

1 [Settlement Agreement Regarding SACPA Audit.]

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3 **Resolution approving the Health Department's entering into a Settlement Agreement**  
4 **with the State of California resolving the State's claim for reimbursement by the City**  
5 **and County of funds provided by the State to the County under the SACPA program for**  
6 **fiscal year July 1, 2001 through June 30, 2002.**

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8 WHEREAS, the voters approved Proposition 36, the Substance Abuse and Crime  
9 Prevention Act of 2000 (SACPA), in November 2000. SACPA added new sections to the  
10 Penal Code and the Health and Safety Code. SACPA was intended to divert nonviolent  
11 defendants, probationers, and parolees charged with simple drug possession or drug use  
12 offenses from incarceration into community-based substance abuse treatment programs.  
13 Pursuant to Health and Safety Code section 11999.5, \$60,000,000 was allocated from the  
14 state's general fund to the Substance Abuse Treatment Trust Fund for the 2000-01 fiscal  
15 year, and \$120,000,000 a year was appropriated for the ensuing five years. Pursuant to  
16 section 11999.6, the funds were distributed by the Secretary of the Health and Human  
17 Services Agency through the California Department of Alcohol and Drug Programs ("ADP") to  
18 counties to cover the costs of placing persons in and providing drug treatment program; and,

19 WHEREAS, for fiscal year 2001-2002, ADP distributed \$4,576,807 to the County to  
20 provide SACPA related services; and,

21 WHEREAS, on November 12, 2004, ADP issued Final Audit Report SACPA No. 1/02-  
22 38 based on a fiscal review of the compliance requirements by the County of SACPA for fiscal  
23 year July 1, 2001 through June 30, 2002. In Final Audit Report SACPA No. 1/02-38, ADP  
24 recommended that the County return \$1,944,479 for disallowed SACPA expenditures; and,

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1 WHEREAS, on January 11, 2005, the County sent ADP a Notice of Defense objecting  
2 to Findings 3A, 3B, 3C, 3D, and 4 and arguing that ADP should allow the \$1,944,479 in  
3 SACPA expenditures; and,

4 WHEREAS, the City Attorney of the City and County of San Francisco has  
5 recommended that San Francisco enter into an agreement by which the City would settle this  
6 matter by reimbursing the State \$1,088,685 and retaining \$855,794; and,

7 WHEREAS, on February 7, 2006, the Health Commission recommended approval of  
8 the Settlement Agreement; and,

9 WHEREAS, a copy of the proposed Settlement Agreement is on file with the Clerk of  
10 the Board of Supervisors in File No. \_\_\_\_\_, which is hereby declared to be a part of this  
11 resolution as if set forth fully herein; now, therefore, be it

12 RESOLVED, That the entry by San Francisco into the proposed Settlement Agreement  
13 with the California Department of Alcohol and Drug Programs is hereby approved.

14

15 APPROVED:

16 DENNIS J. HERRERA  
17 City Attorney

18 By: \_\_\_\_\_  
19 ALEETA VAN RUNKLE  
20 Deputy City Attorney

21 FUNDS CERTIFIED:

22 By: \_\_\_\_\_  
23 EDWARD HARRINGTON  
24 Controller

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RECOMMENDED:

San Francisco Health Department

By: \_\_\_\_\_  
MITCHELL KATZ, M.D.  
Director of Health

APPROVED:

By: \_\_\_\_\_  
MICHELE M. SEATON  
Executive Secretary to the Health  
Commission

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