
Detailed Fiscal Analysis

Provisions of the Bill

This bill permits the Department of Rehabilitation and Correction (DRC) to contract with private laboratories to randomly drug test prisoners in state correctional institutions. Presumably, DRC would not choose to contract with private laboratories unless they could provide the same services DRC currently provides at lower rates. While this is not likely to happen in the foreseeable future, a potential savings could result if a private vendor could do so and DRC chose to contract with them. Prisoners who test positive for drug use would be required to reimburse DRC for drug testing expenses. DRC would also be required to adopt rules guiding random drug testing in state correctional institutions, including the imposition of sanctions on prisoners who fail drug tests.

The bill also permits: (1) county and municipal authorities to randomly drug test prisoners in county facilities; and (2) The Adult Parole Authority and local probation departments to require certain offenders to submit to random drug testing and to pay for positive tests. Local authorities may choose to apply the state's existing "pay-to-stay" law, in which case prisoners who test positive could be required to reimburse the authorities for the cost of drug tests.

DRC Inmate Drug Testing Policies

DRC currently drug tests in four ways:

1. A five percent random sample of the population per month.
2. For cause (reasonable suspicion of drug use exists).
3. As part of treatment programs.
4. As part of statistically valid annual saturation level testing.

In 1996, DRC tested 53,466 specimens using in-house testing at the laboratory at the Corrections Medical Center. Typically, a 6-panel drug test is administered, which tests for the presence of marijuana, cocaine, opiates, benzodiazepines, amphetamines, and alcohol in urine. The cost to DRC for in-house testing for each drug is \$0.51, so a 6-panel drug screen on a specimen costs \$3.56. Next April, the cost is anticipated to go down to \$0.38 per drug, with a cost of \$2.28 per 6-panel test.

In the first six months of FY 1998, DRC has tested 29,538 samples, so the anticipated yearly number of specimens subject to 6-panel tests is 60,000. Approximately half, or 30,000, of these tests are random. Three percent of the specimens are positive for drug use, and DRC policy requires that a confirmation screening be performed. This confirmation is done at a cost of \$1.25 per positive, with a total approximate annual cost of \$1,125 for confirmations (30,000 specimens x .03 testing positive x \$1.25).

The total annual cost to the GRF for DRC to do in-house drug testing randomly, for cause, as part of treatment, and saturation level testing is currently estimated to be \$215,850. If, as DRC anticipates, the cost of in-house drug testing is decreased to \$2.28 per 6-panel test in

April, the total annual cost for DRC in-house random testing would be approximately \$69,525 with confirmations. This would result in savings to the GRF.

A rough estimate of the costs for similar services if they were to be provided by SAMSA (Substance Abuse and Mental Health Services Administration) certified private vendors is displayed in Table 1 below.

Table 1: Comparison of Estimated Random Drug Testing Costs*

Drug Testing Costs	Provider				
	DRC	Vendor A	Vendor B	Vendor C	Vendor D
Cost of 6-panel test per specimen	\$3.56	\$15.00 to 20.00	\$10.00 to 12.00	\$12.50**	\$13.00 to 22.00
Cost per confirmation of negatives	\$1.25	\$25.00 to 50.00	\$25.00	**	\$50.00
Estimated yearly random testing cost	\$107,925	\$472,500 to \$645,000	\$322,000 to \$382,500	\$375,000	\$435,000 to \$705,000

*Assumes that approximately 30,000 specimens will be screened per year, with three percent, or 900 specimens, testing positive for drug use (as reported by DRC).

**Vendor C's panel test cost includes confirmation of negatives.

If DRC gave up responsibility for random testing of inmates, DRC would presumably save \$107,925 per year. However, contracting with an outside vendor for testing services would result in a net annual additional GRF cost of between \$225,000 to \$600,000. It is assumed that DRC would still retain responsibility for testing for cause and treatment program testing, if this were to occur. It is also assumed that DRC would not elect to contract with outside vendors unless these vendors could provide random drug testing services at a rate lower than DRC can do so. It is further assumed that, regardless of whether or not this bill takes effect, DRC could contract with private laboratories to provide these services, much as they would contract to acquire other medical services from private vendors.

This bill would also require inmates to pay drug-testing fees in the event that testing indicates drug abuse. However, it is estimated that 75 to 90 percent of inmates are indigent. Collection of such fees will most likely be problematic. Thus, little revenue will be collected annually. The bill credits any fees collected to the Offender Financial Responsibility Fund.

Additionally, the bill requires DRC to establish a policy for sanctioning inmates who fail drug tests. As DRC currently has a policy of graduated sanctions applicable to inmates who fail drug screenings, including treatment, revocation of good time, and imposition of bad time, this provision of the bill carries no fiscal effect.

Adult Parole Authority Drug Testing Policies

This bill codifies existing practice in permitting the Adult Parole Authority (APA) to require random drug testing of prisoners. APA receives funds for drug testing from the GRF and participates in random and nonrandom testing of inmates. APA now tests parolees under its supervision in-house. Currently, a 3-drug panel test is used at a cost of \$2.94 per test (\$0.98 per drug). APA has tested 47,132 specimens in the last half of FY 1997. Therefore, it may be assumed that APA collects and tests approximately 94,000 specimens yearly. Costs to the GRF include \$356,233 for testing equipment and supplies and \$152,000 for lab technicians per year, with a total annual cost of \$508,233.

This bill is not expected to change existing APA practices, so no fiscal impact to the APA is anticipated. Again, this bill compels the offender to reimburse the state for positive drug

testing fees. As a substantial percentage of these offenders tend to be indigent, the annual revenue gain for the Offender Financial Responsibility Fund is expected to be negligible.

Local Drug Testing Policy

On the local level, drug testing occurs most often in probation, rather than in custody settings. As an example, the Franklin County Probation Authority participates in non-random in-house drug testing at the probation officer's discretion. Last year, the Franklin County Probation Authority performed 46,976 tests, at a cost of \$1.65 per test. This year, they expect to perform 64,000 tests. The annual budget for these services is approximately \$170,000. The existing policies of the Franklin County Probation Authority and similar agencies are not anticipated to be affected by this bill.

This bill is permissive to county and municipal authorities. Prisoners could be required to reimburse county and municipal authorities for positive drug tests pursuant to the state's existing "pay-for-stay" law. These local entities would then have the option to deposit this revenue to a sanction cost reimbursement fund or a general fund.

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