

United States General Accounting Office

GAO

Report to the Chairman, Subcommittee on
Law Enforcement and Administration of Justice
of the Committee on Public Safety and
Emergency Preparedness, House of Representatives

Representatives

May 1985

EMPLOYEES
BRIEFING

Agency Goals May
Vary from Budget
Estimates



119495

U.S. Department of Justice
National Institute of Justice

This document has been reproduced exactly as received from the person or organization originating it. Points of view or opinions stated in this document are those of the authors and do not necessarily represent the official position or policies of the National Institute of Justice.

Permission to reproduce this copyrighted material has been granted by

Public Domain

U.S. General Accounting Office

to the National Criminal Justice Reference Service (NCJRS).

Further reproduction outside of the NCJRS system requires permission of the copyright owner.

119495

GAO: GAO: 85-119495



United States
General Accounting Office
Washington, D.C. 20548

General Government Division

B-223280

May 30, 1989

The Honorable Gerry Sikorski
Chairman, Subcommittee on Civil Service
Committee on Post Office and
Civil Service
House of Representatives

NCJRS

SEP 12 1989

ACQUISITIONS

The Honorable Paul E. Kanjorski
Chairman, Subcommittee on Human Resources
Committee on Post Office and
Civil Service
House of Representatives

In a hearing before your Subcommittees on June 16, 1988, concerning federal agency drug testing plans, we testified that the Office of Management and Budget's (OMB) cost analysis of the proposed drug testing programs showed considerable variability between agencies and lacked sufficient detail to explain the basis for the cost estimates or the variances. At the hearing, you requested that we analyze OMB's cost estimates for the civilian cabinet level departments to address these concerns. This report responds to that request.

Background

President Reagan issued Executive Order 12564 on September 15, 1986, requiring each executive branch agency to establish a drug testing program in support of a drug-free federal workplace.

Because of concerns over aspects of the Executive Order, Congress included provisions in the 1987 Supplemental Appropriations Act (Section 503, Public Law 100-71, July 11, 1987) that required certain actions be taken before executive branch agencies could use appropriations to fund drug testing program operations pursuant to the Executive Order. Among other things, the act required that OMB submit to Congress a 5-year, agency-by-agency analysis of the anticipated annual costs associated with carrying out these drug programs in specified departments and agencies. The act also required that agencies submit an annual report relating to their drug testing activities. However, cost data were not specifically identified for inclusion in this annual report.

In December 1987, OMB issued Bulletin No. 88-04 to provide agencies with guidance for estimating drug testing costs. The guidance identified six cost categories for which agencies were to supply cost estimates—specimen collection, drug testing, medical review officer, supervisory

training, employee education, and program administration. An additional category, quality control, was later added to the list.

The OMB cost estimates for the 20 agencies referred to in Public Law 100-71 were sent to Congress on May 3, 1988. The total cost for the 20 agencies averaged about \$11 million per year. For the 12 civilian cabinet level departments that are in OMB's cost analysis, the average yearly total was around \$7 million.¹

Results in Brief

Our analysis showed that the OMB guidance to departments specifying the dollar amount to use in estimating certain cost categories may not be indicative of the amount some departments will spend in those categories. Further, in those cost categories where the OMB guidance did not provide specific dollar figures but instructed agencies to calculate their own estimates, differences in departmental estimates suggest that some departments have either overestimated or underestimated their costs. As a result, the estimated program costs submitted to Congress for 12 civilian cabinet level departments may differ from the actual costs that these departments will incur when their testing programs are fully implemented.

It is too early in the development of most agency programs to determine the overall direction and magnitude of program costs in relation to the OMB estimates. Consequently, if Congress wants to develop accurate data on the cost of federal drug testing programs, agencies could be directed to track and report actual program costs.

Objectives, Scope, and Methodology

The objectives of our review were to examine the OMB cost estimates for the 12 civilian cabinet level departments whose drug testing programs were submitted to Congress and evaluate (1) the bases for these estimates and (2) the variances in program cost estimates across departments.

We interviewed officials from OMB and each of the 12 departments to determine the bases for the estimates used. We also met with officials from the Department of Transportation (DOT), the Immigration and Naturalization Service, and the United States Secret Service. These agencies

¹The thirteenth department, the Department of Transportation, was exempted from the OMB cost analysis requirements of Public Law 100-71. Consequently, OMB's cost analysis did not include this department.

were exempted from the OMB cost analysis requirement in Public Law 100-71. Each of these agencies, however, was engaged in some type of drug testing, and we interviewed their officials in order to identify some of the actual costs that ongoing agency testing programs had incurred. We used available cost data from these agencies to assist us in reviewing the bases for the OMB estimates. In addition, we spoke with an official at the Armed Forces Institute of Pathology concerning costs associated with laboratory testing quality control.

