City and County
of San Francisco

Board of Supervisors
Member, District 6

MATT DORSEY
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NEWS RELEASE

# ‘Cash Not Drugs’ will offer a sobriety bonus of up to $100 weekly for eligible public assistance recipients

***Proposed three-year pilot would add a contingency management strategy to treatment options for those diagnosed with substance use disorders under March 2024’s Prop F***

SAN FRANCISCO (July 29, 2024) — Supervisor Matt Dorsey today announced legislation to create a voluntary sobriety and recovery incentive that will offer eligible recipients of general assistance in San Francisco a weekly bonus of up to $100 if they test negative for illicit drugs.

Dubbed “Cash Not Drugs,” the legislation supported by Mayor London Breed would establish an incentive program available to beneficiaries of the County Adult Assistance Program, or CAAP, who have been screened and diagnosed for substance use disorders and referred to treatment. Voters in March 2024 enacted the screening requirement as a condition of receiving CAAP benefits under Proposition F. San Francisco’s Human Services Agency, or HSA, will administer the Cash Not Drugs program as a three-year pilot in coordination with the Department of Public Health. Dorsey’s legislation also authorizes HSA to engage an independent academic clinical research partner to assess the program’s effectiveness, and to report its findings to the Board of Supervisors and Mayor at least once annually.

“A humane and effective approach to San Francisco’s drug crisis must include rewarding good behavior, and not solely punishing bad behavior,” said **Supervisor Dorsey**. “Cash Not Drugs is a contingency management program that adopts the most studied and successful public

health interventions we know to help those who struggle with addiction. By incentivizing and supporting long-term recovery, Cash Not Drugs won't just help save lives, but change lives for the better. Elevating recovery as our drug policy objective enables us to enlist the most powerful ally we could possibly have in the drug crisis we face — and that's San Francisco's recovery community itself. I'm very grateful to Mayor London Breed and HSA's executive director, Trent Rhorer, for their partnership with my office in developing this program. Thanks as well to Dr. Grant Colfax and his team at the Department of Public Health for their input and guidance to improve it. And finally, I'm grateful to so many of my fellow members of the recovery community, who continue to be advocates and enduring inspirations for the changes we're fighting for."

"The drug crisis we are facing requires different strategies to get people into treatment, in addition to the important enforcement work happening in our neighborhoods," said **Mayor London Breed**. "Contingency management is an important tool that has proven to be effective here in San Francisco, and Cash Not Drugs will help support getting more people into treatment and address the conditions we see on our streets. I want to thank Supervisor Dorsey for continuing to be a real leader in the recovery movement, which is helping to get people off the street, off drugs and on track to living healthier, thriving lives."

Cash Not Drugs employs an addiction treatment strategy known as contingency management, in which patients receive tangible incentives to reinforce such positive behaviors as abstinence from addictive substances or adherence to Medication-Assisted Treatment ("MAT"), with substance use disorders treated with such prescribed medications as buprenorphine, methadone, or naltrexone. Contingency management is considered "one of the most effective behavioral interventions for initiating and maintaining abstinence from most types of commonly used drugs and alcohol,"[1] and medical literature has long attested to its success in the treatment of addictions to stimulants, opioids and other substances.

San Francisco's Department of Public Health currently offers several smaller-scale contingency management programs, including some authorized by the California Department of Health Care Services. DPH's 2022 Overdose Prevention Plan proposed expanding the

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[1] "Contingency Management Is a Powerful Clinical Tool for Treating Substance Use; Research Evidence and New Practice Guidelines for Use" By Sterling M. McPherson, PhD and Sara Parent, ND, Psychiatric Times, Sept. 9, 2022, https://www.psychiatrictimes.com/view/contingency-management-is-a-powerful-clinical-tool-for-treating-substance-use-research-evidence-and-new-practice-guidelines-for-use.

number of programs offering contingency management, and increasing the number of people participating in contingency management programs by 25 percent.[2]

“When voters passed Proposition F by a large margin last March, they sent a strong message that they believed single adults on public assistance, who face significantly higher risks for substance use disorders, should be clinically assessed and offered opportunities for treatment when appropriate,” said **Trent Rhorer**, executive director of San Francisco’s Human Services Agency. “Cash Not Drugs offers an important new treatment option for those struggling with SUDs based on contingency management approaches that for years have shown success to incentivize and support long-term recovery. This worthwhile pilot program is the product of a collaboration among multiple departments and city leaders, including Mayor Breed and Supervisor Dorsey, and I’m grateful for their partnership together with DPH and others to bring it forward.”

