

Item # 5

**City of Carson City
Agenda Report**

Date Submitted: September 26, 2006

Agenda Date Requested: October 5, 2006

Time Requested: 10 minutes

To: Mayor and Board of Supervisors

From: Ann Silver, Director of Human Resources

Subject Title: Action to institute a pre-employment drug screening procedure for all candidates seeking employment effective November 1, 2006 that will test for Amphetamines, Marijuana, Cocaine, Opiates (heroin, morphine, oxycodone and vicodin), and PCP.

Staff Summary: In order to ensure a productive workforce, a safe workplace, and a drug-free work environment, Human Resources will begin a pre-employment drug screening program. Any offer of employment will be contingent on successful completion of pre-employment drug screening.

This program will provide a savings to the City in costs associated with absenteeism, liability issues, disciplinary problems, and increased productivity.

The Board of Supervisors has made the elimination of methamphetamines one of its top priorities and the implementation of pre-employment drug screening program for City employees is a logical and natural extension of this priority.

Type of Action Requested: (check one)
☐ Resolution ☐ Ordinance
☒ Formal Action/Motion ☐ Other (Specify)

Does This Action Require A Business Impact Statement: ☐ Yes ☒ No

Recommended Board Action: I move to approve the implementation of a pre-employment drug screening program for all Carson City employees

Explanation for Recommended Board Action: We ask for your approval of pre-employment drug screening prior to any offer of employment.

Applicable Statute, Code, Policy, Rule or Regulation: N/A

Fiscal Impact: The overall cost increase to the City for the pre-employment drug screening program is estimated at \$10,500.00 annually. No additional staffing in the Human Resources department is required or requested to administer this program.

Funding Source: General Fund

Alternatives:

Supporting Material: Pre-employment Drug Screen Considerations

Prepared By: Ann Silver, Director of Human Resources

Reviewed By:

(Department Head)

(City Manager)

(District Attorney)

(Finance Director)

Date:

9-26-06

Date:

9-26-06

Date:

9-26-06

Date:

9/26/06

Board Action Taken:

Motion:

1)

2)

Aye/Nay

(Vote Recorded By)

Pre-employment Drug Screening Considerations

CURRENT PUBLIC EMPLOYERS WHO DO SCREENING

- Pre-employment testing for all candidates is currently being done by City of Sparks, Washoe County, City of Elko, Boulder City, and City of Henderson. Most other entities do screening in cases of "safety sensitive" or "regulated positions" only. The State of Nevada tests by selected positions, however, the State's legislative agenda for '07 proposes to include all positions.
- Federal government has had a Drug-Free Workplace program since 1986. All federal employees are required to participate in pre-employment drug screening.

COST TO THE CITY

- \$35.00 per drug test
- Approximately 300 new hires per year; **annual cost estimated at \$10,500.00.**
- Cost to administer absorbed by current HR staff. No additional staffing required.

PROCESS

- Candidate is instructed that employment is contingent on successful completion of pre-employment screening.
- Candidate receives form provided by Human Resources and reports to the drug testing facility and provides urine sample. Must be tested by the end of the business day.
- Testing is done immediately and results are faxed or emailed to HR.
- If the test is positive, it is sent from the Concentra facility to its lab under strict evidence control rules for additional testing.
- A Medical Representative Officer (MRO) notifies job candidate directly to communicate test is positive.
- MRO gives candidate the opportunity to explain reason for failure (prescription drug).
- Provider contacts physician for verification of candidate's prescription.
- Provider may retest only once at candidate's cost.
- Provider notifies candidate of failure (test positive).
- Human Resources refers any question related to the outcome of the test to Concentra.

TEST PROVIDER

- Concentra – City currently uses for regulated, random, safety and probable suspicion drug testing; Carson City location and hours: 3488 Goni Road, Bldg. E., Monday through Friday, 8:00 am to 5:00 pm.
- Pre-employment screening is an "e-screen" test which provides an immediate analysis for a panel of five drugs: Amphetamines, Marijuana, Cocaine, Opiates (heroin, morphine, oxycodone and vicodin), and PCP.

HEALTH PLAN USAGE FOR DRUG RELATED ISSUES

- Drug-related claims incurred between 7-1-04 and 9-11-06; \$33,657.30
- 4 inpatient treatment charges totaling \$30,161.70
- 7 individuals receiving 68 sessions totaling \$3,495.60

EMPLOYEE ASSISTANCE PLAN USAGE

- Carson City has experienced six management-referred drug management cases in a twelve month period.

RISK MANAGEMENT/WORKER'S COMP CLAIMS

- Two liability claims during FY 05-06 related to drugs - \$7,800.00

LEGAL CONSIDERATIONS

- NLRB has ruled there is no requirement to have approval from bargaining units as no employment relationship exists with pre-employment testing.
- Will incorporate pre-employment drug testing language into existing drug policy.
- Must include notification of pre-employment drug testing on all job postings.
- The negligent hiring theory places a duty on employers to use reasonable care in the selection and retention of employees. A cause of action may be brought against an employer by an employee injured at the workplace by a co-worker who has abused drugs.

NATIONAL STATISTICAL CONSIDERATIONS

- The vast majority of current illicit drug users are employed (77%).
- Illicit drug users are more than twice as likely than those who are not to have changed employers three or more times in the past year.
- Illicit drug users are more than twice as likely than those who are not to have skipped one or more work days in the past month.
- Of callers to the National Cocaine Helpline, 75 % admit to having used drugs on the job, 64 % report that drugs adversely affected their job performance, 44% say they sold drugs to fellow employees and 18% say they have stolen from coworkers to support their drug habit.
- American Management report: between 4 and 5 % of applicants test positive.
- US Postal Service study: Between September 1987 and May 1988, USPS tested 5,465 applicants. 4,375 applicants were hired – 395 tested positive. Followed at 1.3, 2.4 and 3.3 years for differences:
 - Involuntary turnover – at 1.3 mark 15% were terminated (47% higher rate than the test-negative group. At 2.4 years, 69.4% higher and at 3.3 years rate was 77.4% higher
 - Absenteeism – at 1.3 mark 59.4% more likely to be heavy leave users. At 2.4 years were absent almost 10% of total hours scheduled. At 3.3 years were absent 11% of scheduled hours
 - Disciplinary actions – at 3.3 years 37% had been disciplined compare to 19% of non-users

USPS projected it would have save \$52 million by 1989 if it had not hired the known drug users in 1987. By 1991, the estimated savings increased to \$105 million.

- Drug abusers on average:
 - Cost an employer \$7,000 - \$10,000 per employee annually
 - Cost companies 300% more in medical costs and benefits
 - Are absent up to 16 times more often
 - Are 1/3 less productive
- 65% of accidents on-the-job are caused by substance abuse.

BENEFITS OF DRUG-FREE WORKPLACE

- Reduction in absenteeism, tardiness
- Decline in workers comp, liability claims
- Drop in employee theft
- Reduction of health care claims
- Fewer employee discipline problems
- Increase in employee productivity
- Improvement in employee morale and motivation
- Enhanced image as "Employer of Choice"
- Reinforcement of Board of Supervisors' goal regarding City's drug issues

Submitted by Zee McClintock
Manager of Employee Benefits
Carson City Human Resources
September 22, 2006