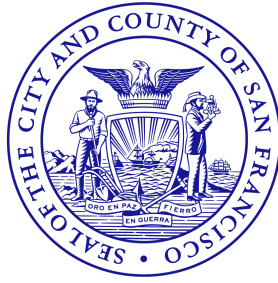


City and County
of San Francisco



Board of Supervisors
Member, District 6

MATT DORSEY

麥德誠

NEWS RELEASE

Cost analysis request on untreated drug addiction suggests S.F. taxpayers' tab could exceed \$1 billion

Supervisor Dorsey asks Board's Budget Analyst to replicate Columbia University's 'Shoveling Up' methodology to highlight need to reign in costly drug-driven harms

SAN FRANCISCO (Sept. 18, 2024) — Supervisor Matt Dorsey has asked the Board of Supervisors' Budget and Legislative Analyst to replicate a methodology developed by Columbia University's National Center on Addiction and Substance Abuse, or CASA, to estimate the total costs that untreated drug addiction is currently imposing on San Francisco's taxpayers. Dorsey requested the analysis [at the full board meeting yesterday](#).

The CASA methodology was developed for reports entitled "Shoveling Up," which were influential a generation ago in highlighting why increased public sector investments for drug enforcement and treatment can be a financially prudent necessity when facing runaway costs associated with drug-driven harms. In years past, analyses of government spending attributable to substance use disorders routinely found that for every taxpayer dollar spent, as much as "96 cents went to shoveling up the wreckage of substance abuse and addiction" — with no more than four cents generally spent to prevent or treat drug addiction.

"Delivering on the promise of drug-free sidewalks will mean scaling up our criminal justice and public health interventions to put an end to public drug use in San Francisco," said Supervisor Dorsey. "Expensive? Sure. But ultimately far less expensive than the status quo,

and that's why the methodology Columbia University's CASA devised in the early 2000s is so instructive. The report I've requested seeks a complete audit of how many taxpayer dollars we're now spending to ameliorate the extraordinarily costly damage associated with drug addiction — and especially the public drug scenes diminishing our neighborhoods and driving our deadly overdose crisis. As we prepare to grapple with some difficult budget challenges next year, we need to be honest about where we're simply 'shoveling up the wreckage' from drug addiction — rather than working to incentivize and support those with drug addictions to recover. In financial terms as in human terms, this is a crisis we can't afford not to solve."

In two "Shoveling Up" reports CASA published between 2001 and 2009, and another replicated by the State of Oregon's Alcohol and Drug Policy Commission in 2020, budget analysts found that public sector expenditures attributable to the consequences of substance abuse and addiction ranged from a low of 9 percent for local budgets (Shoveling Up II, 2009); to 10.7 percent of public sector budgets at all levels (Shoveling Up II, 2009); to 13.1 percent of state budgets (Shoveling Up I, 2001); to nearly 17 percent most recently for the Oregon state budget analysis (2020-2025 Oregon statewide strategic plan, 2020).

Dorsey's letter to Fred Brousseau, the Board's Budget and Legislative Analyst's Office Director of Policy Analysis, noted that "even the most conservative extrapolation would suggest that San Francisco's drug-addiction-driven costs may far exceed \$1 billion annually." The City and County of San Francisco's total budget for Fiscal Year 2024-25 is roughly \$15.9 billion. Dorsey made a similar request of the Office of the City Controller in 2022, but later replaced it with a request for that office to develop a reliable methodology to conduct [a known address history report](#) for certain populations to quantify the phenomenon of "drug tourism," or the extent to which San Francisco may be a destination city for drug-related activity. That report remains underway at this time.

References

- The National Center on Addiction and Substance Abuse at Columbia University. (2001). Shoveling up: The impact of substance abuse on state budgets. New York, NY. <https://cdn-01.drugfree.org/web/prod/wp-content/uploads/2001/01/19202420/Shoveling-up-the-impact-of-substance-abuse-on-state-budgets.pdf>
- The National Center on Addiction and Substance Abuse at Columbia University. (2009). Shoveling up II: The impact of substance abuse on federal, state, and local budgets.

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- State of Oregon Alcohol and Drug Policy Commission. (2020). 2020-2025 Oregon statewide strategic plan. Salem, OR. [https://www.oregon.gov/adpc/MeetingDocuments/Statewide%20Strategic %20Plan%20Final.pdf](https://www.oregon.gov/adpc/MeetingDocuments/Statewide%20Strategic%20Plan%20Final.pdf).
- City and County of San Francisco, Budget and Appropriation Ordinance (File No. 240595, Ordinance No. 190-24) for the fiscal year ending June 30, 2025. <https://www.sf.gov/sites/default/files/2024-07/AO%20FY2024-25%20%26%20FY2025-26%20-%20FINAL%207.31.24.pdf>.

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For immediate release:

September 18, 2024

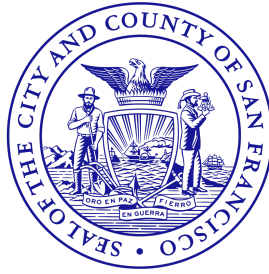
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City and County
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MATT DORSEY

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September 17, 2024

Mr. Fred Brousseau,
Director of Policy Analysis
Budget and Legislative Analyst's Office
CITY AND COUNTY OF SAN FRANCISCO
1390 Market Street, Suite 1150
San Francisco, Calif. 94102

Emailed to: Fred.Brousseau@sfgov.org

Re: Requesting a 'Shoveling Up' report to estimate the costs that untreated substance use disorders impose on the budget of the City and County of San Francisco

Dear Mr. Brousseau,

I write to request your office's assistance in preparing a report that would replicate a well-established methodology to estimate total costs that untreated drug addiction currently impose on the City and County of San Francisco's budget. As we prepare to grapple with the challenges of a budget shortfall anticipated to be significantly larger next year, my hope is to inform arguments on the need to strategically increase investments in drug enforcement and treatment as a prudent necessity to reign in the spiraling costs of drug-related harms.