We reviewed cost estimates for the seven cost categories identified by OMB for each of the fiscal years covered in the OMB analysis. For five of the cost categories—specimen collection, drug testing, medical review officer, quality control, and supervisory training—OMB provided agencies with specific per unit (e.g., per specimen collected) or per capita (e.g., per employee testing positive) cost figures to use. We examined OMB's bases for these figures.

For the remaining two cost categories, employee education and program administration, OMB did not provide specific per unit or per capita figures for agencies to use in estimating costs and instructed agencies to develop their own estimates. The resulting estimates for employee education and program administration showed different patterns of yearly expenditures between agencies. For example, the largest yearly expenditure for employee education in one agency would occur in fiscal year 1988, while for another agency it would occur in 1989. In order to avoid the problems associated with the different patterns of yearly cost fluctuation between agencies, we computed the average yearly cost over fiscal years 1988 to 1991. This gave us a cost estimate for each agency that represented its overall level of expenditure.

To provide a basis for comparing costs among agencies, our analysis of these two categories also included dividing the average yearly cost in each category by the average annual number of agency employees during the same time period. For the administrative cost category, our analyses also included dividing the cost estimates by the average annual number of persons subject to testing and the average annual number of persons to be tested.

We did our work between July 1988 through February 1989 in accordance with generally accepted government auditing standards.

OMB Guidance to Agencies

For the cost categories of specimen collection, drug testing, medical review officer, quality control, and supervisory training, the guidance OMB gave to agencies specified a dollar amount per unit or per capita to use in computing estimated costs. According to an OMB official, these amounts were based on the drug testing cost information available at that time from government and private sector organizations with experience in the area of drug testing. The OMB guidance provided agencies with the option of using alternative assumptions to the OMB figures in developing their cost estimates. However, in most cases, agencies applied the proposed OMB figures.

Our review indicates that the use of some of these OMB per capita or per unit figures may not provide a reasonable basis on which to estimate the expenses that some agencies will incur. Since the OMB per capita figures are fixed at a uniform specific amount, they do not reflect the influence that such factors as the geographic dispersion of persons to be tested and availability of technical resources within an agency may have on program costs for some agencies. Hence, actual program costs are likely to be different from those estimates submitted to Congress by OMB.

For example, OMB Bulletin No. 88-04 instructed agencies to use an estimate of \$25 per specimen collected. This \$25 assumption may be appropriate for the collection of a urine specimen under some circumstances. However, our assessment of available information suggests that specimen collection costs could be higher or lower for some agencies depending on the geographical dispersion of employees to be tested and the manner in which these collections are made. Agencies that plan to use employees to collect specimens, such as the Department of Veterans Affairs (VA), may incur lower costs. The VA estimated a cost of \$4 per collection.

For those agencies that plan to contract with private sector organizations for specimen collection services, costs could possibly be higher, especially if those agency employees subject to testing are dispersed around the country. For example, DOR uses a contractor to collect specimens at locations throughout the country for its ongoing program. Its cost per specimen collected ranges from \$70 to \$125. In appendix I, we identify and discuss additional examples of factors or conditions that could affect the suitability of using these OMB cost assumptions.

Variability in Program Costs Between Agencies

For those cost categories where OMB provided explicit guidance concerning the per unit or per capita dollar amount to use in computing a cost estimate, differences in estimated costs among agencies for these categories are attributable to the size of the agency's program. For example, most agencies used the \$25 estimate per specimen collection specified by OMB, and the differences in estimated costs among agencies for this cost category vary directly with differences in the number of collections agencies planned to make.

In the two cost categories where the OMB guidance did not provide specific dollar figures to use, employee education and program administration, a broad range of estimated costs remained even after we gave consideration to the size of the agency or the size of the drug testing program. For example, program administration cost estimates for the agencies we reviewed ranged from an average of \$0.11 per person subject to testing at VA to about \$65 per person subject to testing at the Department of Housing and Urban Development (HUD). Although these variances may be explained by the need for each agency to implement a drug testing program that meets its particular requirements, agencies may alter their estimates as they gain experience implementing their programs. For example, HUD may find that it can administer its program at a lower cost, or the VA may find that it will need to increase its administrative budget.

