



CITY AND COUNTY OF SAN FRANCISCO
OFFICE OF THE CONTROLLER

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Ben Rosenfield
Controller

Monique Zmuda
Deputy Controller

BY SW

File # 080864
C: Rules Members

July 10, 2008

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

RE: File 080864 - Treatment on Demand Act

Dear Ms. Calvillo,

Should the proposed initiative ordinance be approved by the voters and funded through the annual budget process, in my opinion, it would increase the cost of government by between \$7 million to \$13 million annually, in order to fund additional free and low cost medical substance abuse services.

These costs could increase or decrease depending on how the City implements the ordinance. Note that an ordinance cannot bind future Mayors and Boards of Supervisors to provide funding for this or any other purpose. Under the City Charter, the ultimate cost of this proposal depends on decisions made in the City's annual budget process.

The proposed initiative ordinance would establish a requirement that the the Department of Public Health maintain an "adequate level of free and low cost medical substance abuse services" commensurate with the demand for these services. It would require that the City not reduce funding, staffing or the number of treatment slots available for as long as slots are filled or sought. The City currently spends approximately \$50 million annually to provide a variety of free and low cost medical substance abuse services, 60% of which is paid from the City's General Fund. These services are almost entirely delivered through contracts with local nonprofit organizations. The Department spends approximately \$3 million to administer these contracts annually.

The proposed initiative ordinance would establish a methodology for calculating demand for these services, including an estimate of the number of individuals seeking such slots. The Department of Public Health estimates a range of unmet demand for these services, at an estimated cost of an additional \$7 million to \$13 million above current spending levels. Finally, the proposed initiative ordinance would require the Department to provide an annual report to the Board of Supervisors estimating the demand for these services, resulting in an additional, though minimal cost to the Department for planning and administration.

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.