

BILL SUMMARY
1st Session of the 52nd Legislature

Bill No.:	HB 1649
Version:	Introduced
Author:	Rep. Rousselot
Date:	February 4, 2009
Impact:	\$1,142,139 (Federal Funds) \$0 (State Funds)

Bill Summary

Fiscal Summary

Fiscal Analyst: David Ligon

HB 1649 requires persons applying for or receiving TANF assistance to be tested for illegal drugs through a program established by the Department of Human Services (DHS). Those persons refusing to submit to the drug test, or having a confirmed positive drug test, would not be eligible for assistance. The bill also gives DHS authority to promulgate rules regarding the drug testing.

Fiscal Analysis

This bill would require more extensive drug testing of Temporary Assistance to Needy Family (TANF) receipts than is presently performed. Currently, all TANF recipients receive a substance abuse screen as part of their employability plan. Drug testing is then required for those applicants indicated appropriate by the screen. When the assessment indicates the need for substance abuse treatment, the individualized employment and training plan required for every TANF recipient includes substance abuse treatment. If the TANF recipient fails to follow the individualized employment and training plan without good cause, the case is denied or closed for the entire family. A current agreement between DHS and Oklahoma Department of Mental Health and Substance Abuse Services (ODMHSAS) utilizing TANF funds creates a network of substance abuse treatment providers available to assist in providing screening, assessment education, and treatment. DHS also has a statewide pre-employment drug testing contract.

In determining the costs of the additional testing, DHS is using the following assumptions:

- Current agreement between DHS and ODMHSAS (\$19.22 per drug test, state Medicaid rate) State dollars: \$0; Federal dollars: \$643,562.48 (One UA per client SFY 08)
- Pre-employment DHS UA contract (\$49.00), State dollars: \$0; Federal dollars: \$1,640,716.00 (One UA per client SFY 08)

Assuming that half of all applicants can be tested pursuant to the ODMHSAS contract the annual cost would be \$1,142,139 using federal TANF funds and \$0 state funds.

DHS is basing the above projected costs upon 33,484 TANF applications in SFY-08 (13,245 TANF cases opened and 20,239 applications denied).

Substance abuse treatment providers subcontracted through ODMHSAS to provide services for TANF participants may or may not have drug testing services available. Certified drug tests must be sent out of state by the vendor. The pre-employment drug testing vendor also sends the sample out of state for confirmation and certification.

Transportation is a cost that was not utilized in the figures above. Most clients in rural areas would need to travel to vendors outside of the local service area for a certified UA result.

Long Term Fiscal Considerations

There would be appear to be some cost savings to both the federal government and state from those potential TANF receipts not receiving assistance, but it is impossible to estimate those potential savings without baseline data.

Fiscal Analysis Reviewed by:

Mark Tygret

House Fiscal Director