Additional information about the extent of variation among agencies for each cost category is contained in appendix I.

Matter for Consideration by the Congress

Under Public Law 100-71, agencies covered by Executive Order 12564 are required to submit to Congress an annual report relating to their drug testing activities in the federal workplace. However, the law did not specifically identify cost data for inclusion in this annual report, and agency drug testing plans do not mention cost data as part of the statistical information that will be collected for inclusion in the report. If Congress wants additional data on the cost of federal drug testing programs, agencies could be directed to include costs associated with their drug testing activities as part of this annual report.

In accordance with your request, we did not obtain written comments on a draft of this report. However, we did discuss the report with OMB officials and have incorporated OMB's views into the report where appropriate. OMB officials generally agreed with the facts presented and pointed

out that the cost estimates should be considered tentative since their analysis was a first attempt at estimating agency drug testing costs.

As agreed with the Subcommittees, we plan no further distribution of this report until 30 days from its issue date unless you publicly announce its contents earlier. At that time, we will send copies to the Director of the Office of Management and Budget, the Secretary of each of the departments that are discussed in the report, and to congressional committees having an interest in drug testing issues. Additionally, we will make copies available to others upon request. If you have any questions concerning this report, please call me at 275-8676. Other major contributors to this report are listed in appendix III.

Sincerely yours,

A handwritten signature in black ink, appearing to read "L. Nye Stevens". The signature is fluid and cursive, with a large initial "L" and a stylized "Nye Stevens".

L. Nye Stevens
Director, Government Business
Operations Issues

Contents

Letter		1
--------	--	---

Appendix I		10
Analysis of the OMB	Specimen Collection	10
Cost Estimates	Drug Testing	12
	Medical Review Officer	13
	Quality Control	15
	Supervisory Training	16
	Employee Education	17
	Administration	18

Appendix II		21
Office of Management		
and Budget Drug-Free		
Federal Workplace		
Cost Estimates for		
Fiscal Years 1988-		
1991 (Obligations in		
Thousands of Dollars)		

Appendix III		23
Major Contributors to	General Government Division, Washington, D.C.	23
This Report		

Abbreviations

AFIP	Armed Forces Institute of Pathology
EAP	Employee Assistance Program
HHS	Department of Health and Human Services
HUD	Department of Housing and Urban Development
DOL	Department of Labor
DOT	Department of Transportation
MRO	Medical Review Officer
NIDA	National Institute of Drug Abuse
OMB	Office of Management and Budget
OPM	Office of Personnel Management
PHS	Public Health Service
VA	Department of Veterans Affairs

Analysis of the OMB Cost Estimates

In accordance with the requirements of Section 503 of Public Law 100-71, OMB submitted to Congress an analysis of the anticipated annual costs associated with carrying out the federal drug-free workplace programs in 20 agencies.

OMB Bulletin No. 88-04 provided guidance to agencies for preparing and submitting cost estimates to OMB. This bulletin identified six cost categories for which agencies were to develop estimates. These were: specimen collection, drug testing, medical review officer, supervisor training, employee education, and administration. After issuing Bulletin No. 88-04, OMB instructed agencies to provide estimates for a seventh cost category, quality control. Appendix II provides a detailed listing of the OMB estimates submitted to Congress for each cost category for the 12 departments whose cost estimates we reviewed.

Specimen Collection

OMB instructed agencies to use an estimated cost of \$25 per specimen to be collected. This amount was to be multiplied by the annual number of random employee tests and applicant tests the agency planned to administer. Our analysis of the OMB data for this cost category indicated that all but one of the agencies we reviewed generally followed the \$25 OMB estimate and that differences in estimated costs among agencies are associated with the number of tests each agency plans to do.

Our examination suggests that specimen collection costs could differ from the OMB estimates depending on the manner in which these collections are done and the geographical dispersion of employees to be tested. For example, agencies that plan to use employees to collect specimens may incur lower costs. The one agency that did not apply the \$25 OMB estimate—the Department of Veterans Affairs (VA)—planned to do specimen collection using in-house personnel and used an estimate of \$4 per specimen instead.

