



TESTIMONY PRESENTED TO THE HOUSE FAMILIES, CHILDREN, AND SENIORS STANDING COMMITTEE

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The Michigan League for Public Policy submits this testimony in opposition to HB 4118 which proposes to implement a drug testing program for applicants and recipients of FIP. FIP benefits only go to families with children and children make up 70% of the FIP caseload. Yet, HB 4118 does not take children into account at all and would leave kids without a safety net should their parent indeed have a substance abuse problem.

Not one drug testing program has yet to save any state money – there are NO cost savings, at all, to be found by implementing any kind of drug testing policy. The U.S. Department of Health and Human Services analyzed the cost of drug tests among 12 states and found that not one of the state estimates showed a net savings. Consider:

- Florida actually lost more than \$10,000 a month during the four months they drug tested TANF recipients and applicants – this includes both their expenditures and any savings found in closing the cases of those that tested positive for drug use.
- Both Missouri and Arizona have suspicion-based policies similar to what HB 4118 proposes - Missouri expected to pay \$4.1 million over FY 2012 and 2013 for its drug testing program. Arizona calculated \$3.4 million for their drug testing program, which only included the initial drug test and no subsequent re-testing.

HB 4118 does not include language to assist families that have substance abuse problems so that they can achieve self-sufficiency – but makes it more difficult for those with substance abuse problems to get treatment. If the purpose is to truly help families, substance abuse needs to be treated as any other barrier to employment and treatment should be made a part of a family's self-sufficiency plan under FIP. These are outcomes that other states have created their programs to address. For example, Missouri allows families to still receive assistance if a parent tests positive and enrolls in substance abuse treatment. In the case of a parent not enrolling in treatment, the children can at least still receive benefits through a third party if a parent is found ineligible. This is a fair and humane policy.

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HB 4118 singles out a program that receives less than 1% of the entire state budget. Why are recipients of FIP the only ones being targeted? The entire appropriation for FIP in FY12 was \$340 million but the state appropriated more than \$12 billion to more than 30,000 vendors in FY12, none of which required a drug test or screening prior to receipt. If the goal is to be a good steward of public dollars, we should be looking at vendors, not just FIP recipients.

This bill is based on a myth which portrays the welfare recipient as making a living on the government dime and using our taxpayer dollars to buy drugs. Again, HB 4118 is based on false assumptions. Consider the following:

1. People on cash assistance are NOT more likely to abuse substances than the general population.
 - When Michigan implemented a drug testing policy in 1999, it tested 435 applicants and 45 of those tested positive for drug use, about 10%. In Michigan, the rate of substance abuse in the general public is 8.95%. And, 435 people is a very small sample size. States that tested more people, found even less substance use.
 - Indiana implemented drug testing for people in their workforce training program and 13 of 1,240 job applicants failed the test and three others refused to take it.
 - Since Arizona implemented their suspicion-based drug screening program in 2009, 16 adult recipients have been required to take a drug test of the 64,000 people screened. Of those, eight refused to take the test and lost benefits, eight were tested and one failed and was disqualified.
 - During the four months Florida had drug testing, only 2.6% of the 7,030 applicants tested failed the drug test. An additional 40 people canceled the tests and did not take them. The testing also did not scare people away from applying. The Florida Department of Child and Family Services stated that no dampening effect was found on the caseload.
2. FIP costs are not going up, neither are caseloads. In fact, the number of people receiving cash assistance has remained remarkably stable over the past decade.
3. People do not languish on cash assistance for years at a time. Two-thirds of Michigianians that received FIP in June of FY 2011 were on the program for 12 months or less. Even before recent legislation that tightened the 48-month time limit, the average length of time a family received FIP benefits has dropped 42% since 2001.

Legislation should have a clear purpose, yet this bill does not seem to have one. If the goal is to save the state money, it will not. If the goal is help families become gainfully employed, it misses the mark. If it is to end substance abuse, it will not do that either. What the bill will do is end up harming children. The League does not condone the use of illegal substances by anyone, whether they receive cash assistance or not. But, we recognize substance abuse as a medical addiction that requires treatment. We believe it should be addressed like any other barrier to a FIP family's success. The only result of this bill will be to put more children at risk and take away any financial support they may have. This should not be the end goal of any bill.

Thank you for the opportunity to address the committee on this important issue.