

1 [Administrative Code - "Cash Not Drugs" Sobriety and Recovery Pilot Program]

2

3 **Ordinance amending the Administrative Code to authorize the Human Services**  
 4 **Agency, in coordination with the Department of Public Health, to establish a voluntary**  
 5 **three-year sobriety and recovery incentive treatment program, known as "Cash Not**  
 6 **Drugs," to provide a weekly payment of up to \$100 to eligible beneficiaries of the**  
 7 **County Adult Assistance Programs ("CAAP") who have been screened for a substance**  
 8 **use disorder and referred to substance use disorder treatment as a condition of further**  
 9 **receipt of CAAP benefits, and who test negative for illicit drugs once per week;**  
 10 **exempting the Cash Not Drugs payments from the CAAP eligibility calculation;**  
 11 **providing for a six-month implementation plan before the program becomes**  
 12 **operational; and revising the Homelessness and Supportive Housing Fund to include**  
 13 **the Cash Not Drugs program as a permitted use of funds.**

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15 NOTE: **Unchanged Code text and uncodified text** are in plain Arial font.  
 16 **Additions to Codes** are in *single-underline italics Times New Roman font*.  
 17 **Deletions to Codes** are in *strikethrough italics Times New Roman font*.  
 18 **Board amendment additions** are in double-underlined Arial font.  
 19 **Board amendment deletions** are in ~~strikethrough Arial font~~.  
 20 **Asterisks (\* \* \* \*)** indicate the omission of unchanged Code  
 21 subsections or parts of tables.

19

20 Be it ordained by the People of the City and County of San Francisco:

21

22 Section 1. The Administrative Code is hereby amended by revising Article VII of  
 23 Chapter 20, Section 20.7-14, to read as follows:

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**SEC. 20.7-14. EXEMPT INCOME OR RESOURCES.**

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1 For the purpose of this Article VII, the following types of income and resources shall  
2 not be considered available to the Applicant or Recipient in determining eligibility:

3 \* \* \* \*

4 (h) Payments made to the Applicant or Recipient as part of a locally-funded work  
5 incentive program;~~and~~

6 (i) Payments made to the Applicant or Recipient as a result of participation in a  
7 Guaranteed Income Pilot Program, provided the Applicant or Recipient has not declared  
8 themselves to be homeless, as set forth in Section 20.7-34 of this Article VII.; and

9 (j) Payments made to the Applicant or Recipient under the Cash Not Drugs Pilot Program,  
10 pursuant to Article XX of Chapter 20 of the Administrative Code.

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12 Section 2. The Administrative Code is hereby amended by adding Article XX of  
13 Chapter 20, consisting of Sections 20.20-1 to 20.20-7, to read as follows:

14 **ARTICLE XX:**

15 **CASH NOT DRUGS PILOT PROGRAM**

16  
17 **SEC. 20.20-1. BACKGROUND, FINDINGS, AND PURPOSE.**

18 (a) The Human Services Agency (“HSA”) administers the City’s County Adult Assistance  
19 Programs (“CAAP”), consisting of General Assistance, Personal Assisted Employment Services  
20 Program, Cash Assistance Linked to Medi-Cal Program, and Supplemental Security Income Pending  
21 Program, which together provide financial assistance and social services to eligible indigent adults  
22 who have no other source of income or benefits.

23 (b) The incidence of substance use disorders among San Francisco’s CAAP population is  
24 higher than among the general population. According to HSA, from 2018 to 2020, approximately 20%  
25 of CAAP recipients self-disclosed in an initial interview with HSA staff that they have substance abuse

1 issues. By comparison, the federal Substance Abuse and Mental Health Services Administration  
2 reported that, from 2005 to 2010, 10.8% of the San Francisco-Oakland-Fremont metropolitan  
3 statistical area had a substance use disorder. Based on publicly available information, the incidence of  
4 substance use disorder among CAAP recipients who are experiencing homelessness is concerning.  
5 Further, in 2022, the San Francisco Homeless Count and Survey released by the Department of  
6 Homelessness and Supportive Housing found that 52% of individuals experiencing homelessness  
7 reported their drug or alcohol use as a disabling health condition, representing a 10% increase from  
8 2019. In its Accidental Drug Overdose Reports for 2020 through 2023, the Office of the Chief Medical  
9 Examiner has determined that at least 25% of drug overdose decedents have no fixed address.