“The Department of Public Health supports contingency management and we’re glad to make this effective tool available to people with substance use disorder,” said **Dr. Grant Colfax**, Director of Health for the City and County of San Francisco.

**Community Support**

“This recovery incentive sends a powerful message of hope to anyone on public assistance who chooses to make the brave decision to get and stay sober — that San Francisco will support you in your recovery journey, and will help to empower you to live your best life,” **Richard Beal**, Director of Recovery Services for the Tenderloin Housing Clinic. “That’s the promise of real recovery from addiction. That’s the life-changing work I’ve seen from recovery community members throughout my own 29 years of continuous sobriety. And that’s what Cash Not Drugs can truly inspire. I’m grateful to Supervisor Dorsey for proposing this program. It will make a difference, and I’m proud to support it.”

“Study after study has shown that incentives work to inform positive behavioral health changes, allowing for a stronger foundation for many options for recovery from problematic drug use. This pilot will work in conjunction with so many other treatment modalities, for up to 3 years, to make a lasting and significant impact on so many people attempting to lead

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[2] City and County of San Francisco, Department of Public Health, “Overdose Deaths are Preventable: San Francisco’s Overdose Prevention Plan 2022,” Oct. 6, 2022, https://www.sf.gov/sites/default/files/2022-11/SFDPH%20Overdose%20Plan%202022%20EN_0.pdf.

healthier lives free of substance use disorder," stated **Gary McCoy**, an abstinent recovery and harm reduction advocate. "Thanks to Supervisor Matt Dorsey we can show that, once again, San Francisco is the city that knows how — even through an unprecedented nationwide drug crisis."

"I became an addict in San Francisco 38 years ago, at a time when there wasn't much focus on recovery," said **Del Seymour**, founder and board member of Code Tenderloin, a workforce development nonprofit that secures long-term employment for underserved communities in San Francisco. "I am so excited to support this measure because the American lifestyle is based on incentives. We in recovery management have tried so many methods, and few have been successful. But I know Cash Not Drugs will be enormously successful in reducing drug abuse by recipients of public assistance in San Francisco. This is not a free giveaway program. Clients need to put in 'work,' to get and stay sober. It will help participants gain maturity in their recovery, and I'm thankful to Supervisor Dorsey, a fellow recovery community member, for proposing this program.'"

"Cash Not Drugs incentivizes recovery and sends a powerful message that recovery is worthwhile," said **Destiny Pletsch**, Deputy Director of The Way Out, a recovery-focused homeless initiative of The Salvation Army. "This shifts the dynamics of our social system by using evidence-based methods to empower people to live a healthy life."

"When I decided to change my relationship with substances in 2013, I could not wrap my brain around the idea of never using again," said **Billy Lemon-Walters**, executive director of the Castro Country Club, a sober community space that has served LGBTQ+ recovery community members for four decades. "Because of a fortuitous moment while in rehab, I was introduced to PROP — the 'Positive Reinforcement Opportunity Project at the San Francisco AIDS Foundation. It is my firm belief that the gentle nudge of incentive cash goals helped me get my first 90 days of total abstinence. I fully support tools like Cash Not Drugs that meet people where they are, and help them build self confidence in their own resilience."

"Addiction affects everyone in so many negative ways; fighting addiction requires support from all," said **Sandy B.**, executive director of the Dry Dock, a 12-step meeting house in San Francisco's Cow Hollow neighborhood that has catered to the recovery community for nearly 40 years. "Families, friends and businesses benefit from all contributions made to help the addicted. This, then, is the 'ripple effect' of recovery: we help each other recover and everyone benefits. The Dry Dock is proud to be a part of this all-important healing process.

Mayor Breed, Supervisor Dorsey and San Francisco's recovery community are pushing for new and innovative ways to help those struggling with addictions and alcoholism. Their endeavors will serve as a beacon to other cities, and the Dry Dock stands ready to help in any way possible."

"It's inspiring to see the recovery community come together to advocate for programs like Cash Not Drugs, because we know people will benefit from it," said **Jerry Yim**, a recovery community member and Cantonese speaker who serves on Supervisor Dorsey's advisory group for "Read to Recovery," a program of the San Francisco Public Library that provides free-to-keep literature from all recovery traditions in all published languages. "Making the choice to seek recovery from addiction or alcoholism is hard, and no one can do it alone. This program supports recovery, and it will make a real difference."