For those agencies that plan to contract with private sector organizations for specimen collection services, costs may be higher than the \$25 OMB estimate, especially if those agency employees subject to testing are dispersed around the country. An official at the Department of the Interior said that Interior had arranged for a private contractor to collect specimens at 69 cities throughout the country at a cost of \$40 per specimen. On the basis of the Department of Transportation's (DOT) experience using a contractor to collect specimens around the country, the cost per specimen collected can be between \$70 and \$125. In DOT's case, collection teams must occasionally travel to remote locations.

Agencies could use a specimen collection service operating under a contract with the National Institute of Drug Abuse (NIDA). This NIDA contract provides for the collection of federal employee specimens in the Washington, D.C., area and at 10 regional locations throughout the country. The cost of a routine collection at the regional locations ranges from about \$25 to \$35 per specimen. The cost in the Washington, D.C., area will be \$5 per specimen. This low cost is possible because NIDA will be partially subsidizing the contractor's overhead costs. Even though the direct cost per specimen to agencies is low in this case, the actual cost to the federal government will be higher. A NIDA official said that without the subsidy, the cost per specimen collected would be between \$35 to \$40.

More than half of the agencies whose cost estimates we reviewed will be using this NIDA contract collection service, but it may not cover all the employees within an agency who are subject to testing. While Department of Housing and Urban Development officials said that the NIDA contract would be adequate for their needs, officials at other agencies said it was not adequate. For example, Department of Labor (DOL) officials reported that the NIDA collection contract would cover only about 10 percent of their needs. In addition to using the NIDA contract services, DOL plans to contract through DOR for collection services at other locations. An official at the Department of Energy said that Energy also planned to contract through DOR for specimen collection services.

The OMB cost estimates for specimen collection are based on the number of random employee and job applicant tests the agency plans to do. The estimates do not include specimen collection costs associated with the other types of drug testing that agencies will do. In addition to random testing of employees and the testing of job applicants, federal drug testing programs also provide for other types of employee drug testing. Employees may also be tested

- after an accident;
- on the basis of a reasonable suspicion that the employee is using drugs;
- as part of, or as a follow-up to, counseling or rehabilitation for illegal drug use; and
- if they volunteer to be tested.

Post-accident and reasonable suspicion testing should be done on fairly short notice. Since these tests cannot be scheduled routinely in the same way that other types of tests are, the provision of collection services for these two types of testing will probably incur a higher cost per specimen

collected. For example, the NIDA contract provides for an emergency collection service, and the costs per collection range from \$42 to \$140 depending on the region in which the collection is made.

The cost of collections for these other types of employee drug testing will add to the agency specimen collection costs. However, if these other types of tests are done infrequently, the associated costs in most agencies should be insignificant relative to the costs of specimen collection for random and applicant testing. At DOT, for example, administration of post-accident and reasonable suspicion tests have averaged about 21 tests a year. This constitutes less than 1 percent of the total tests administered.

Drug Testing

OMB specified that agencies estimate the cost of having a specimen analyzed for drugs at \$20 per specimen in the first year and \$25 per specimen in subsequent years. This cost per specimen was to be multiplied by the annual number of random employee tests and job applicant tests the agency planned to administer. Our analysis of this cost category showed that all but one of the agencies we reviewed followed the OMB guidance, and differences in agency estimates were attributable to the number of tests planned. As with specimen collection, one agency, the VA, applied a lower estimate of \$15 per specimen analyzed in the first year and \$20 per specimen in subsequent years. This lower estimate for the VA was based on a commitment from the Department of the Navy to provide specimen analysis to VA at these rates.

Available information suggests the OMB cost assumptions are generally in accord with the price agencies can expect to pay for laboratory analysis of urine specimens as specified in the Department of Health and Human Services' (HHS) scientific and technical guidelines. Besides the VA, the Departments of Agriculture, Commerce, Interior, and Housing and Urban Development have made arrangements with the Navy to provide laboratory analyses at \$20 per specimen. DOT contracts with a private sector laboratory. Under this contract, the cost per specimen is about \$25 per specimen. The Departments of Labor, Justice, and Energy plan to use this same laboratory.

As with specimen collection costs, the OMB cost analysis for specimen testing was based on the annual number of random employee tests and job applicant tests the agency planned to do. The analysis did not incorporate estimates for the number of tests to be done under the other types of agency employee testing, such as post-accident or on the basis

of a reasonable suspicion of drug use. We did not find any indication that the cost of analyzing specimens from these other types of testing would be different from the cost associated with analyzing specimens collected as part of routinely scheduled random and applicant testing. The additional cost over that presented in the OMB analysis should be minimal if these other types of tests are done infrequently.