10 (c) Among programs intended to support recovery from substance use disorders, medical  
11 literature widely supports contingency management strategies as effective treatments. In contingency  
12 management strategies, patients receive tangible incentives to reinforce positive behaviors such as  
13 abstinence from addictive substances or behaviors, or adherence to Medication-Assisted Treatment  
14 (“MAT”) where patients are prescribed medications, such as buprenorphine, methadone, and  
15 naltrexone, to treat opioid use disorders.

16 (d) The San Francisco Department of Public Health (“DPH”) currently offers contingency  
17 management programs, including programs authorized by the California Department of Health Care  
18 Services. DPH’s 2022 Overdose Prevention Plan proposed to increase the number of programs  
19 offering contingency management from three to five, and increase the number of people participating in  
20 contingency management programs by 25%.

21 (e) On March 5, 2024, the voters passed Proposition F, which, as of January 1, 2025, will  
22 require all adult CAAP recipients to undergo screening for substance abuse when HSA determines that  
23 there is reasonable suspicion to believe that an individual is dependent upon illegal drugs. If the  
24 screening indicates there is reason to believe the recipient is abusing or dependent on illegal drugs,  
25 Proposition F will require that recipient to undergo a professional evaluation for substance abuse to

1 receive further CAAP benefits. If, as a result of the professional evaluation, a provider determines the  
2 recipient requires substance abuse treatment, the provider will refer the recipient to a treatment  
3 program.

4 (f) The purpose of the Pilot Program established in this Article XX is to incentivize both  
5 drug-free and medically-assisted recovery from substance use disorders for those individuals who,  
6 under Proposition F, must undergo substance abuse treatment, and to strengthen drug overdose  
7 prevention efforts using contingency management methods.

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9 **SEC. 20.20-2. DEFINITIONS.**

10 For purposes of this Article XX, the following terms have the following meanings:

11 “CAAP” means the County Adult Assistance Programs, set forth in Article VII of Chapter 20  
12 of the Administrative Code.

13 “City” means the City and County of San Francisco.

14 “CLIA” means the Clinical Laboratory Improvement Amendments, codified at 42 U.S.C.  
15 § 263a, as may be amended from time to time, and including any implementing regulations.

16 “CND Participant” means a person participating in the Cash Not Drugs Pilot Program and  
17 meeting the eligibility criteria in Section 20.20-3.

18 “DPH” means the San Francisco Department of Public Health.

19 “Drug Test” means a test that detects the presence of illicit substances without referral to or  
20 analysis by a CLIA laboratory, such as but not limited to a rapid, at-home test or testing by a non-CLIA  
21 certified forensic laboratory.

22 “Executive Director” means the Executive Director of HSA or the Executive Director’s  
23 designee.

24 “HSA” means the San Francisco Human Services Agency.

25 “MAT” means Medication-Assisted Treatment.

1 “Negative Drug Test” means a Drug Test that is negative for any of the controlled substances  
2 listed in California Health and Safety Code Section 11054, as may be amended from time to time, with  
3 the exception of the following substances: Cannabis; Psilocybin; Psilocyn; Dimethyltryptamine (DMT);  
4 Mescaline; or any controlled substance used in connection with a prescribed MAT program, including,  
5 but not limited to, Buprenorphine and Methadone.

6 “Pilot Program” means the Cash Not Drugs Pilot Program, as set forth in this Article XX.

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8 **SEC. 20.20-3. THE CASH NOT DRUGS PILOT PROGRAM.**

9 (a) HSA, in collaboration with DPH, shall establish the Cash Not Drugs Pilot Program as a  
10 three-year pilot program.

11 (b) To establish initial eligibility for assistance under the Pilot Program, a person must:

12 (1) receive financial assistance through CAAP;

13 (2) be evaluated and determined to need substance abuse treatment as required by  
14 Section 20.7-26.5(c) of the Administrative Code to receive further CAAP benefits; and

15 (3) enroll in the Pilot Program, subject to program availability, by producing an initial  
16 Negative Drug Test.

17 (c) To maintain eligibility for weekly assistance under the Pilot Program, a person must:

18 (1) have established initial eligibility under subsection (b);

19 (2) thereafter produce one Negative Drug Test per week;

20 (3) participate in a contingency management substance use treatment program; and

21 (4) meet any additional requirements established by HSA, in collaboration with DPH,  
22 in its discretion, that are reasonably necessary or appropriate to implement the Pilot Program.