"Incentivizing someone to not use drugs through contingency management creates accountability at the source of general assistance," said **Thomas Wolf**, a recovery community advocate and founder of the Pacific Alliance for Prevention and Recovery. "I support this critical step to help people seeking recovery and those working hard to maintain their recovery while still providing them with the vital resources they need to remain stabilized."

"This is another example of what can happen when the recovery community stands together and speaks out for approaches that we know work to get people off the streets and into treatment and recovery," said **Cedric Akbar**, a recovery community member, co-founder of Positive Directions Equals Change, a drug treatment and reentry program, and a newly elected member of the San Francisco Democratic County Central Committee. "Cash Not Drugs is meant to offer hope for those who struggle with addiction, rewarding positive behaviors and showing that life after addiction is possible. It will help pave a pathway for those seeking recovery. Thank you to Mayor Breed, Supervisor Dorsey and all the champions for recovery who are fighting to save lives."

"The fentanyl addiction crisis has reached a point where we must urgently pursue wraparound solutions to address it from all angles," said **Roberto Hernandez**, a long-time Mission community activist, recovery community member and candidate for District 9 Supervisor. "As someone with 28 years of sobriety, I understand the complexity of this public health epidemic, and I believe the city needs to create compassionate pathways that lead to meaningful life changes for people who struggle. I applaud Supervisor Dorsey for prioritizing incentives that encourage people who are struggling to find a healthy path."

“Cash Not Drugs is another step in the right direction to make recovery the centerpiece of how we respond to the drug crisis all around us,” said **Cregg Johnson**, director of TRP Academy (for Treatment, Recovery and Prevention), a Tenderloin-based peer-led, abstinence-based therapeutic teaching community and transitional housing program. “Harm reduction has a place to help save the lives of those who use drugs. But if all we do is to enable long-term substance use, it’s not helping anyone — least of all those struggling with drug addiction. Cash Not Drugs supports real long-term recovery, with or without medication, and we need more programs like it. Thank you to Supervisor Dorsey and Mayor Breed for being champions for the recovery community.”

“Our addiction crisis requires a true all-of-the-above approach and I am proud to support Supervisor Dorsey’s innovative incentive-based Cash Not Drugs plan,” said **Trevor Chandler**, a recovery community member, newly elected member of San Francisco’s Democratic County Central Committee, and candidate for District 9 Supervisor. “As someone who is in long-term recovery, I know there is no single path to sobriety. The Cash Not Drugs plan could be exactly what empowers those suffering from addiction to get sober. I am grateful for Supervisor Dorsey’s continued leadership on addressing San Francisco’s addiction crisis.”

“Narcotics Anonymous (NA) has one promise: ‘an addict, any addict, can stop using drugs, lose the desire to use, and find a new way to live,’” said an **anonymous member of the San Francisco Area of Narcotics Anonymous**, which can be accessed online at https://sfna.org. “The NA message is one of hope, that there is another way to live. NA can assist individuals stop using drugs and find a new way to live. All are welcome.”

**Cash Not Drugs implementation plan for CAAP**

If enacted, Cash Not Drugs will be implemented under a plan to be developed within six months by HSA, which it will then submit to the Mayor and Board of Supervisors. Timed to follow the implementation of policies that voters enacted with Prop F in the March 2024 election, the Cash Not Drugs implementation plan will include a proposed timeline together with any initial numerical cap on participants, if necessary, and factors to facilitate expanded participation during the pilot program’s operative period. Because Cash Not Drugs will require a voluntary weekly drug testing scheme, the plan will also include operational details on how that will be facilitated. With input from public health partners, HSA will have flexibility in its implementation plan to progressively increase weekly rewards up to a maximum of $100 weekly to incentivize long-term recovery. Research on contingency management programs

has demonstrated success in increasing the magnitude of rewards relative to consecutive demonstrations of target behavior, in this case drug-free or medically assisted recovery.

The County Adult Assistance Program, or CAAP, is a state-mandated general assistance program operated in all California counties, including San Francisco. Its primary benefits include cash assistance and employment services for indigent residents who have no dependent children, including those who cannot work, immigrants, and refugees, and who don't qualify for other government benefit programs. In Fiscal Year 2022-2023, there were approximately 5,700 monthly CAAP recipients in San Francisco. Currently, CAAP recipients with housing are eligible to receive up to $712 per month in cash assistance. CAAP recipients who are experiencing homelessness receive a reduced cash grant of $109 per month, with in-kind support provided at City shelters under the "Care Not Cash" program that San Francisco voters adopted in 2002.