Medical Review Officer

Agency drug testing programs are required to follow the HHS mandatory scientific and technical guidelines for federal workplace drug testing programs. These guidelines require a final review of any confirmed positive test result by a Medical Review Officer (MRO). The MRO is to be a licensed physician with knowledge of substance abuse disorders. This review process can include a medical interview with the individual testing positive to determine if there is a legitimate medical explanation for the positive test result. The interview can be done either in person or over the telephone.

OMB advised agencies to use an estimated average cost per MRO hour of \$25.00 per positive test. OMB also estimated that a positive test would generate 4 hours of work for the MRO. Thus, agencies would expect to spend \$100.00 per positive test. According to an OMB official, the prescribed cost and time estimates were based upon information provided by officials from NIDA.

Agencies were to determine the number of MRO referrals by multiplying the number of employees tested by the percentage of tests they expected to be positive. The OMB guidance instructed agencies to use an estimate of 5 percent or less for the number of employees who would test positive. Agency estimates of positive test rates ranged from less than 1 percent to 5 percent of the tests given.

Our analysis of the OMB cost data indicates the majority of agencies followed the OMB guidance for estimating the cost of the MRO. Differences in agency estimates were related to the number of tests an agency planned to administer and its assumption about how many of these tests would be positive.

Agencies using the OMB assumption in calculating their MRO costs may not have a valid indicator of the actual costs for the services provided by the MRO. An agency's actual cost for the MRO will vary depending on whether the agency contracts for the MRO services or, if it exists, uses in-house medical staff who are qualified as MROs.

For example, several of the civilian cabinet level agencies we reviewed plan to contract for an MRO from the Public Health Service (PHS). According to a PHS official, agencies having an interagency agreement with PHS for MRO services would be charged \$65.00 an hour up to a maximum of \$650.00 per day for the service. The PHS official also indicated that agencies would be billed the cost of any MRO travel associated with reviewing agency test results. Therefore, agency MRO costs, if contracted through PHS, will vary if it is necessary for the MRO to travel in order to do a review for an agency.

Agencies using PHS will also be subject to an applicable service charge, called a retainer fee. Currently, this is an annual expense of \$500.00 that covers PHS' charge for administering the interagency agreement.

Aside from contracting with the PHS, agencies could acquire MRO services from a private contractor or another agency. For example, the Department of Energy plans to use DOT's MRO. The Department of the Interior has retained a private contractor who charges \$70 an hour for services. The Department of Justice's U.S. Marshals Service is planning to obtain the services of a private physician, but this plan has not been implemented, so contractor costs are not known. The official who prepared the Marshals Service cost estimates believed that the OMB estimate of \$25.00 was low and consequently estimated its MRO cost at \$60.00 per hour.

Agencies that use in-house personnel, like DOT, which uses its Federal Aviation Administration flight surgeons as the MROs, are likely to incur lower costs than agencies that contract for these services. Flight surgeon salaries range from about \$23 to \$36 per hour. In addition, agencies with in-house personnel are relieved of the costs connected with the execution and maintenance of a contract or interagency agreement. However, these agencies might still incur travel expenditures. As with contractor services, the travel expenses would depend on the number and location of the MROs and the persons being reviewed. Agencies with dispersed locations and one or few MROs could have greater travel expenditures than highly centralized agencies.

The number of hours that an agency MRO spends reviewing a case may also differ from the OMB assumption that a positive test will generate 4 hours of work for the MRO. One agency official viewed 4 hours as a liberal estimate of time for review of a positive test or an employee's medical record. DOT officials estimated that their MROs spend approximately 2

hours reviewing a case. However, they added that the time could vary depending on the nature of the case.

In general, it is difficult to surmise whether actual costs would tend to be higher or lower than those estimated by OMB. Our discussions with agency officials suggest that the OMB assumptions may underestimate the hourly expense of MRO services but overestimate the time taken per review. In addition, the experience at DOT and other agencies that already do testing indicate that the rate of positive tests is around 1 percent, notably less than the 4 or 5 percent used by six agencies in calculating their MRO cost estimates. Other factors, such as whether MRO services will be provided through contract or by agency staff, the procedures agencies adopt in doing MRO reviews, and the location of the MROs relative to the population of individuals being tested, may also cause MRO costs to vary among agencies.