23 (d) Subject to the fiscal and budgetary provisions of the Charter, HSA shall collaborate with  
24 DPH to implement the Pilot Program as follows:

1           (1) HSA shall administer the Pilot Program as a voluntary program. The Executive  
2 Director may limit eligibility for the Pilot Program, including, but not limited to, offering the Pilot  
3 Program on a first-come, first-served basis and capping participation in the Pilot Program. In  
4 designing and implementing the Pilot Program, HSA shall partner with DPH to incorporate the seven  
5 core principles of contingency management, which are target behavior, target population, type of  
6 reinforcer, magnitude (or amount) of reinforcer, frequency of reinforcement distribution, timing of  
7 reinforcement distribution, and duration of reinforcement.

8           (2) Subject to the civil service provisions of the Charter, HSA or DPH may contract for  
9 the administration of the Pilot Program through a competitive bidding process, provided that, the  
10 contractor shall have experience in recovery supporting services and substance use disorder treatment  
11 programs.

12           (3) Starting the first full week after a CND Participant satisfies the initial eligibility  
13 criteria set forth in subsection (b), HSA may, in its discretion, provide to such person payments in an  
14 amount of up to \$100 per week for as long as such CND Participant maintains eligibility in the Pilot  
15 Program. HSA may provide payments using methods to safeguard against fraud and abuse, including  
16 but not limited to, smart debit cards with anti-relapse protections.

17           (4) HSA, in coordination with DPH, may offer CND Participants in the Pilot Program  
18 access to a protocol-driven and evidence-based treatment recovery program that includes an  
19 abstinence-based or MAT program for substance use disorder.

20           (5) HSA may, in its discretion, disenroll from the Pilot Program CND Participants who  
21 fail to meet the Pilot Program eligibility requirements in subsection (c), provided that, if HSA  
22 determines, in its discretion, that the CND Participant is making a good-faith effort to maintain or  
23 achieve sobriety, HSA may continue the CND Participant's eligibility in the Pilot Program.  
24 Disenrolled CND Participants shall not have the right to appeal HSA's decision. Disenrolled CND  
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1 Participants may re-enter the Pilot Program at any time provided that they meet the initial eligibility  
2 criteria set forth in subsection (b).

3 (6) CND Participants may only participate in the Pilot Program using Drug Tests  
4 funded exclusively by the City and may not seek reimbursement for the Drug Tests from any other payer  
5 source. Any Drug Test used in the Pilot Program may not be sent to a CLIA laboratory for testing.

6 (e) Notwithstanding subsections (b) and (c), CND Participants shall be ineligible for further  
7 participation in the Pilot Program if HSA determines the CND Participant has, by means of fraud or  
8 willful noncompliance with Pilot Program requirements, obtained payments under the Pilot Program.

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10 **SEC. 20.20-4. CASH NOT DRUGS IMPLEMENTATION PLAN.**

11 (a) By no later than six months from the effective date of this ordinance, HSA shall work with  
12 the City Attorney, City Controller, DPH, and other relevant City agencies as necessary to prepare an  
13 implementation plan (“Implementation Plan”) for the Pilot Program. Before implementing the Pilot  
14 Program, HSA shall provide a copy of the Implementation Plan to the Mayor and the Board of  
15 Supervisors.

16 (b) The Implementation Plan shall include, but is not limited to, the following elements:

17 (1) An implementation timeline and operative date;

18 (2) An initial numerical cap on CND participants, if necessary and appropriate,  
19 together with an analysis of factors that may allow for expanded participation in the Pilot Program  
20 during the operative period;

21 (3) The Pilot Program’s plan to conduct Drug Tests, together with details on any  
22 necessary interdepartmental work orders or outside contractors for implementation and possible  
23 expansion;

24 (4) Estimated costs to conduct Drug Tests and payments for successful CND  
25 Participants, with an estimation of funds available to the Pilot Program from the Homelessness and

1 Supportive Housing Fund, codified at Administrative Code Section 10.100-77 or other eligible funding  
2 sources;

3 \_\_\_\_\_ (5) Estimated costs to administer the substance abuse treatment program and  
4 associated staffing, with an estimation of funds available to the Pilot Program from the CAAP  
5 Treatment Fund, in accordance with Proposition F, adopted by the voters at the March 5, 2024  
6 election, which becomes operative on January 1, 2025 and to be codified at Administrative Code  
7 Section 10.100-45.5; and

8 \_\_\_\_\_ (6) Implementation and incorporation of the seven core principles of contingency  
9 management, referenced in subsection(d)(1) of Section 20.20-3, into the Pilot Program.

