

FACT SHEET

Drug Testing of Workforce Supports Costly, Bad Policy for Mississippi

KEY TAKEAWAY:

Recent calls to require drug tests for workforce supports such as Temporary Assistance for Needy Families (TANF) and Unemployment Insurance would cost the state over **\$4 million** and subject the state to costly lawsuits. Analysis from other states also shows that such policies cost more than they save.

THE COST OF DRUG TESTING: \$4.4 MILLION

In May, there were 165,881 individuals in Mississippi receiving unemployment insurance.¹ During the same month there were 11,565 households receiving TANF benefits.² Assuming each drug test costs \$25,³ the cost to drug test everyone receiving assistance in May would be \$4.4 million (Table 1).

	May Caseload	Cost per Drug Test	Total
Unemployment Insurance	165,881	\$25	\$4,147,025
TANF	11,565	\$25	\$289,125
Total	177,446	\$25	\$4,436,150

UNKNOWN COSTS: LEGAL CHALLENGES OR ADMINISTRATIVE COSTS

In addition to paying the upfront costs for drug testing individuals receiving unemployment insurance and TANF benefits, the state of Mississippi would likely need to cover the costs to defend itself against a lawsuit.

In Michigan, the state implemented a mandatory drug testing requirement as a condition of eligibility for welfare benefits. The United States Court of Appeals for the Sixth Circuit upheld a lower court finding that the requirement violated the 4th Amendment's protection from unreasonable search and seizure.

The \$4.4 million cost estimate is conservative, it does not include additional administrative resources that would be needed by agencies to manage the program or potential increases in child welfare program costs.

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OTHER STATES HAVE REVIEWED THIS POLICY AND FOUND THAT IT COSTS MORE THAN IT SAVES

Numerous other states have explored the fiscal impacts of drug testing individuals that receive public assistance. The state of Louisiana found that the implementation of a policy to test TANF recipients according to its state laws would cost over \$500,000 even after savings realized from the termination of benefits.⁴

Authorized by the state legislature, the Idaho Department of Health and Welfare conducted a study and released the findings on the costs and benefits of implementing a random drug testing program. The study found “the costs of administering a drug testing program exceed the potential savings” for mandatory testing and that “savings from benefit termination of substance abusers will not “self-fund” a random drug testing program.”⁵

CONCLUSION

Over the past three years, Mississippi’s working families have been negatively affected by the recession. Children have been especially hard hit as the state has had to roll back child care programs and layoff educators due to a lack of resources.

In light of the hardship caused by the economic times, Mississippi neither has the funds in place to implement a mandatory drug testing program with upfront costs of over \$4 million nor the funds for a random drug testing program that does not pay for itself and may be subject to costly lawsuits.

¹Mississippi Department of Employment Security Labor Market Information. May 2011.

²Mississippi Department of Human Services Monthly Statistical Reports. May 2011.

³These costs were taken from a fiscal note drawn up in Louisiana to cost out a similar policy. Source: Legislative Fiscal Office. Fiscal Note for HB 897. www.legis.louisiana.gov/billdata/streamdocument.asp?did=657095 (Accessed June 20, 2011).

⁴Ibid.

⁵DRUG TESTING PUBLIC ASSISTANCE PROGRAM PARTICIPANTS. A Report by the Idaho Department of Health and Welfare. February 4, 2011