S. federal, state and local governments no longer can afford profligate spending in the area of substance abuse and addiction. If current trends continue, by 2012 spending to shovel up the burden of substance abuse and addiction could consume more than 18 percent of state budgets. Current financial constraints coupled with a large and growing body of scientific

evidence that substance use disorders are diseases for which effective treatments exist present many opportunities for more cost-effective investments.

As with other chronic health problems, it is critical to acknowledge the issue of personal responsibility. While some people are at greater risk than others for developing addictive disorders (genetics, family and community characteristics, co-occurring health problems, etc.), in the vast majority of cases initial use of tobacco, alcohol or other drugs is very much a matter of personal choice. When use of these substances progresses to the point of meeting medical criteria for abuse or addiction, changes have occurred in the brain which make cessation of use extraordinarily difficult. Having a chronic disease should not, however, excuse an individual from the consequences of his or her actions or society from providing appropriate health care. The bottom line is that while the individual is responsible for his or her actions related to the disease, the disease must be treated.

## *Alternative Practices to Reduce Disease and Costs to Government*

There are four types of alternative actions that governments should take in order substantially to avoid or reduce the more than \$467.7 billion this nation spends annually on the burden of substance abuse and addiction to government:

- Prevention and early intervention;
- Treatment and disease management;
- Tax and regulatory policies; and,
- Expanded research.

**Prevention and Early Intervention.** The largest impact on spending to shovel up the consequences of this problem would be to make significant investments in prevention to help avoid the costs altogether, and in screenings and brief interventions to catch the problem early and alter the course of the disease and its costs

to families, government and society. Prevention and early intervention strategies should include:

- **Public Health Information.** Consistent with other successful public health efforts to educate the public about little understood diseases including depression or HIV/AIDS, federal, state and local governments should educate the public about addiction as a disease, risk factors that increase individuals' vulnerability, the importance of screening, and programs people can turn to for help. All addictive substances should be addressed, including tobacco, alcohol and other drugs.
  
- **Comprehensive Prevention Messages and Programs.** Prevention is the cornerstone of any public health initiative. Prevention initiatives should be focused on children: 17 years of research at CASA have shown that a child who reaches age 21 without smoking, using illicit drugs or abusing alcohol is virtually certain never to do so. Prevention strategies should focus on curbing the human and social costs of substance abuse and addiction and co-occurring problems through comprehensive messages and approaches that are provided early and are reinforced in families, schools and communities.

A key target of opportunity is high risk children in public programs. Governments should take advantage of points of leverage in government health, justice, public safety, education, child and family assistance, housing, mental health and developmental disabilities and workplace programs to provide targeted prevention messages, ensuring that initiatives are tailored to the age, gender and cultural groups they are targeting.

- **Screenings, Brief Interventions and Referrals to Treatment.** Because the costs of untreated addiction are so high and the human consequences so great, every person entering a government funded health service, criminal justice or social welfare setting should be screened for substance use

disorders and offered effective interventions and treatment where indicated. Intervening early is essential to prevent addiction and its consequences and screenings and brief interventions have proven efficacy.

Examples of venues for screenings and brief interventions include: emergency departments, health clinics, trauma centers and doctors' offices; schools and colleges; welfare, child welfare, mental health and developmental disabilities services; and traffic safety, juvenile justice and adult corrections programs.

**Examples of Immediate Benefits of Interventions:**

1. *Screenings and Brief Interventions*--reductions in hospitalizations.<sup>1</sup>
  
2. *Alcohol and tobacco tax increases*--reductions in cirrhosis, accidents and STD transmission for alcohol taxes,<sup>2</sup> and in heart disease, strokes, smoking related pregnancy and birth problems for tobacco.<sup>3</sup>
  
3. *Indoor smoking bans*--reductions in hospitalization for heart attacks.<sup>4</sup>
  
4. *Addiction treatments*--reductions in alcohol and other drug related medical visits and inpatient mental health visits.<sup>5</sup>

To implement such screenings and help assure access to needed services, CASA has drafted a Model Bill of Rights for Children in Juvenile Justice Systems. The model bill provides guidance to states for a legislative mandate and framework for improvements in the field of juvenile justice related to substance abuse.

Governments should train workers in publicly funded programs to provide screenings, brief interventions and referrals to treatment. They also should expand medical billing codes for screenings and brief interventions for tobacco, alcohol and other drug use in all health care venues and

assure coverage through all publicly funded insurance programs.

**Treatment and Disease Management.** Since approximately 9.0 percent of the U.S. population already has a clinical substance use disorder,<sup>6</sup> quality treatment and disease management services are essential. Failure to provide these services is just as unacceptable as failure of our health care system to provide treatment for diabetes, depression, hypertension or asthma would be.

- **Treatment.** As with any other health condition, it is essential to look for problems of addictive disorders, properly diagnose them and provide effective treatments. Government programs provide excellent opportunities to connect people with substance use disorders with the interventions and treatments they need, and have the leverage to keep them in treatment long enough to make a difference. In providing services through public systems, it is important to understand that relapse is frequently a part of the recovery process as it is with recovery from other chronic diseases.

