

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7453

BILL NUMBER: HB 1483

NOTE PREPARED: Feb 14, 2013

BILL AMENDED: Feb 14, 2013

SUBJECT: Drug Testing of Recipients of Assistance.

FIRST AUTHOR: Rep. McMillin

FIRST SPONSOR:

BILL STATUS: CR Adopted - 1st House

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: This bill requires the Office of the Secretary of Family and Social Services Administration (FSSA) to administer a drug-testing program for individuals who are receiving TANF assistance or receiving TANF assistance on behalf of a child. The bill establishes requirements for the drug-testing program and ineligibility penalties.

Effective Date: July 1, 2013.

Summary of NET State Impact: This bill could result in a net increase in state expenditures by \$1.2 M in the first year of implementation. Based on information received from FSSA and certain assumptions, this bill could: (1) increase FSSA drug-testing costs for individuals who test negative on a drug test; (2) increase FSSA administrative expenditures; (3) reduce state TANF expenditures from withheld TANF benefits to finance the costs of positive drug tests and for individuals who do not test negative on two consecutive drug tests (and are ineligible for TANF benefits for three months); and (4) increase FSSA computer system costs to track individuals who test positive on drug tests. The net impact is summarized in the table below.

Impact on TANF Expenditures (Expenditure Reductions)	
Drug Testing Costs for Negative Drug Tests	\$280,000
Reduced State TANF Expenditures from Ineligible Individuals	(\$665,000)
Withheld TANF Benefits to Finance Costs of Positive Drug Tests	(\$911,000)
Estimated Administrative Expenditures	\$1,849,000
Estimated System Costs	\$638,000
Net Impact	\$1,191,000

Explanation of State Expenditures: (Revised) *Summary:* Based on information provided by the FSSA for FY 2010 and certain assumptions, this bill could: (1) increase FSSA drug-testing costs for individuals who test negative on a drug test (\$280,000); (2) increase FSSA administrative expenditures (\$1,849,000); (3) reduce state TANF expenditures from withheld TANF benefits to finance the costs of positive drug tests (\$911,000) and for individuals who do not test negative on two consecutive drug tests and thus are ineligible for TANF benefits for three months (\$665,000); and (4) increase FSSA computer system costs to track individuals' drug-testing records (\$638,000). [Note: Information regarding the fiscal impact of this bill is estimated only for the first year of implementation.]

FSSA reports administering the Substance Abuse Subtle Screening Inventory test (SASSI) to TANF recipients will increase state expenditures to purchase the tool and will increase workload to train staff to administer the test. Additionally, the administrative workload of implementing the bill could be distributed across local FSSA offices in the state's 92 counties. To the extent increases in workload are absorbed by existing local FSSA staff, the estimated administrative expenses of implementing the bill could be less than what is reported above. [Additional information has been requested of FSSA, which will be provided when the information is made available.]

Additional Information:

As a condition of receiving TANF benefits, recipients will be administered the SASSI test which has been reported to be at least 90% effective in determining substance abuse of tested individuals (Lazowski, Miller, Boye, and Miller, 1998). Individuals who receive SASSI scores that indicate a high probability of substance abuse or dependence will be placed in a testing pool from which FSSA is required to test at least 50% of the individuals. The bill specifies that an individual in this pool can only be tested once.

As a condition of continuing to receive TANF benefits after a positive initial drug test, individuals must show they are enrolled in a substance abuse treatment program. Individuals who do not seek treatment are ineligible for TANF benefits (along with any children for whom they receive benefits on their behalf) for three months, but can then reapply.

(Revised) Individuals who test positive and demonstrate enrollment in a substance abuse treatment program can continue to receive TANF benefits, but are subject to monthly drug tests. These individuals will have four months to test negative on two consecutive drug tests. Failure to do so results in three months of benefit ineligibility for the individual and any children on whose behalf they receive TANF benefits. Individuals who test negative on two consecutive drug tests will be placed in a reasonable suspicion pool, 50% of which will

be tested monthly.

Anyone who is determined ineligible for TANF benefits for a three-month period can reapply after the ineligibility period is over. Upon reapplication, all individuals will be subject to a drug test and must test negative to receive TANF benefits. Failure to do so results in permanent ineligibility for TANF benefits for the applicant and the applicant's dependents (as long as the dependents live with the permanently ineligible individual).

It is assumed that if at any time an individual in the reasonable suspicion pool fails a drug test, they will be required to seek substance abuse treatment again. Further, if they participate in substance abuse treatment, it is also assumed they are subject to monthly drug testing and will have four months to test negative on two consecutive drug tests.

Background Information on TANF Program: TANF assistance is shared between the state and federal governments. However, the federal share is provided through a capped block grant allocation with a state maintenance-of-effort (MOE) requirement. TANF block grant allocations are determined on a formula basis with increased flexibility for their use by the states over what was permitted under the prior Aid to Families with Dependent Children (AFDC) Program. The state contributes roughly 1/3 of the benefits in the TANF program.

Florida Drug-Testing Program: The state of Florida implemented a drug-testing program that required all applicants and recipients to pass a drug test as a condition of receiving TANF benefits. The Florida program did not use random selection or reasonable suspicion as a means of testing TANF recipients, unlike this bill.

Under the Florida program, individuals were required to pay between \$25 and \$35 for a drug test and were reimbursed if the testing results were negative. The Florida Department of Children and Families (DCF) reported the administration of the drug-testing program was provided without incurring new administrative costs. The Florida DCF also reported that individuals who tested negative for drugs were reimbursed from TANF funds.

Data obtained regarding the Florida program indicates that over the course of the four-month period when the program operated, a total of 4,086 individuals were administered drug tests with 108 testing positive (2.64%). An additional 40 individuals were scheduled to take drug tests but failed to make their appointment. Florida reports an expenditure of \$118,140 to reimburse the drug-testing costs for individuals who tested negative (approximately \$30 per person per test). Additionally, the program in Florida was reported to yield a net loss to the state of \$45,780 before being found unconstitutional in federal court.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: FSSA, DCS.

Local Agencies Affected:

Information Sources: FSSA TANF Recipient Data for FY 2010; Feldstein, S. W. & Miller, W. R (2007) *Does the subtle screening for substance abuse work? A review of the Substance Abuse Subtle Screening Inventory (SASSI)*. *Addiction*, 102: 41-50; Lazowski, Linda E. & Miller, Franklin G. & Boye, Michael W. & Miller, Glenn A. (1998) *Efficacy of the Substance Abuse Subtle Screening Inventory - 3 (SASSI-3) in Identifying Substance Dependence Disorders in Clinical Settings*. *Journal of Personality Assessment*, 71, Issue 1: 114-128; Joe Follick, Florida Department of Children and Family, (850) 413-0771; Congressional Research Service, *The Temporary Assistance for Needy Families (TANF) Block Grant: Responses to Frequently Asked Questions*, Gene Faulk, Specialist in Social Policy, October 11, 2011; Christina Hage, FSSA.

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