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11 **SEC. 20.20-5. ANNUAL ASSESSMENT REPORT.**

12 HSA may work with a clinical research partner to prepare periodic assessments to submit to  
13 the Board of Supervisors and the Mayor no less than annually. Each such report shall describe the  
14 number of individuals who received benefits under the Pilot Program and evaluate the effectiveness of  
15 the Pilot Program at incentivizing drug-free recovery, MAT, and drug-use prevention, and include  
16 recommendations for further changes to the Pilot Program as appropriate. HSA shall submit the first  
17 report no later than 12 months after the start date of the Pilot Program and the second report no later  
18 than 12 months after the first report. A report shall be submitted between six and eight months prior to  
19 the sunset date for the Pilot Program, as stated in Section 20.20-7, so that the Mayor and Board of  
20 Supervisors will have adequate time to consider whether to transform the Pilot Program into a  
21 permanent program.

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23 **SEC. 20.20-6. PROMOTION OF GENERAL WELFARE.**

24 In establishing the Pilot Program, the City is assuming an undertaking only to promote the  
25 general welfare. It is not assuming, nor is it imposing on its officers and employees, an obligation for

1 breach of which it is liable in money damages to any person who claims that such a breach proximately  
2 caused injury.

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4 **SEC. 20.20-7. SUNSET PROVISION.**

5 Unless the Board of Supervisors by ordinance extends the term of the Pilot Program, this  
6 Article XX and subsection (j) of Section 20.7-14 of Article VII of Chapter 20 of the Administrative Code  
7 shall expire by operation of law three years after the effective date of the ordinance in Board File No.  
8 240799 enacting this Article and Section 20.7-14(j). Upon expiration of Article XX and Subsection (j)  
9 of Section 20.7-14, the City Attorney is authorized to cause such provisions to be removed from the  
10 Administrative Code.

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12 Section 3. The Administrative Code is hereby amended by revising Article XIII of  
13 Chapter 10, Section 10.100-77, to read as follows:

14 **SEC. 10.100-77. HOMELESSNESS AND SUPPORTIVE HOUSING FUND.**

15 \* \* \* \*

16 (d) **Uses of the Fund.** The Fund shall be used by the Department to provide: (1)  
17 housing, utilities, and meals; (2) drug and alcohol treatment, including contingency management  
18 programs, such as a program established under the Cash Not Drugs Pilot Program, codified in Article  
19 XX of Chapter 20 of the Administrative Code, that include direct cash payments as a component of the  
20 program; (3) mental health care; and, (4) job training, for homeless CAAP recipients whose  
21 monthly cash payments have been reduced. In providing these services, the Department may  
22 use monies in the Fund to pay for master lease contracts for SRO hotels, expanded shelter  
23 operation contracts, meal contracts, and other agreements to provide in-kind benefits. Nothing  
24 in this section shall be construed to prevent the City or the Department from providing the  
25 same services to other classes of recipients from other funding sources.

1           To the extent that the Department has met its obligations to provide the basic in-  
2 kind benefits listed above, it may also use money in the Fund to pay for job training, SSI  
3 advocacy, rental/move-in assistance, and any other services the Department deems  
4 necessary or appropriate to help move CAAP recipients in the City's shelter system into  
5 permanent housing or self-sufficiency.

6           The Department may not use any other portion of its overall budget for the direct  
7 costs of new care associated with the implementation of Proposition N, or any other legislation  
8 that provides in-kind benefits in lieu of a full cash grant; provided, however, that the City may  
9 continue to use any other source of funds to provide the same level of such services to  
10 homeless CAAP recipients as it already provided, without any reduction in cash assistance,  
11 before June 30, 2003 for Proposition N, or before the effective date for any other legislation  
12 covered by this ordinance. The Department may only use monies within the Fund for the  
13 provision of new care required to implement Proposition N, the Cash Not Drugs Pilot Program,  
14 codified in Article XX of Chapter 20 of the Administrative Code, or any other legislation that  
15 provides in-kind benefits in lieu of a full cash grant.

16           \* \* \* \*

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18           Section 4. Effective Date. This ordinance shall become effective 30 days after  
19 enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the  
20 ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board  
21 of Supervisors overrides the Mayor's veto of the ordinance.

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23           Section 5. Scope of Ordinance. In enacting this ordinance, the Board of Supervisors  
24 intends to amend only those words, phrases, paragraphs, subsections, sections, articles,  
25 numbers, punctuation marks, charts, diagrams, or any other constituent parts of the Municipal

1 Code that are explicitly shown in this ordinance as additions, deletions, Board amendment  
2 additions, and Board amendment deletions in accordance with the “Note” that appears under  
3 the official title of the ordinance.

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5 APPROVED AS TO FORM:  
6 DAVID CHIU, City Attorney

7 By: /s/ Henry L. Lifton  
8 HENRY L. LIFTON  
9 Deputy City Attorney

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