Quality Control

The HHS mandatory scientific and technical guidelines required that agencies submit blind performance tests to the laboratories analyzing the agencies' specimens. Blind performance testing is a quality control procedure in which urine specimens containing a known quantity of the drugs being tested or known not to contain any drugs (i.e., a blank specimen) are submitted to the laboratory along with other subject specimens by the agency. The laboratory is unaware that these are test specimens, and the agency monitors the accuracy of the laboratory in analyzing these test specimens.

OMB Bulletin 88-04 did not contain guidance to agencies on estimating quality control costs, because HHS was in the process of revising its quality control testing requirements. After the HHS requirements were issued, agencies were instructed by an OMB official to include an estimate for the quality control cost. The number of specimens was to be determined in accordance with the HHS guidelines. After the initial start-up quarter, the number of blind performance test specimens submitted to contract laboratories was to be a minimum of 10 percent of all subject specimens, with a maximum of 250 per quarter.

The agencies were told that blind specimens could be purchased from the Armed Forces Institute of Pathology (AFIP) for \$7 each, and the testing of each specimen would cost \$25. Thus, OMB's instructions were for agencies to estimate the quality control cost at \$32.00 per test. Officials at several agencies indicated their intent to contract with AFIP for test specimens.

Our analysis of quality control costs indicates that the majority of agencies we reviewed applied the OMB guidance in estimating their quality control costs. Differences in estimated costs among agencies was associated with the number of test specimens agencies would need to submit in accordance with the HHS guidelines.

On the basis of our discussions with an AFIP official, it appears that the OMB guidance underestimates the expense agencies will incur to purchase blind performance tests. An official at AFIP said the cost of blind specimens will be either \$17.50 or \$22.50 per specimen. The lower specimen cost represents the purchase of a blind specimen. The \$22.50 covers the purchase of a blind specimen plus an AFIP-scored report on a laboratory's performance in identifying the substances, if any, placed in the test specimens. The prices quoted by the AFIP official do not include the cost of having the specimen tested. Thus, agencies that contract with AFIP will incur quality control costs of \$42.50 or \$47.50 per test.

We asked OMB to identify the basis of the \$7.00 estimate for the test specimen cost. According to the OMB official, the specimen cost estimate resulted from a general discussion with participants at a September 1987 meeting of agencies planning to implement drug testing programs.

Supervisory Training

Agency drug testing plans contain provisions for the training of supervisors to assist in recognizing and addressing illegal drug use by agency employees. OMB guidance provided an estimate of \$100 per supervisor trained. This figure was to be multiplied by the number of supervisors the agency planned to train. According to an OMB official, the \$100 figure was based on the fee the Office of Personnel Management (OPM) charged for its course on a drug-free federal workplace. This training was designed for agency supervisors and managers.

The majority of agencies that we reviewed followed the OMB guidance. Consequently, most of the differences in costs between agencies for this category can be attributed to differences in the number of supervisors agencies plan to train. However, two agencies, VA and HHS, had training cost estimates lower than those specified in the OMB guidance. Both these agencies submitted training proposals with alternative cost justifications. These estimates were approved by OMB. At VA, the cost per supervisor was \$5. At HHS, the cost was about \$11 per supervisor. The VA planned to develop its training program internally, and HHS developed its estimates on the basis of similar training programs it had developed.

Officials at the majority of agencies we reviewed said they planned to develop their own supervisory training programs rather than use OPM's. The training programs developed by these agencies may differ in the type and amount of training material provided to supervisors, the method of dissemination, and the use of contractors in the development or provision of training.

The OMB estimate of \$100 per supervisor to be trained rests upon the assumption of one specific approach to training, i.e., the OPM course. The assumption that the cost of one particular training program will adequately encompass the effect of agency differences in training plans does not seem tenable. Such differences will cause training costs to vary among agencies not only as a function of the number of supervisors to be trained, but also on the basis of the particular training approach used by the agency to educate its supervisors.

For example, seven agencies indicated they plan to use video tapes as part of their supervisory training. One agency developed three video tapes at a cost of approximately \$45,000, while another agency spent \$2,000 copying a tape made by DOT. The other agencies did not have estimates of the cost associated with the use of video tapes. Some of these agencies intend to use video tapes that are available. However, one agency plans to develop its own video tape. Such differences in agency plans for using video tape media will result in cost variations that are not based on the number of supervisors to be trained.

