

Executive Summary - Pre-Employment Drug and Alcohol Testing

History: In November of 2002, the Minneapolis City Council approved the current Pre-Employment Drug and Alcohol Testing (PEDAT) policy; prior to that the City only had a policy for reasonable suspicion testing. The current PEDAT policy covers positions that meet one or more of the following criteria: 1) A Driver's License is a minimum qualification; 2) Access to drugs and alcohol; 3) Operation of heavy and/or motorized equipment; 4) Direct interaction with children or vulnerable adults; and 5) Responds to life-threatening emergencies. After the policy was passed a number of concerns were raised by the City's Medical Review Officer. To address these concerns the policy and procedures were reviewed and recommended changes were drafted.

Included in the recommended changes were removing the specific substances being tested for and the threshold levels that would result in a positive test result; additionally, we recommended expanding the criteria that would determine if a position would be covered so it would be consistent with the background check policy. The new criteria included: 1) Handles cash, cash equivalents, checks, securities or has access to bank or investment accounts and 2) Requires entering private homes or secure areas of business. It also amended the criteria for responding to life-threatening emergencies to include "*Dispatches or* responds to life-threatening emergencies."

The City of Minneapolis uses the substance and threshold standards established by the Department of Transportation (DOT) as our standard for positive test results. This was true when we adopted our reasonable suspicion policy; our 2002 PEDAT policy was modeled after that policy and included the same substances and thresholds. We use this standard because the DOT has very strict processes for determining the substances and thresholds; absent this, we would not have defensible information from which to test. Since 2002, some of the substances and/or thresholds have changed. To reflect fluctuations in DOT standards, we have recommended that these be removed from the policy so that the Council does not have to modify the policy each time there is a change in the standards by the DOT, making administration of the policy more efficient and effective.

In compliance with the procedures of the Policy Review Group, HR reviewed the proposed policy with Department Heads in January. Overall, the Department Heads recommended that all new hires be subject to testing; stating that all employees are important to the City of Minneapolis – not just those in safety-sensitive positions. As a result HR changed the proposed policy. In February, HR presented the policy to the Citywide Labor Management Committee; there was no dissension from this group. Since this policy change did not affect current employees, it did not have to be negotiated with our collective bargaining units. The proposed policy was then presented to the Executive Committee on May 7th and was approved by a 4 to 1 vote. On May 12th, the policy was presented to the Ways and Means Committee. After much discussion, Chair Ostrow moved to postpone with the following staff directions to provide information outlining risk management: a) quantifying liability exposure; insurability issues; asset preservation; as well as a history of these issues; b) a survey of policies in other cities and counties; and c) a legal analysis that would address negligent hiring, noting sensitive and non-sensitive positions.

Our report provides information on local and national trends, identifies the business case for testing all new employees, and summarizes our recommendations. While committee members requested information specific to the City of Minneapolis, it is not collected in such a way that allows us to quantify the difference in liability exposure and asset preservation the City would experience if we tested all new employees rather than just safety-sensitive positions. For example, the City does not track specific causes of action (such as negligent hiring) or facts that contributed to the City's decision to pay a claim. However, the goal is not to reduce one certain type of claim but to try to identify and eliminate a known contributing factor to any claims against the City. Consequently, we are providing national trend information for members review.

Local and National Trends: After the Ways & Means Committee meeting Human Resources initiated two separate surveys, one national and the other local. Of the 8 public sector agencies in the metro area who responded, all did some type of pre-employment drug and alcohol testing. The City of Bloomington tests most if not all job applicants and Washington County tests job applicants for a large number of positions but not all. Two other agencies, Hennepin County and Dakota County, test for Safety Sensitive positions while two other counties, Ramsey and Carver, test for

positions requiring a Commercial Driver's License (CDL). The City of St. Paul tests job applicants for positions requiring a CDL and for Public Safety positions and positions in the Water Department.

At our request, the International Public Management Association for Human Resources (IPMA-HR) sent a questionnaire out to human resources departments across the country to gather information about their pre-employment drug testing practices. The survey results of 31 respondents showed that all did some type of pre-employment drug and alcohol testing. Eighteen (58%) of the respondents conduct pre-employment *drug and alcohol* testing for all positions with another four (13%) agencies doing only *drug* testing for all positions. The remaining nine (29%) respondents did testing for either Safety Sensitive, Public Safety and/or for positions requiring a CDL or a combination thereof.