Cash Not Drugs will be eligible for funding from multiple sources, including the Homelessness and Supportive Housing Fund and the CAAP Treatment Fund, created under Prop F, which will become operative on January 1, 2025. Under the state's Recovery Incentives Program, California also supports contingency management programs as a Medicaid benefit, through the state MediCal program. Dorsey's legislation requires that the Cash Not Drugs implementation plan incorporate and account for all seven core principles of contingency management, including: (1) target behavior; (2) target population; (3) type of incentive; (4) magnitude or amount of reinforcement; (5) the frequency of reinforcement distribution; (6) the timing of reinforcement distribution; and (7) the duration of reinforcements.

# # #

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FILE NO.

# LEGISLATIVE DIGEST

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

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

## Existing Law

The proposed ordinance has not previously been codified.

## Amendments to Current Law

The proposed ordinance would create a three-year pilot program run by the Human Services Agency ("HSA"), in collaboration with the Department of Public Health ("DPH"), where HSA and DPH would operate a contingency management program for County Adult Assistance Programs ("CAAP") beneficiaries who are required to receive substance abuse treatment as a condition of receiving further CAAP benefits. Participants in the pilot program must produce a negative drug test every week, in addition to any other requirements established by HSA to run the contingency management program. HSA, in its discretion, would then provide to program participants payments of up to $100 per week as part of the contingency management treatment program.

The proposed ordinance would also exempt the weekly payments from the CAAP eligibility calculation. During the first six months of the pilot program, HSA would collaborate with the City Attorney, Controller, DPH, and any other relevant City agencies to develop an implementation plan. Finally, the ordinance would amend the Homelessness and Supportive Housing Fund to include the pilot program as an authorized use of the fund.

## Background Information

HSA administers CAAP, which together provide financial assistance and social services to eligible indigent adults who have no other source of income or benefits. According to HSA,

from 2018 to 2020, approximately 20% of CAAP recipients self-disclosed in an initial interview with HSA staff that they have substance abuse issues.

Among substance use treatment programs, medical literature supports contingency management as an effective treatment. In contingency management strategies, patients receive tangible incentives to reinforce positive behaviors such as abstinence from addictive substances or behaviors, or adherence to medication-assisted treatment where patients are prescribed medications, such as buprenorphine, methadone, and naltrexone, to treat opioid use disorders. DPH currently offers contingency management programs, including programs authorized by the California Department of Health Care Services. DPH's 2022 Overdose Prevention Plan proposed to increase the number of programs offering contingency management from three to five, and increase the number of people participating in contingency management programs by 25%.

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[Administrative Code - “Cash Not Drugs” Sobriety and Recovery Pilot Program]

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

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

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

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

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

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

* * * *

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

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

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

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

***ARTICLE XX:***

***CASH NOT DRUGS PILOT PROGRAM***

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

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

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

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

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

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

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

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

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

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

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

*"CAAP" means the County Adult Assistance Programs, set forth in Article VII of Chapter 20 of the Administrative Code.*

*"City" means the City and County of San Francisco.*

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

*"CND Participant" means a person participating in the Cash Not Drugs Pilot Program and meeting the eligibility criteria in Section 20.20-3.*

*"DPH" means the San Francisco Department of Public Health.*

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

*"Executive Director" means the Executive Director of HSA or the Executive Director's designee.*

*"HSA" means the San Francisco Human Services Agency.*

*"MAT" means Medication-Assisted Treatment.*

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

*"Pilot Program" means the Cash Not Drugs Pilot Program, as set forth in this Article XX.*

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

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

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

*(1) receive financial assistance through CAAP;*

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

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

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

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

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

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

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

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

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

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

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

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

*(5) HSA may, in its discretion, disenroll from the Pilot Program CND Participants who fail to meet the Pilot Program eligibility requirements in subsection (c), provided that, if HSA determines, in its discretion, that the CND Participant is making a good-faith effort to maintain or achieve sobriety, HSA may continue the CND Participant's eligibility in the Pilot Program. Disenrolled CND Participants shall not have the right to appeal HSA's decision. Disenrolled CND*

*Participants may re-enter the Pilot Program at any time provided that they meet the initial eligibility criteria set forth in subsection (b).*

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

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

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

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

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

*(1) An implementation timeline and operative date;*

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

* * * *

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

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

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

* * * *

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

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

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

APPROVED AS TO FORM:
DAVID CHIU, City Attorney

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

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