

Date of Hearing: May 8, 2019

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Lorena Gonzalez, Chair

AB 1779 (Daly) – As Amended April 22, 2019

Policy Committee: Health Vote: 15 - 0
Urgency: No State Mandated Local Program: Yes Reimbursable: No

SUMMARY:

This bill establishes a framework for regulation of recovery residences (sober living homes). Specifically, this bill:

- 1) Requires DHCS to adopt a Best Practices for Operating Recovery Housing standard, a document that is to be published in the future by the U.S. Department of Health and Human Services that includes suggested minimum standards for operating recovery housing.
- 2) Requires DHCS, until best practices are distributed, to adopt the most recent standards approved by the National Alliance for Recovery Residents (NARR) as the minimum standard for receiving state funding for recovery residence housing.
- 3) Provides recovery residences must meet the standards established in (1) or (2) in order to receive state funding.
- 4) Establishes a number of rules that apply to an unnamed entity that recognizes, registers, or certifies a recovery residence.
- 5) Authorizes a city, county, city and county, or local law enforcement entity that has specified evidence that a recovery residence is not operating in accordance with standards adopted pursuant to (1) or (2) to report these findings to DHCS or to the unnamed entity.
- 6) Requires DHCS to report to the Legislature on or before January 1, 2025, the number and types of complaints received by an unnamed entity and DHCS, the status of complaints received, and the geographic concentration of reported complaints.
- 7) Requires any state and local agencies and their vendors that direct substance use treatment, as well as judges, and parole boards that sets terms and conditions for release, parole, or discharge, to refer to a certified drug and alcohol-free residence, if available.
- 8) Establishes a number of other requirements related to recovery residences.

FISCAL EFFECT:

- 1) Administrative costs to DHCS in the range of \$2.2 million GF in the first year of implementation and ongoing to investigate complaints and ensure compliance with standards for all residences that receive state funding.
- 2) Uncertain, potentially significant GF costs to the California Department of Corrections and Rehabilitation (CDCR) for oversight of parolees. This bill requires CDCR to refer parolees to

certified homes. For eligible parolees, CDCR funds community reentry programs that offer varying levels of sober living housing. Sober living homes that become certified pursuant to this bill's standards are likely to incur costs to comply with the standards, as well as costs for the certification itself, which will be reflected in higher rents. Higher rents will, in turn, increase CDCR contract costs with sober living housing providers. Higher rents could also necessitate increased financial assistance, in the form of food or transportation vouchers, for parolees who pay their own rent. The state pays on behalf of approximately 3,275 offenders at any one time, or 39,000 months of sober living homes per year. If rents increase by \$30/month on average as a result of this bill, state costs will increase by \$1.2 million GF.

- 3) One-time, likely minor, GF costs to CDCR for revising procedures and training staff about the new requirements, as well as ongoing costs to verify space in a certified facility.
- 4) Local public safety agencies could also incur local costs, similar in type to costs as noted in (2) and (3) due to the requirement to refer to certified sober living homes. This bill requires county agencies or county-contracted vendors that direct substance abuse treatment to first refer to a certified home. These costs may be state-reimbursable. Although this bill requires a higher level of local government service through mandating local entities refer to certified sober living homes, it is unclear whether an exception may apply.

COMMENTS:

- 1) **Purpose.** The author notes unlike residential treatment facilities, which are state-licensed, sober living homes are private apartments or houses that are not regulated. This bill seeks to establish minimum standards for these sober living homes in order to ensure quality and community safety.
- 2) **Background.** DHCS, formerly the Department of Drug and Alcohol Programs, is the state oversight body for drug and alcohol treatment facilities and personnel. DHCS licenses substance use treatment facilities, which provide 24-hour residential nonmedical services to eligible adults who are recovering from problems related to alcohol or other drug (AOD) misuse or abuse. DHCS also offers a voluntary facility certification to both residential and nonresidential programs. Sober living homes are alcohol and drug-free living environments for individuals attempting to maintain abstinence from alcohol and drugs. In contrast to alcoholism and drug abuse recovery or treatment programs, because sober living homes are private residences and do not offer treatment services, they are not regulated by the state.
- 3) **Prior Legislation.** A litany of bills has addressed the issue of sober living homes and related issues over the last decade. Most recently, AB 285, of the 2017-18 Legislative Session, and AB 2255 (Melendez), of the 2015-16 Legislative Session, were similar to this bill and were both held on the Suspense File of this committee.

AB 2491 (Nestande), of the 2013-14 Legislative Session, also required sober living homes to meet specified requirements, among other provisions, and was held on the Suspense File of the Senate Appropriations Committee.

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