

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE

House Bill 1422 (Delegate Fulton)
Environmental Matters

Job-Related Alcohol and Controlled Dangerous Substance Testing by Employers

This bill permits an employer to conduct pre-employment alcohol and controlled dangerous substance testing at the employer’s premises. The employer would not need to be licensed or to obtain a letter of exception from the Secretary of Health and Mental Hygiene to conduct such tests.

The device to conduct the test must comply with all laws and regulations promulgated by the United States Drug Administration and any applicable standards regarding cutoff levels for positive testing established by the United States Department of Health and Human Services as mandatory guidelines for federal workplace drug testing. All specimens that test positive must be confirmed by a laboratory.

Fiscal Summary

State Effect: Assuming that the State converts to on-site pre-employment controlled dangerous substances testing, expenditures could decrease by \$48,100 in FY 1997. Future year expenditure decreases reflect the ongoing costs for on-site testing. Revenues would not be affected.

(in dollars)	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001
Revenues	\$0	\$0	\$0	\$0	\$0
GF, SF, FF Expenditures	(48,100)	(59,800)	(61,500)	(63,200)	(65,000)
Net Effect	(\$48,100)	(\$59,800)	(\$61,500)	(\$63,200)	(\$65,000)

Note: () - decrease; GF - general funds; FF - federal funds; SF - special funds

Local Effect: Expenditures could decrease to the extent that a local employer pays less for pre-employment alcohol and controlled dangerous substance testing.

Fiscal Analysis

State Expenditures: The State contracts with licensed laboratories to conduct over 3,340 pre-employment controlled dangerous substance tests annually, including about 420 tests for the Department of Transportation, 150 tests for the University of Maryland System, and 2,770 tests for all other departments and agencies. (The State does not conduct pre-employment alcohol tests.) The total cost of this testing is about \$83,100 annually.

This bill would permit the State to conduct pre-employment controlled dangerous substance tests on-site. However, some agencies have expressed concern about the accuracy and reliability of tests which are not conducted within a controlled environment. Therefore, the State may choose to continue testing with licensed laboratories.

Assuming that the State elects to conduct pre-employment controlled dangerous substance tests on-site, State expenditures would decline. It is estimated that the State could conduct 3,240 pre-employment tests on-site for about \$35,000 in fiscal 1997. This figure includes a one-time cost of \$10,000 for training and equipment and ongoing costs of \$25,000 for laboratory services. Future year expenditures reflect \$25,000 in ongoing costs.

Local Expenditures: Certain local employers could decrease expenditures by conducting pre-employment alcohol and controlled dangerous substances tests on-site rather than through a licensed laboratory. The potential savings for the local employers cannot be reliably estimated at this time.

Information Source(s): Department of Health and Mental Hygiene, Department of Personnel, Department of Transportation, University of Maryland System, Department of Fiscal Services

Fiscal Note History: First Reader - March 15, 1996

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