Background on 'Shoveling Up' reports

A generation ago, Columbia University's National Center on Addiction and Substance Abuse, or CASA, embarked on "an unprecedented effort to measure the impact of substance abuse and addiction" on state-level spending for the 1998 fiscal year, which included such categories as health, social services, criminal justice, education, mental health and other programs.

Re: Requesting a ‘Shoveling Up’ report to estimate the costs that untreated substance use disorders impose on the budget of the City and County of San Francisco

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The result was a groundbreaking report entitled, “Shoveling Up: The Impact of Substance Abuse on State Budgets,”¹ published in January 2001. The report’s foreword was authored by Joseph A. Califano, Jr. — the former U.S. Secretary of Health, Education and Welfare in the Carter Administration and chief domestic policy advisor to President Johnson — who founded CASA at Columbia University. In his executive summary, Califano noted these findings:

- That “a whopping 13.1 percent” of state-level public sector funding was expended to address the effects of substance abuse and addiction; and
- For every dollar spent by states, “96 cents went to shoveling up the wreckage of substance abuse and addiction and only four cents was used to prevent and treat it.”

Eight years later, CASA published a follow-up study entitled, “Shoveling Up II: The Impact of Substance Abuse on Federal, State, and Local Budgets,”² which refined its analytical methodology in key respects and expanded its analysis to include public sector spending at the federal and local levels as well as state-level spending on the costly consequences of untreated drug addiction.

In summarizing the findings of CASA’s analysis of 2005 public sector budgets, Califano — again the foreword’s author — reported the following conclusions:

- “Total government spending of \$467.7 billion on substance abuse and addiction amounted to 10.7 percent of their entire \$4.4 trillion budgets”;
- “Of every dollar federal and state governments spent on substance abuse and addiction in 2005, 95.6 cents went to shoveling up the wreckage,” with only 1.9 cents spent on prevention and treatment.
- “Local governments spent conservatively \$93.8 billion on substance abuse and addiction or 9.0 percent of local budgets, outstripping local spending for transportation and public welfare.”

¹ The National Center on Addiction and Substance Abuse at Columbia University. (2001). Shoveling up: The impact of substance abuse on state budgets. New York, NY: Columbia University. <https://cdn-01.drugfree.org/web/prod/wp-content/uploads/2001/01/19202420/Shoveling-up-the-impact-of-substance-abuse-on-state-budgets.pdf>

² The National Center on Addiction and Substance Abuse at Columbia University. (2009). Shoveling up II: The impact of substance abuse on federal, state, and local budgets. New York, NY: Columbia University. https://drugfree.org/wp-content/uploads/drupal/Shoveling-up-II-the-impact-of-substance-abuse-on-federal-state-and-local-budgets_0.pdf.

Re: Requesting a ‘Shoveling Up’ report to estimate the costs that untreated substance use disorders impose on the budget of the City and County of San Francisco

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At the risk of prejudicing the findings of a BLA report I am only now requesting, I am struck by the relevance of Califano’s 15-year-old observation to what I see today in neighborhoods I represent, which he described as “a searing indictment” of government at every level “that spend virtually all of the funds in this area to shovel up the wreckage of substance abuse and addiction and practically nothing to prevent and treat it.”

State of Oregon’s analysis of its 2017 budget

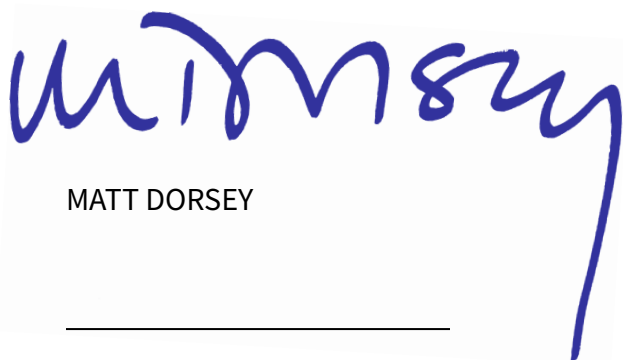
As part of a strategic planning study³ from the Oregon Alcohol and Drug Policy Commission in 2020, state officials engaged a research firm to work with current and former Columbia University staff to replicate the “Shoveling Up” methodology to assess substance abuse costs imposed on Oregon’s budget. The analysis found its 2017 costs to be “far higher,” noting:

- “The amount of state dollars being used to pay for problems related to substance misuse more than quadrupled from 2005 to 2017, consuming — by the most conservative estimates — nearly 17% of the entire state budget.”

Conclusion

With ranges from a low of 9 percent to as much as 17 percent of total public sector budgets attributable to “shoveling up the wreckage” from untreated drug addiction, even the most conservative extrapolation would suggest that San Francisco’s drug-addiction-driven costs may far exceed \$1 billion annually. I look forward to working with you on this request, and welcome the opportunity to discuss it with you in more detail. As always, thank you!

Sincerely,



MATT DORSEY

³ State of Oregon Alcohol and Drug Policy Commission. (2020). 2020-2025 Oregon statewide strategic plan. Salem, OR: Oregon Alcohol and Drug Policy Commission. <https://www.oregon.gov/adpc/MeetingDocuments/Statewide%20Strategic%20Plan%20Final.pdf>.