



OFFICE OF THE CONTROLLER
CITY AND COUNTY OF SAN FRANCISCO

Ben Rosenfield
Controller
Todd Rydstrom
Deputy Controller

Ms. Angela Calvillo
Clerk of the Board of Supervisors
1 Dr. Carlton B. Goodlett Place Room 244
San Francisco, CA 94102-4689

November 9, 2023

RE: File 231096 – Initiative Ordinance Substance Abuse Screening, Evaluation, and Treatment Requirements for CAAP Assistance

Dear Ms. Cavillo,

Should the proposed initiative ordinance be approved by the voters, in my opinion, it would likely increase the cost of government, although at a level that cannot be determined at this time. The total cost of this ordinance would be dependent on operational decisions made by the Human Services Agency (HSA) and decisions made by the Mayor and the Board of Supervisors through the normal budget process. The potential costs to government include 1) increased County Adult Assistance Program (CAAP) administrative costs, 2) increased cost to provide treatment to referred CAAP recipients, 3) increased cost to provide housing support for discontinued CAAP recipients, and 4) potential cost savings from individuals offered but not going through the treatment process resulting in a discontinuance of benefits.

As additional information on estimated CAAP client participation in this program, our office will update this analysis.

The proposed initiative ordinance would amend the Administrative Code, establishing screening and treatment requirements for CAAP recipients with substance use disorders. In Fiscal Year 2022-2023, there were approximately 5,800 monthly CAAP clients in San Francisco. If the ordinance is approved, CAAP recipients who decline drug screening, evaluation, and treatment will be considered non-compliant and be ineligible for CAAP benefits. Discontinued CAAP recipients would be required to receive 30 days of housing support through either rental subsidies or guaranteed shelter access starting from the date of discontinuance, with potential extensions for eviction prevention.

If the proposed ordinance is approved, the cost to administer CAAP may increase related to new drug screening processes and increased case management needs to process CAAP re-enrollments. Increased costs due to drug screening will be dependent on operational decisions made by HSA. Additionally, the proposed ordinance may increase staff needs related to processing CAAP re-enrollments.

CAAP cost savings from discontinued recipients would be diverted into a CAAP Treatment Fund (Fund), potentially offsetting some costs of drug assessments and other related programmatic

costs. Currently, CAAP recipients experiencing homelessness receive \$109 per month, with in-kind support provided at City shelters, and housed CAAP clients receive \$712 per month. Cost savings diverted from discontinued recipients would be diverted to the Fund. It is unknown exactly how many clients would be discontinued under the proposed ordinance.

If this ordinance is approved, it may result in increased costs if treatment capacity is not sufficient to meet the increased needs under this ordinance. While not required by the ordinance, if the Department of Public Health (DPH) cannot meet the demand for services with existing or planned capacity, it may result in future costs subject to future budget decisions made by the Mayor and the Board of Supervisors through the normal budget process. Services that likely have capacity to serve newly referred CAAP clients include medication treatment, outpatient substance use disorder treatment, and mutual support groups. Additional capacity may be needed for residential treatment, withdrawal management, or residential step-down treatment programs. Total costs for treatment will depend on the number of CAAP clients who participate in treatment and in which program they participate in.

If this ordinance is approved, it will also increase housing assistance costs for CAAP recipients discontinued under this ordinance. If discontinued under the ordinance, housed CAAP clients would receive up to \$712 for one month of assistance, paid directly to their landlords. If discontinued, CAAP clients experiencing homelessness would continue to receive shelter. The average annual cost for a single adult at a congregate shelter is \$61,957, or approximately \$5,200 per month per shelter bed. If the current CAAP shelter beds are not sufficient to provide shelter support to CAAP clients exited under this ordinance, the City may need to increase shelter capacity. In 2023, approximately 340 CAAP recipients occupied City shelter beds nightly.

Sincerely,

Janice Levy FOR
Ben Rosenfield
Controller

Note: This analysis reflects our understanding of the proposal as of the date shown. At times further information is provided to us which may result in revisions being made to this analysis before the final Controller's statement appears in the Voter Information Pamphlet.