Given the lower VA and HHS estimates for internally developed training, it seems possible that for those agencies developing their own training, costs could be lower than those specified by OMB. During the period of our review, however, many agencies were not able to provide us with revised cost information based on their specific training plans.

For those agencies that elect to send their supervisors to the OPM training, agency training costs will be higher than originally estimated, since the charge for this training has been raised to \$150. Until agency training plans are put into practice and the costs tracked, information on training costs will not be available.

Employee Education

Agency drug testing plans also contain provisions for employee education about substance abuse, the agency's drug-free workplace program, and the agency's employee assistance program (EAP). OMB Bulletin 88-04

did not provide agencies with a specific dollar amount to apply in estimating employee education costs. Rather, it instructed agencies to calculate their own estimates of employee education costs directly related to drug testing.

Our analysis shows agencies varied in the amount they estimated for educating employees, and the differences in costs were not simply a function of the number of employees to be trained. Even after computing the cost on the basis of the number of agency employees, notable differences in agency estimates remained. The average annual agency cost for employee education varied from \$0.23 per employee at the VA to \$7.54 per employee at the Department of State. For the majority of agencies we reviewed, the cost per employee was below \$2.00.

On the basis of the limited information available, differences in employee education costs appear to depend on unique circumstances in each agency. For example, we identified three agencies that plan to use the same general training approach of disseminating informational material and holding seminars/briefings for employees. However, the cost is different. At the Department of Education the cost is estimated to be \$1.10 per employee. At the Department of Agriculture it is \$2.37 per employee, and at the Department of State it is \$7.54 per employee.

Agencies may have the flexibility to design an employee education program that accommodates a specified budget allowance. Thus, until agency training plans are specified in detail and the programs implemented, there is no available information to suggest that the OMB estimates provided Congress may not be indicative of agency employee education costs. However, the variation in cost from agency to agency for similar programs suggests that some agencies might modify their training plans, estimates of cost, or both to adjust for circumstances not anticipated in the original estimate.

Administration

OMB Bulletin 88-04 did not require agencies to use any specific estimate in calculating the administrative costs directly related to drug testing. Agencies were instructed to develop their own estimated costs for administrative activities. The agencies we reviewed showed notable differences in their average estimated administrative costs. These differences remained even after we took into consideration the size of the program as measured by either the total number of employees and job applicants subject to testing or the number of persons, both employees and applicants, to be tested. For example, agency costs ranged from

\$0.11 per person subject to testing at the VA to about \$65 per person subject to testing at the Department of Housing and Urban Development. The average cost per person subject to testing for the 12 agencies we reviewed was about \$33.

Our examination of information provided to us by OMB on administrative cost estimates suggests that some of the variation in cost can be attributed to differences in the level of staffing planned for the program and the estimated expenses for support services. However, the extent of these variations is a possible indication that estimates may be too low in some instances and too high in others. For example, HHS's administrative costs provide for a program staff of 11 persons and plans to test roughly 1,400 people. The VA, on the other hand, budgeted \$13,000 for its administrative costs. This covers one person part-time in the central office to administer the program. The VA plans to test roughly 29,000 persons. Thus, the VA plans to test more people on a considerably smaller administrative budget.

A VA official said its estimate does not include field personnel who would be working with the program on a part-time basis. The OMB guidance directed agencies not to include personnel who would be spending less than 25 percent of their time on the program. Thus, the VA estimate does not show an estimate of the full administrative support that will be provided to the program.

DOR, which is currently testing at a rate of approximately 15,000 tests a year, has 8 employees assigned to the program. This does not include the drug program coordinator in each of DOR's component agencies. DOR testing officials said that given the workload they could use additional staff. We estimate DOR drug testing staff costs, excluding the component agency coordinators, to be between \$400,000 to \$550,000 per year.

Both the Department of the Interior and the Department of Justice plan to test around 4,000 people a year. Justice's estimated administrative cost is roughly four times greater than Interior's, and that portion of the administrative cost allocated to salaries and benefits is twice as much as Interior's. On the other hand, Interior's estimate of travel expenses is 10 times greater than Justice's.

Although each agency must implement a testing program that is appropriate to its unique needs, the fact that estimated administrative costs are many times larger at one agency relative to another, even after

adjusting for program size, increases the prospect that the cost estimates for some agencies are not likely to represent the administrative costs actually incurred. However, drug testing programs have not operated long enough or in enough agencies to provide a basis for specifying a better estimate.

