# COMMITTEE ON LEGISLATIVE RESEARCH OVERSIGHT DIVISION

## **FISCAL NOTE**

<u>L.R. No.</u>: 4554-03 <u>Bill No.</u>: SB 1149

Subject: Contracts and Contractors; Drugs and Controlled Substances; Employee-

**Employers** 

Type: Original Date: April 4, 2006

# **FISCAL SUMMARY**

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND				
FUND AFFECTED	FY 2007	FY 2008	FY 2009	
General Revenue	(Unknown - Not	(Unknown - Not	(Unknown - Not	
	expected to exceed	expected to exceed	expected to exceed	
	\$100,000)	\$100,000)	\$100,000)	
Total Estimated Net Effect on General Revenue Fund	(Unknown - Not	(Unknown - Not	(Unknown - Not	
	expected to exceed	expected to exceed	expected to exceed	
	\$100,000)	\$100,000)	\$100,000)	

ESTIMATED NET EFFECT ON OTHER STATE FUNDS				
FUND AFFECTED	FY 2007	FY 2008	FY 2009	
Total Estimated Net Effect on Other State Funds	\$0	\$0	\$0	

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 6 pages.

L.R. No. 4554-03 Bill No. SB 1149 Page 2 of 6 April 4, 2006

ESTIMATED NET EFFECT ON FEDERAL FUNDS				
FUND AFFECTED	FY 2007	FY 2008	FY 2009	
Total Estimated Net Effect on <u>All</u>				
Federal Funds	\$0	\$0	\$0	

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
<b>Local Government</b>	\$0	\$0	\$0

### FISCAL ANALYSIS

#### **ASSUMPTION**

Officials from the **Office of the Secretary of State (SOS)** assume many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this proposal for Administrative Rules is less than \$1,500. The SOS recognizes this is a small amount and does not expect additional funding would be required to meet these costs. However, SOS also recognizes that many such bills may be passed in a given year and that collectively the costs may be in excess of what the SOS can sustain with their core budget. Any additional required funding would be handled through the budget process.

The following agencies indicated this proposal would have no fiscal impact on their respective agencies: Department of Labor and Industrial Relations; Coordinating Board for Higher Education; Department of Elementary and Secondary Education.

According to officials from the **Department of Health and Senior Services**, there are currently over 4,000 laboratories in the state of Missouri that are "CLIA" (Certified Laboratory Improvement Amendments, 42 CFR Part 493. These are laboratories that perform medical testing for diagnosis and treatment. Testing urine for drugs (or for the metabolites of drugs) in

L.R. No. 4554-03 Bill No. SB 1149 Page 3 of 6 April 4, 2006

### <u>ASSUMPTION</u> (continued)

the employment setting is not medical testing because it is not done for diagnosis and treatment. Laboratories that perform these employment related drug screening may, but need not be CLIA laboratories. Since there are a number of types of laboratories in operation (forensic, industrial, etc.), there are an indeterminate number of labs in addition to the CLIA labs that would need to be supervised pursuant to this legislation.

Since the proposed legislation contemplates not only the supervision of the laboratories, but also specifying the type of testing that should be done (e.g., immunoassay, gas chromatography/mass spectrometry assay, etc.) as well as identifying appropriate testing facilities, and specifying the fees for such tests, it will be necessary to develop and administer comprehensive regulations pursuant to this bill. DOHSS is unable to estimate the fiscal impact due to uncertainties about how many people would need to be tested and how many labs would be involved.

**Oversight** assumes DOHSS will incur costs to administer this program, but those costs would not exceed \$100,000 annually.

The following colleges and universities indicated this proposal would have no fiscal impact on their respective institutions: Metropolitan Community College; Lincoln University; Truman State University.

Officials from the **University of Missouri System** assume an annual cost of approximately \$190,000 in increased construction bids.

Officials from **Missouri State University** assume that while the employer of the workers would be responsible for the cost of this program, the cost would ultimately pass on those hiring the firm to do construction work. While there would be an impact to the costs of projects on campus, it would not be overwhelming.

Officials from the **Nixa Public School District** indicated this proposed legislation would result in costs of \$25 per construction worker, which would most likely be passed on to the school district.

**Oversight** assumes the costs of drug testing would be indirect costs to the schools, colleges, and universities; therefore, no cost is assigned to schools, colleges, or universities.

Fiscal impact requests were sent to the school districts of Kansas City, St Joseph, Columbia and others who did not respond to requests for fiscal impact of the proposal.

L.R. No. 4554-03 Bill No. SB 1149 Page 4 of 6 April 4, 2006

GENERAL REVENUE	(10 Mo.)	11 2000	11 200)
<u>Costs</u> - DOHSS - Administration costs of drug testing program	(Unknown - Not expected to exceed \$100,000)	(Unknown - Not expected to exceed \$100,000)	`
EXPECTED NET EFFECT ON GENERAL REVENUE	(Unknown - Not expected to exceed \$100,000)	(Unknown - Not expected to exceed \$100,000)	(Unknown - Not expected to exceed \$100,000)
FISCAL IMPACT - Local Government	FY 2007 <u>\$0</u>	FY 2008 <u>\$0</u>	FY 2009 <u>\$0</u>

FY 2007

FY 2008

FY 2009

# FISCAL IMPACT - Small Business

FISCAL IMPACT - State Government

To the extent that small business are conducting construction at the school locations identified in the proposal, those small businesses would need to have their employees tested and the proposal speaks of "fees to be assessed to employers" for such testing.

#### **DESCRIPTION**

This proposed legislation requires an employee of a construction company to submit to a drug test before working on the property of a school. If a test result is found positive for illegal drugs, as determined by a medical review officer, the employee may not work on any school project. Upon such a determination, the employer may take action against the employee up to and including termination. The employer may also require the employee to participate in a drug abuse assistance or drug rehabilitation program. If the employee yields a negative result that result shall stand for one year and the employee shall be able to work on any school project without further testing. The Department of Health and Senior Services shall administer the program.

According to officials from the **Department of Health and Senior Services**, to some extent, the program would overlap with the U. S Department of Health and Human Services which notifies

LD:LR:OD (12/02)

L.R. No. 4554-03 Bill No. SB 1149 Page 5 of 6 April 4, 2006

## **DESCRIPTION** (continued)

Federal agencies of the laboratories that currently meet the standards in Subpart C of the Mandatory Guidelines for Federal Workplace Drug Testing Programs published in the Federal Register on April 13, 2004 (69 FR 19644). The notice listing all currently certified laboratories is published in the Federal Register during the first week of each month. If a laboratory's certification is suspended or revoked, the laboratory will be omitted from the list until it regains certification under the Guidelines. In Missouri, the certified laboratory is in Columbia: Toxicology & Drug Monitoring Lab, Univ. of Missouri Hosp. & Clinics..

This legislation is not federally mandated and would not require additional capital improvements or rental space.

## **SOURCES OF INFORMATION**

Department fo Elementary and Secondary Education Coordinating Board for Higher Education Department of Health and Senior Services Department of Labor and Industrial Relations Office of Secretary of State Administrative Rules Division

Colleges and Universities

Metropolitan Community College Missouri State University Lincoln University University of Missouri System Truman State University

**Public School Districts** 

Nixa

L.R. No. 4554-03 Bill No. SB 1149 Page 6 of 6 April 4, 2006

# **NOT RESPONDING**

**School Districts** 

Kansas City St Joseph Columbia Other school districts

Mickey Wilson, CPA

Mickey Wilen

Director April 4, 2006