

# OMNIBUS DRUG INITIATIVE TO BENEFIT SUNBELT STATES

Provisions of H.R. 4907 introduced by Congressman Mickey Leland (D-TX) have been incorporated into the House Omnibus Drug Initiative Act of 1988 (H.R. 5210) that would alter the Alcohol, Drug Abuse, and Mental Health Services (ADAMH) Block Grant funding formula in a manner that would mean more federal dollars and an increased share of the federal pie for Sunbelt States. Senator Kennedy (D-MA) has also introduced a bill (S. 1943) addressing the ADAMH program which is expected to be included in the Senate's Omnibus Drug bill.

The bill contains 10 Titles, including a variety of provisions aimed at combating the nation's illegal drug problems. Title X includes the provisions of H.R. 4907 that reauthorize and revise the ADAMH program.

The block grant formula contained in H.R. 5210 was first proposed in a study done by the University of California at San Francisco and was subsequently backed by the Government Accounting Office (GAO) in their July 1987 report entitled, *Proposed Formulas for Substance Abuse, Mental Health Provide More Equity* (GAO/HRD - 87-109BR). The formula uses population data as a measure of need, weighting specific age groups, such as "18-24" and "25-44", as to their incidence of alcohol, drug, and mental health problems.

A new fiscal capacity variable, known as the Total Taxable Resources (TTR), is also used to allocate funds more equitably. The TTR variable is basically a measure of a state's Gross State Product (GSP, similar to the country's GNP). A 1985 report by the Department of Treasury, *Federal-State-Local Fiscal Relations: Report to the President and the Congress*, concludes that the TTR is a more comprehensive measure of a state's fiscal capacity than per capita income. This formula was first carried in H.R. 3187, introduced by Congressman Henry A. Waxman (D-CA) which stalled in subcom-

mittee. It was then picked up by Congressman Leland in H.R. 4907 which was later incorporated into H.R. 5210.

In addition to changing the funding formula, H.R. 5210 splits the ADAMH block grant into two grant programs: Substance Abuse, and Mental Health Services. A "hold harmless" provision, which guarantees that states will not receive less funding from the grant than they did in FY 1986, will be kept in the Substance Abuse grant formula, but will be phased out of the Mental Health Services program over the next few years. According to figures provided by the GAO, the overall funding level for both grants increase 22 percent (\$141,766,000) from \$643,234,000 to \$785,000,000. The share for Sunbelt states increase 46.7 percent (\$91,533,000) from \$196,100,000 to \$287,633,000.

Under the House formula, 11 Sunbelt states (Alabama, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, Texas, Virginia, and West Virginia) receive more funds, and a larger share of the total. Arkansas, Florida, Missouri, and Oklahoma receive more funds, but a slightly lower share of the total. New Mexico, however, does receive less money, losing 13 percent (\$790,000), and a lower share of the total.

By comparison, the formula contained in S. 1943 is much less favorable to Sunbelt states. While the formula in S. 1943 is also based upon population need and state fiscal capacity, it is less equitable, according to the GAO report, because it retains the "hold harmless" entirely and gives less weight to the TTR value. Under the Senate bill, the share of total funding decreases in nine Sunbelt states (Alabama, Georgia, Mississippi, Missouri, New Mexico, North Carolina, Oklahoma, and South Carolina). Florida, Kentucky, Louisiana, Tennessee, Texas, and West Virginia gain only a slightly larger share of the total.

