



**OFFICE OF THE CONTROLLER**  
CITY AND COUNTY OF SAN FRANCISCO

Ben Rosenfield  
Controller  
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Deputy Controller

Mr. John Arntz  
Department of Elections  
City Hall 1 Dr. Carlton B. Goodlett Place Room 48  
San Francisco, CA 94102-4689

December 11, 2023

RE: Prop F – Illegal Substance Dependence Screening and Treatment for Recipients of Public Assistance

Dear Mr. Arntz,

Should the proposed initiative ordinance be approved by the voters, in my opinion, it would have a moderate impact on the cost of government. Administration of the proposed program, including screening and assessing aid recipients, is estimated to cost between \$500,000 and \$1.4 million annually. These costs would be offset by estimated annual savings of between \$100,000 and \$2 million from recipients who are no longer eligible to receive aid, with any additional savings available for treatment and other services for other program recipients. 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 proposed initiative ordinance would amend the Administrative Code, establishing screening and treatment requirements for County Adult Assistance Program (CAAP) recipients with drug-related substance use disorders. In Fiscal Year 2022-2023, there were approximately 5,700 monthly CAAP recipients 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 provided 30 days of housing support through either rental subsidies paid directly to the landlord or guaranteed shelter access, with potential extensions for eviction prevention. Housing support would be paid for by diverting the recipient's previous cash grant for housed recipients or provided through the City's existing shelter capacity already designated for unhoused CAAP recipients.

If the proposed ordinance is approved, the cost to administer CAAP may increase due to new drug screening, assessment, and case management needs for recipients who screen positive for illegal drug use. Case management costs may be reimbursed under Drug Medi-Cal. Increased costs will be dependent on operational decisions made by HSA and budget decisions made by the Mayor and the Board of Supervisors through the normal budget process.

CAAP cost savings from discontinued recipients would be diverted into a CAAP Treatment Fund (Fund), potentially offsetting some costs of screening, assessments, and treatment. 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, savings could range from approximately \$200,000 to \$4 million in the first year to approximately \$100,000 to \$2 million in subsequent years.

If this ordinance is approved, it may result in increased costs if existing treatment capacity is not sufficient to meet the increased needs under this ordinance. While not required by the ordinance, if the City 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. For context, for residential treatment programs, the treatment cost for a 90-day stay ranges from approximately \$28,000 to \$40,000 per person with reimbursement rates ranging from approximately \$16,000 to approximately \$28,000.

Sincerely,



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.