

# GENERAL ASSEMBLY OF NORTH CAROLINA



Session 2007

## Legislative Fiscal Note

**BILL NUMBER:** Senate Bill 161 (First Edition)

**SHORT TITLE:** Test High School Athletes for Steroids.

**SPONSOR(S):** Senator Forrester

<b>FISCAL IMPACT</b>					
	<b>Yes (X)</b>	<b>No ( )</b>	<b>No Estimate Available ( )</b>		
	<b><u>FY 2007-08</u></b>	<b><u>FY 2008-09</u></b>	<b><u>FY 2009-10</u></b>	<b><u>FY 2010-11</u></b>	<b><u>FY 2011-12</u></b>
<b>REVENUES:</b>					
<b>EXPENDITURES (in millions):</b>	<b>\$0.8-3.1</b>	<b>\$0.8-3.3</b>	<b>\$0.9-3.4</b>	<b>\$0.9-3.6</b>	<b>\$0.9-3.8</b>
<b>POSITIONS (cumulative):</b>					
<b>PRINCIPAL DEPARTMENT(S) &amp; PROGRAM(S) AFFECTED:</b> State Board of Education (State Board), Local Boards of Education (Local Boards), NC High School Athletic Association (NCHSAA), public schools.					
<b>EFFECTIVE DATE:</b> The bill is effective when it becomes law.					

### BILL SUMMARY

The bill rewrites GS 115C-12(23) to impose an affirmative duty on the State Board of Education to adopt rules, before the 2007-08 school year, pertaining to students who participate in interscholastic athletic activities: (1) prohibiting the use of performance enhancing drugs, (2) requiring random testing for these drugs, and (3) banning participation in interscholastic athletic activities for students who test positive for prohibited drugs or who refuse to be tested.

*Source: Bill Digest S.B. 161 (02/13/0200).*

### ASSUMPTIONS AND METHODOLOGY

The bill's fiscal impact derives from the cost of conducting tests for performance enhancing drugs on some randomly selected sample of the NC high school students who participate in interscholastic athletic activities.

### **Population to be Tested**

According to the NC High School Athletic Association (NCHSAA), approximately 130,000 high school students (or 30.7% of FY 2007-08 grade 9-12 allotted average daily membership, or ADM) participate in interscholastic athletic activities. The bill does not specify what percentage of this population is to be selected at random and tested for performance enhancing drugs. The State Board will need to establish this percentage. Based on current University of North Carolina (UNC) system practice of selecting 40% of its student athletes for testing, this analysis assumes that the State Board will establish a policy of selecting between 10% and 40% of the high school student population.

### **Cost of Testing**

UNC-Chapel Hill (UNC-CH) Toxicology Laboratories estimates that the market rate for testing for performance enhancing drugs is between \$50 and \$75. Using a mid-point per test cost of \$62.50 and adjusting downward slightly to account for bulk pricing, this analysis assumes an estimated \$60 per test.

### **Annual Cost**

Combining the cost factors noted above produces the following range of potential costs:

#### **Estimated Cost of Random Drug Testing for 10-40% of NC High School Athletes**

<b>Percent Tested</b>	<b>Number of tests</b>	<b>Cost per Test</b>	<b>2007-08</b>	<b>2008-09</b>	<b>2009-10</b>	<b>2010-11</b>	<b>2011-12</b>
10%	13,000	\$60.00	\$ 780,000	\$ 818,665	\$ 859,246	\$ 901,839	\$ 946,543
20%	26,000	60.00	1,560,000	\$ 1,637,329	\$ 1,718,492	\$ 1,803,677	\$ 1,893,086
30%	39,000	60.00	2,340,000	\$ 2,455,994	\$ 2,577,737	\$ 2,705,516	\$ 2,839,628
40%	52,000	60.00	3,120,000	\$ 3,274,658	\$ 3,436,983	\$ 3,607,354	\$ 3,786,171

#### **Notes:**

- 1) Assumes 1.9% annual growth in ADM and proportional growth in number of high school athletes.
- 2) Assumes estimated 3.0% annual inflation in cost of testing.

### **SOURCES OF DATA**

NCDPI, NCHSAA, UNC-CH Toxicology Laboratories.

### **TECHNICAL CONSIDERATIONS**

If the bill passes with enough lead time before the 2007-08 school year, the State Board may have sufficient time to adopt rules as required by the bill. Likewise, in that case Local Boards, NCHSAA, and the schools may have sufficient time to implement the new random drug testing program prior to the beginning of the 2007-08 fall interscholastic athletics season. If the bill does not pass until later summer or early fall, however, the State Board may have difficulty adopting rules prior to the 2007-08 school year, and Local Boards, NCHSAA, and the schools may have difficulty implementing the new program in time to affect student eligibility in the fall athletics

season. Finally, in the event that the bill passes close to the beginning of the school year, it seems possible that the State Board could adopt rules prior to the beginning of the year, but that Local Boards, NCHSAA, and schools might have difficulty implementing the program in the fall athletic season.

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**DATE:** April 2, 2007



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