In all areas of government spending on the burden of substance abuse and addiction, governments should conduct comprehensive assessments of those who screen positive for a substance use disorder and assure access to the full range of behavioral and pharmacological treatment options and social supports, tailored to the gender, age, culture and life circumstances of patients.

Treatments should include effective services for co-occurring health and mental health problems and the availability of detoxification services. Governments should assure that all treatment programs and services that receive government funds meet evidence-based medical criteria; assure that treatment providers are properly trained and licensed; and work with existing treatment providers and the medical community to integrate addiction treatment into the medical system.

Providing treatment particularly is important for all substance-involved individuals who are in our nation's justice systems, diverting both adults and juveniles from further engagement with the justice system where possible. Governments should expand evidence-based alcohol and other drug treatment courts and diversionary treatment and aftercare programs for adult and juvenile offenders, and eliminate mandatory sentencing laws for substance-involved offenders that remove prosecutorial and judicial discretion in treatment referrals and monitoring and compliance with treatment protocols. Without treating the addiction of offenders, attempts to reduce justice-related costs will not succeed.

- **Disease Management.** To address the long-term disease management needs of those in publicly funded programs with chronic substance use disorders, government should assure access to long-term medical management as we do for any other chronic disease. This would include management of co-occurring health and mental health problems. Governments also should assure access to recovery support including education, vocational training, employment; life, parenting and other family skills; childcare, housing and transportation support; and mutual support through such programs as AA, NA or Smart Recovery. To assure that such recovery supports are available, governments should train publicly funded staff to help their clients access aftercare and mutual support programs.

**Taxation and Regulation.** Because regulatory and tax policies can have enormous impact on curbing underage and excessive use of alcohol and reducing smoking, they should be integral parts of a national strategy to prevent and treat addiction. Alcohol taxes, for example, yield immediate reductions in cirrhosis, accidents and STD transmission, while increases in tobacco taxes reduce the prevalence of heart disease, strokes, smoking related pregnancy and birth problems.

Governments should adopt a broad range of tax and regulatory policies including:

- Increase taxes on tobacco to help eliminate use, and on alcohol to prevent underage initiation and reduce adult excessive drinking; classify maltensive beverages (alcopops) as liquor rather than beer.
- Restrict tobacco and alcohol advertisements from youth audiences, and prohibit direct to consumer marketing of controlled prescription drugs.
- Enact/increase enforcement of comprehensive clean indoor air laws and other smoking bans, and laws restricting the sale of tobacco and alcohol to minors.
- End insurance discrimination by requiring all public and private insurers to cover evidence-based prevention, intervention, treatment and management services for substance use disorders using the same payment and coverage requirements as other illnesses; abolish state Uniform Accident and Sickness Policy Provision Laws that limit insurers' medical liability if individuals are injured while they are intoxicated.

Over half of federal and state spending on the burden of addiction is in the area of health. Health care reform that recognizes addiction as a disease and provides access to effective treatment is the best way to reduce these costs. In the absence of comprehensive health care reform, governments should make these changes in Medicare, Medicaid and other public health programs.

**Research and Evaluation.** America must increase knowledge about the disease of addiction, its causes and correlates and effective prevention and treatment strategies. This requires increased investments in research.

Research that increases our understanding of substance use disorders is key to quality assurance and will help to develop and guide

## **Examples of Alternative Practices to Prevent and Reduce Substance Abuse and Addiction**

### **Prevention and Early Intervention**

- Targeted media campaigns
- Comprehensive family, school and community-based prevention
- Screenings, brief interventions and treatment referrals

### **Treatment and Disease Management**

- Behavioral and pharmacological treatments for chronic illness
- Intensive case management
- Drug treatment alternatives to prison
- Prison based treatment/aftercare
- Recovery coaching
- Supportive housing
- Employee Assistance Programs

### **Taxation and Regulation**

- Alcohol and tobacco tax increases
- Health insurance coverage for addiction
- Indoor smoking bans
- Keg registration laws
- Lowered blood alcohol levels for intoxicated driving offenses
- Tobacco quit lines
- 21 year old drinking age

### **Research**

- Factors influencing risk
- Best practices
- Costs and benefits of interventions

future cost-saving initiatives. Such research should be designed to: increase our understanding of substance abuse and addiction through genetic, biological and social science research; establish a baseline against which to measure progress and document impact at regular intervals; and fund research on best-practices for prevention and treatment of substance use and co-occurring disorders. More research attention also should be devoted to documenting the benefits of prevention,

treatment, taxation and regulatory initiatives compared with the costs of our failure to do so.

**Targeted Interdiction.** In the face of limited evidence of the efficacy of current interdiction efforts to reduce drug use and related government costs, the federal government should reevaluate and retarget its investments in interdiction and reconsider the balance of investment in interdiction compared with investments in prevention and treatment.