

## Fiscal Responsibility: Savings for New Mexico Fact Sheet

*How much do our current drug policies cost taxpayers?*

**\$40 billion per year and climbing.** In 2001, the National Drug Control budget will exceed \$19 billion<sup>1</sup> and states combined will spend upwards of \$20 billion more.<sup>2</sup> This is a dramatic increase since 1980, when federal spending was roughly \$1 billion and state spending just a few times that.<sup>3</sup> In 1997 (the most recent year for which data is available), New Mexico spent over \$43 million of state taxpayers' money on criminal justice-related costs for drug law enforcement, in addition to federal- and local-level spending.<sup>4</sup> Our indirect costs include overcrowded prisons, lost tax revenues from incarcerated individuals and the likelihood of increased dependence on government financial assistance for the families left behind.

*What is the most effective use of tax dollars to reduce drug abuse?*

**Treatment.** A study by the RAND Drug Policy Research Center found that every additional dollar invested in substance abuse treatment saves taxpayers more than \$7 in societal costs, and that additional law enforcement costs 15 times as much as treatment to achieve the same reduction in societal costs.<sup>5</sup> The same study found that treatment is 10 times more cost effective than drug seizures in reducing the use of cocaine in the United States.<sup>6</sup>

*Has the exponential growth on drug policy spending gotten us closer to winning the “war on drugs?”*

**No. Even by the government's own standards, illicit drugs are cheaper and purer than they were two decades ago,<sup>7</sup> and continue to be readily available.** In addition, according to White House estimates, 57% of Americans in need of drug treatment do not receive it, despite its proven, superior cost effectiveness over criminal justice approaches in reducing drug abuse and related social costs.<sup>8</sup>

- Between 1981 and 1998, the price of heroin and cocaine dropped sharply while their levels of purity rose.<sup>9</sup>

**NEW MEXICO DRUG POLICY PROJECT**  
**The Lindesmith Center – Drug Policy Foundation**  
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- According to a 1999 survey by the U.S. Department of Health and Human Services, drugs continue to be widely available to America's high school students. Almost 90% of twelfth graders participating in the survey said that marijuana was "very easy" or "fairly easy" to get, over 47% said cocaine was "very easy" or "fairly easy" to get, and more than 32% said that heroin was "very easy" or "fairly easy" to get.<sup>10</sup>

*What competes with drug war policies for budget money?*

**Education.** Because prisons and universities generally occupy the portion of a state's budget that is neither mandated by federal requirements nor driven by population, they often must "fight it out" for funding. As state governments sink millions into corrections to house America's exploding population of incarcerated drug law violators – now nearly 500,000 nationally<sup>11</sup> - education loses.

- From 1987 to 1998 state spending nationally on corrections increased by 30% while spending on higher education decreased by 18.2%.<sup>12</sup>
- Nationally, state prison budgets are growing twice as fast as spending on public colleges and universities.<sup>13</sup>

**In New Mexico, spending on prisons has grown by 64% per capita in the last 20 years, while spending on education has grown by only 50% per capita during the same period of time.<sup>14</sup>**

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<sup>1</sup> National Drug Control Strategy FY 2001 Budget Summary, Page 2, Office of National Drug Control Policy, 2000.

<sup>2</sup> State and Local Spending on Drug Control Activities, Page 3, Office of National Drug Control Policy, October 1993; the most recent available government figures are from 1991 when state and local governments spent over \$15.9 billion on drug control activities, a 13% increase over the previous year.

<sup>33</sup> Federal Strategy for Prevention of Drug Abuse and Drug Trafficking 1982, Page 73, Drug Abuse Policy Office, 1982.

<sup>4</sup> *The Costs of Drug-Related Criminal Justice Policies*, UNM Institute for Social Research, [www.unm.edu/~isrnet/DPCosts.htm](http://www.unm.edu/~isrnet/DPCosts.htm).

<sup>5</sup> Rydell, C.P. & Everingham, S.S., *Controlling Cocaine*, Prepared for Office of National Drug Control Policy, RAND (1994), p.xvi.

<sup>6</sup> Rydell, C.P. & Everingham, S.S., *Controlling Cocaine*, Prepared for Office of National Drug Control Policy, RAND (1994), p.xvi.

<sup>7</sup> Drug Data Summary, Office of National Drug Control Policy, page 4, April 1999

<sup>8</sup> National Drug Control Policy Strategy Report 2000, Office of National Drug Control Policy.

<sup>9</sup> *Monitoring the Future, National Results on Adolescent Drug Abuse, Overview of key Findings 1999*, U.S. Department of Health and Human Services, page 48.

<sup>10</sup> *Monitoring the Future, National Results on Adolescent Drug Abuse, Overview of key Findings 1999*, U.S. Department of Health and Human Services, page 48.

<sup>11</sup> Sourcebook of Criminal Justice Statistics 1998, Page 462, Bureau of Justice Statistics, 1999.

<sup>12</sup> National Association of State Budget Officers (NASBO), (April 1996), 1995 State Expenditures Report, Page 55.

<sup>13</sup> David Phinney, "Prison Funding Explodes in Growth," ABCNEWS.com, July 9, 1999.

<sup>14</sup> Higher Education spending: Fiscal years 1980-1981, 1985-1986, 1990-1991, and 1995-1996 are from the federal Department of Education's Digest of Education Statistics. 1999-2000 figures are from the National Association of State Budget Officers' State Expenditure Report, June 2000. Prison spending: fiscal years 1980-1981, 1985-1986, 1990-1991, and 1995-1996, Bureau of Justice Statistics, Sourcebook of Criminal Justice Statistics and Justice Expenditures and Employment Abstracts. Fiscal year 1999-2000, National Association of State Budget Officers (NASBO), State Expenditure Report, June 2000.