The Business Case: Consider that the best behavior you can expect from an employee is their presentation during the pre-employment process. Pre-employment testing to screen out substance abusers is a proven practice that protects the City and its stakeholders from expensive risks. If job applicants unable to pass a drug and alcohol test are allowed to become employees, they are statistically certain to cost the City's taxpayers in the following ways:

- A. **Higher Medical Costs:** Substance abusers are three times more likely to use medical benefits than other employees and, on average, cost their employers an extra \$7,000 annually in health benefits. Furthermore, substance-using employees are 3.6 times more likely to be involved in workplace accidents, and about 40 percent of industrial fatalities can be linked to alcohol abuse and alcoholism (National Institute on Drug Abuse and U.S. Department of Labor). Claim costs for City of Minneapolis healthcare plan members who were diagnosed with substance abuse and/or chemical dependency are *four* times higher than costs for a typical member and totaled over \$4 million for all services rendered, including direct substance abuse/chemical dependency services. The City's claims costs for direct substance abuse/chemical dependency services last year was \$720,000.
- B. **Higher Workers' Compensation Costs:** Nearly half of all workers' compensation claims are related to substance abuse and users of illicit drugs are five times more likely to file a workers' compensation claim (National Council on Compensation Insurance). Workers' Compensation paid out \$5.6 million in 2007.
- C. **Workplace Theft & Violence:** 80 percent of drug abusers steal from their workplaces to support their drug use, and substance abuse is the third-leading cause of workplace violence (Society of Human Resource Management).
- D. **High Employee Turnover, Absenteeism, Industrial Fatalities & Workplace Accidents:** According to National Surveys on Drug Use & Health by the U.S. Dept. of Health and Human Services/Office of Applied Studies in 1994 and 1997, workers who are heavy drinkers or illicit drug users are twice as likely as non-users to have been fired by an employer in the last year, changed employers more than three times in the last year, and missed two or more days of work in the past month. Results from a U.S. Postal Service study revealed that employees who tested positive in a pre-employment drug test are 66 percent more likely to be absent and 77 percent more likely to be discharged within three years than those who tested negative.
- E. **The Big Picture:** More than 12 million working Americans are abusing illicit drugs or alcohol at work, including marijuana, methamphetamine, cocaine, ecstasy, heroin, and prescription medications. Each is a potential risk to their employer, and some of these workers are already employed by the City. More than 30 years of research has documented the costs of these workers' use of drugs and alcohol at work. The negative effects include workplace accidents, impaired judgment, increased workloads for co-workers, declines in productivity and decreased employee morale. Nationally, in 2006 the cost to employers was \$160 billion, and it goes up every year.

Youth ages 12-17, current illicit drug use is at 9.8%, binge drinking is at 10.3%. Adults age 18-24 who were employed full-time, 10.6% were classified as having a substance use disorder in the past year. Among full-time

employed persons diagnosed with a substance use disorder, ages 18-25 had the highest rates of substance use disorder than any other age category.

The goals of the City of Minneapolis have resulted in a variety of initiatives intended to make our city a safe place to call home. We have developed a Blueprint for Action to address youth violence, a component of which identifies how drug and alcohol abuse can negatively impact the youth of the city. Additionally, time and resources have been allocated to help mentor young people through initiatives like *Achieve Minneapolis!*, the Step-Up Program, Big Brothers and Big Sisters, and the Minneapolis Promise – so they stay in school, get good grades and move on to higher education. We must consider the mixed message we send when we encourage them to stay clean, stay out of trouble, stay in school, but if you use drugs and alcohol – you may not be able to work for some of our private sector partners – but you can work for the City of Minneapolis because this is not a standard we expect in our workplace.

Recommendation: After much research, the recommendation of staff is for the City of Minneapolis to conduct pre-employment drug and alcohol testing on all new employees. Along with the support of the department heads, we believe this policy will help to safeguard our citizens, protect the City's assets, and mentor youth and the promotion of their successful work skills, as well as promote a healthy community.

If there is not enough Council support for this recommendation, our second option would be that the Council increase the criteria for "safety-sensitive" positions so that the following criteria are added to the policy: 1) Handles cash, cash equivalents, checks, securities or has access to bank or investment accounts and 2) Requires entering private homes or secure areas of business. It also amended the criteria for responding to life-threatening emergencies to include "*Dispatches or responds to life-threatening emergencies.*"