Michigan League for Human Services

CELEBRATING 100 YEARS OF RESEARCH AND ADVOCACY

Written Testimony on SB 904
Suspicion-Based Drug Testing for Public Assistance Recipients

Submitted to the Senate Families, Seniors and Human Services Standing Committee

June 6, 2012

Good morning Chairman Emmons and members of the Committee. The Michigan League for Human Services submits this testimony in opposition to SB 904 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 percent of the FIP caseload. Yet, SB 904 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 to repeat – 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 SB 904 proposes – Missouri expects 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.

SB 904 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.

SB 904 singles out a program that receives less than 1 percent 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 dollars 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.

(over)

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This bill is based on a myth which portrays the welfare recipient as making a living on the government dime and using our tax payer dollars to buy drugs. Again, SB 904 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 a drug testing scheme, only 2.6 percent 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 Michiganians 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 percent 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 wants 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.

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Testimony before the Families, Seniors and Human Services Senate Standing Committee

MELISSA K. SMITH

June 6, 2012

Good afternoon Chairman Emmons and members of the Committee. I am Melissa K. Smith, Senior Policy Analyst at the Michigan League for Human Services. Thank you for the opportunity to speak with you today.

I'm here to clear up some misconceptions about FIP recipients in Michigan. SB 905 assumes that FIP recipients do not do anything in order to receive benefits. However, this is completely inaccurate. The law mandates that all non-exempt adult FIP recipients must participate in a minimum of 30 hours a week of work participation activities. One of those activities is community service.

If the bill intends to require community service as a precursor to receiving FIP, it is redundant to current policies. Clients already must engage in work participation activities even while their FIP application is pending. Not only is it a condition of eligibility, it is also required in order to continue receiving benefits. This bill changes nothing since community service is already one of the core activities of the work participation requirement.

If SB 905 intends to add community service requirements in addition to the minimum 30-hour-a-week work activity requirement, it will violate federal law. Unpaid work is moderated by the Fair Labor Standards Act (FLSA). When a FIP client is required to participate in unpaid work activity, like community service, they cannot work more hours than the monthly benefit amount divided by the minimum wage.

A family of two (a parent and a child) receiving a FIP grant of $403 a month is required to participate in work activities at least 30 hours a week, or 120 hours a month. Because the minimum wage is $7.40 an hour, the parent cannot be required to participate in unpaid work activities for more than 54 hours a month. The parent will still have 66 hours of work participation requirements they must meet that month, but it cannot be in unpaid work. The legislature cannot require additional hours of community service because it is considered unpaid work and will be in excess of FLSA limits.

The League feels that this bill is not necessary. It is based on a false assumption that people on FIP are not required to do anything to receive benefits. If the purpose of the bill is to make sure people receiving benefits do community service, this already occurs.

Thank you for the opportunity to address the committee. I am happy to take any questions.

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Enter goal and activity information agreed upon with the client in these sections. Remember to ask about and enter activities in which the client is already participating.

Goal

Help the client identify family goals. Use the Miracle Question to allow him/her to dream or create an alternative future. When using the Miracle Question, ask the client: "When you wake up tomorrow morning and your world is exactly how you want it to be, what would be different from today?" If the client's goals are too vague, broad, or far in the future, assist by asking for more detail so the client will be motivated toward short term goals and a plan can be developed. To be meaningful, the goals must be achievable, clear, simple, and measurable.

Client complaints about their current situation can be rephrased as goals to change something in their lives. For example, if the client complains that s/he does not have enough money, the goal could be to get more money. Get details on what s/he would buy with the money to make the goal more concrete. Compliment the client as s/he works through this process.

Activities

Activities are specific actions the client will take to reach the goal(s) and meet work participation requirements. Activities are divided into three categories: core, non-core, and other.

Note: Work participation program workers enter activities in MIS when the WEI is referred there. Activities entered in MIS are displayed in the FSSP and are included in the calculation of planned hours. Necessary comments that pertain to work participation program activities must be entered in MIS.

Core Activities

Core activities are usually recorded by the work participation program for the WEI referred to the work participation program. They include the following activities:

- Unsubsidized employment.
- Subsidized private and public sector employment.
- Work experience.
- On-the-job training.
- Job search/job readiness.
- Community service programs.
- Vocational educational training, including condensed vocational training.
- Providing child care for a community service participant.

Unless a WEI is planning to participate in a minimum of 20-hour core activities and the remaining required hours in non-core activities, none of the hours will meet federal participation requirements and thereby reduce the state's participation rate.

Fair Labor Standards Act (FLSA)

When a client is assigned to or participating in unpaid work activity that includes community service or work experience, the total number of required hours of participation in the unpaid work cannot exceed the FIP grant amount divided by state minimum wage per month. In order to meet federal requirements, a client must participate in another core activity if the maximum unpaid work hours are not enough to meet the minimum federal participation requirements.

Example: FIP grant amount for a family of two is $403. Divide $403 by state minimum wage ($7.40). The total of 54.45 hours per month is rounded to the lower whole number. 54 hours per month is the maximum number of unpaid work hours that may be required of the client. This client has a 20 hour per week minimum federal requirement, multiplied by four weeks, totaling 80 hours per month. The shortfall in required hours is 26 hours per month the client would need to make up in other core activities.

Example: FIP grant amount for a family of four is $597. Divide $597 by state minimum wage ($7.40). The total of 80.67 hours per month is rounded to the higher whole number. 81 hours per month is the maximum number of unpaid work hours that may be required of the client. This client has a 20 hour per week minimum federal requirement, multiplied by4 weeks, totaling 80 hours per month. There is no shortfall for this client. This client would meet federal work participation at 80 hours. No further hours should be assigned for this client to meet federal requirements.

Non-Core Activities

Non-core activities are only countable when the minimum number of core activities have been planned. Non-core activities include the following:

- Job skills training directly related to employment.
- Education directly related to employment.
- High school completion/GED.

Other Activities

Other Activities are family strengthening activities that may support efforts made toward self-sufficiency and are not counted toward federal participation requirements. These include self-improvement or other activities that will assist the client to overcome barriers so s/he may participate in employment services or otherwise strengthen the family. Other activities include, but are not limited to the following:

- Parenting programs or classes.