Office of Management and Budget Drug-Free Federal Workplace Cost Estimates for Fiscal Years 1988-1991

(Obligations in Thousands of Dollars)

Agency	Specimen collect.	Drug testing	MRO	Quality control	Super. training	Employee education	Admin.	Total ^a
1988								
Department of Agriculture	\$29	\$23	\$2	\$19	\$667	\$238	\$69	\$1,047
Department of Commerce	18	14	4	23	148	35	58	300
Department of Education	2	1	0	1	20	4	16	44
Department of Energy	4	3	0	1	170	30	28	236
Health and Human Services	11	9	0	6	60	160	191	437
Housing and Urban Development	4	3	8	2	42	13	20	92
Department of the Interior	26	20	5	14	170	86	42	363
Department of Justice	57	40	7	17	63	28	367	578
Department of Labor	5	4	1	3	88	14	67	182
Department of State	18	14	2	11	45	47	36	173
Department of the Treasury	11	9	1	5	569	171	61	827
Department of Veterans Affairs	13	50	0	29	42	131	21	296
1989								
Department of Agriculture	87	87	5	11	1,333	476	103	2,102
Department of Commerce	54	43	11	28	295	71	173	675
Department of Education	5	5	0	1	39	9	7	66
Department of Energy	9	9	0	1	170	30	59	278
Health and Human Services	34	34	1	4	121	320	595	1,109
Housing and Urban Development	15	15	25	2	83	39	49	228
Department of the Interior	104	104	21	14	1,220	93	162	1,718
Department of Justice	158	114	17	15	94	38	516	953
Department of Labor	15	15	3	2	176	29	73	313
Department of State	72	72	9	9	135	193	89	579
Department of the Treasury	28	28	2	4	1,138	342	178	1,720
Department of Veterans Affairs	80	400	0	54	83	33	13	663
1990								
Department of Agriculture	26	26	5	3	207	111	107	485
Department of Commerce	54	56	11	29	119	28	179	477
Department of Education	5	5	0	1	16	3	7	37
Department of Energy	9	9	0	1	52	10	61	143
Health and Human Services	35	35	1	4	39	117	618	850
Housing and Urban Development	8	8	26	1	32	40	51	167
Department of the Interior	108	108	22	15	311	28	147	739
Department of Justice	163	118	18	15	37	28	542	921
Department of Labor	16	16	3	2	69	11	76	192
Department of State	75	75	9	9	26	202	92	489
Department of the Treasury	30	30	2	4	279	222	186	753
Department of Veterans Affairs	120	600	0	81	13	0	13	827

Appendix II
Office of Management and Budget Drug-Free
Federal Workplace Cost Estimates for Fiscal
Years 1988-1991

Agency	Specimen collect.	Drug testing	MRO	Quality control	Super. training	Employee education	Admin.	Total^a
1991								
Department of Agriculture	\$27	\$27	\$5	\$3	\$214	\$115	\$110	\$502
Department of Commerce	58	58	12	30	123	29	185	495
Department of Education	5	5	0	1	16	3	8	39
Department of Energy	10	10	0	1	54	11	63	148
Health and Human Services	36	36	1	4	41	121	638	878
Housing and Urban Development	9	9	27	1	33	42	53	173
Department of the Interior	111	111	23	15	161	29	152	602
Department of Justice	168	122	18	16	23	30	570	947
Department of Labor	16	16	3	2	35	6	78	157
Department of State	78	78	11	10	27	211	95	510
Department of the Treasury	31	31	2	4	289	232	182	771
Department of Veterans Affairs	160	800	0	108	13	33	13	1,127

^aAll figures provided by OMB. Total computed by summing across cost categories may not equal published total because of rounding.

Major Contributors to This Report

General Government
Division, Washington,
D.C.

Richard Caradine, Assistant Director, Government Business Operations
Issues
Thomas Beall, Evaluator-In-Charge
Joan Conway, Evaluator

Department of the Interior, Bureau of Land Management

The General Accounting Office

Post Office Box 115

Washington, D.C. 20540

Telephone 202-512-1000

The General Accounting Office is a nonpartisan agency that provides objective, independent, and reliable information to Congress and the public.

The General Accounting Office is the principal agency for the study and evaluation of the operations and expenditures of all departments, agencies, and programs of the Federal Government.

Orders must be prepaid by check or money order payable to the order of the General Accounting Office.

[illegible]