



JUNE 2023

An Early Look at State Opioid Settlement Spending Decisions

In order to spend funding received through the national settlement and other opioid-related settlements, states have developed [legislative and legal frameworks](#) that distribute [funds and decision-making authorities](#) between the state government, local governments, and/or special abatement funds or trusts. States are in different stages in the process of receiving money, deciding how to spend it, implementing funded programs, and reporting on spending and outcomes. However, 17 states have now approved and published their plans for a first year of spending, which often include priority areas or approved uses for funds. A smaller subset of states have awarded settlement funds to specific abatement programs. Many of these plans were published in the final months of 2022 or first months of 2023 as part of annual reports on settlement spending activity. This issue brief provides an overview of published statewide opioid settlement spending plans and appropriations made to date and highlights initial priorities and investments outlined in these plans.



NATIONAL ACADEMY
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Snapshot of State Opioid Settlement Planning and Spending

June 2023



AT LEAST

17

states have announced spending priorities or decisions for an initial portion of national settlement funds through approved spending plans

AT LEAST

10

states have awarded funds to specific abatement programs

AT LEAST

10

states have published annual reports on settlement-related activities

AT LEAST

5

states have created spending recommendations awaiting approval or legislative action

AT LEAST

7

states are currently reviewing applications from local governments and treatment programs as part of open requests for applications

Mapping Progress on State Opioid Settlement Planning and Spending

At least 17 states have announced spending priorities or spending decisions for an initial portion of national settlement funds through approved spending plans¹: AZ, CA, CO, IN, KY, MA, MI, NC, NV, NY, RI, SC, TN, UT, VA, WI, WY. Plans vary in their level of specificity, with some outlining broad strategies or priorities while granting an agency authority to make specific funding allocations, and others designating money

¹ Approved spending plans are defined as spending plans that have been formally approved by state agencies or other designated decision-making bodies. Priorities identified in state spending plans may include priorities previously identified by advisory groups or outlined in initial memorandums of agreement that guide state spending for the duration of the multi-decade settlement spending processes.

to individual prevention, treatment, recovery, or harm reduction programs and other abatement priorities. To date, 10 states have awarded settlement funds to specific abatement programs (AZ, CO, KY, MA, NC, RI, SC, TN, VA, WI). States have made these decisions public through a variety of channels, including agency press releases, posting on a settlement-specific website, or inclusion in a broader annual report on settlement spending activity.

A number of states that have not yet made final decisions have taken other formal steps toward settlement planning and spending. At least 10 states have published annual reports on their settlement-related activities (AL, MA, MI, NV, NY, RI, SD, TN, WI, WY), some of which report retrospectively on spending (MA, WI) or include prospective spending decisions (RI, WY) or recommendations (AL, MI, NV, NY). In many cases, these annual reports are required by legislation or agreement.

At least five states have created and published formal spending recommendations that are awaiting approval or legislative action (AL, AK, ID, MI, VT). And at least seven states are currently reviewing grant applications from local governments and treatment programs as part of open requests for applications (DE, KS, KY, MD, NH, NV, VA). Additionally, funds must be appropriated by the legislature in several states (AL, CA, NC, PA, UT), making additional settlement allocations likely during the 2023 legislative session.

Status of Opioid Settlement Spending Decisions across States

Because each state uses a different process to allocate settlement dollars, the timing and process for identifying priorities, designating allowable uses, and making expenditures is varied across states. While some states have already awarded funding to specific programs, other states featured in this brief have not yet spent funding. The examples below outline the exact “spending” status of the 17 states that have published approved spending plans for state-administered or statewide abatement funding,² explain the process through which each state was able to receive formal approval on its plan, and provide links to the plans themselves.

² While not covered in this brief, many cities, counties, and other local governments have begun awarding funds allocated as part of the local share. For example, the Arkansas Opioid Recovery Partnership — a coalition of all the localities in the state receiving settlement funds — has made [over \\$3 million of awards to abatement projects](#). States and localities have made information on local spending available through a variety of different channels, including through statewide websites, city and county websites, and through local health departments.

States That Have Approved or Appropriated Funding for Use by an Executive Branch Agency

California

- **Status:** California's [2022–23 state budget](#) included appropriations from an Opioid Settlement Fund (OSF) to the Department of Health Care Services (DHCS), Department of Public Health, and Department of Rehabilitation for certain approved opioid abatement strategies.
- **Background:** California [enacted legislation in 2022](#) that required the creation of the OSF, required the state share (15 percent) of all money received through the National Opioid Settlement be placed in the OSF in the state treasury, and gave the legislature the authority to distribute these funds to be used for opioid remediation in accordance with the terms of the judgment or settlement from which the funds were received. These appropriations were informed by the recommendations of various workgroups that work on the state's opioid strategy beyond settlement funding.
- **What's in the plan:** DHCS will receive a total of \$75 million, with specific amounts required to be spent on strategies such as substance use disorder workforce development, naloxone distribution to organizations and providers that assist individuals experiencing homelessness, and a treatment locator and anti-stigma campaign. \$45 million and \$4 million are appropriated to the Department of Public Health and Department of Rehabilitation respectively and similarly divided up for a multiple strategies that include a public awareness campaign, overdose data collection, and vocational rehabilitation services.

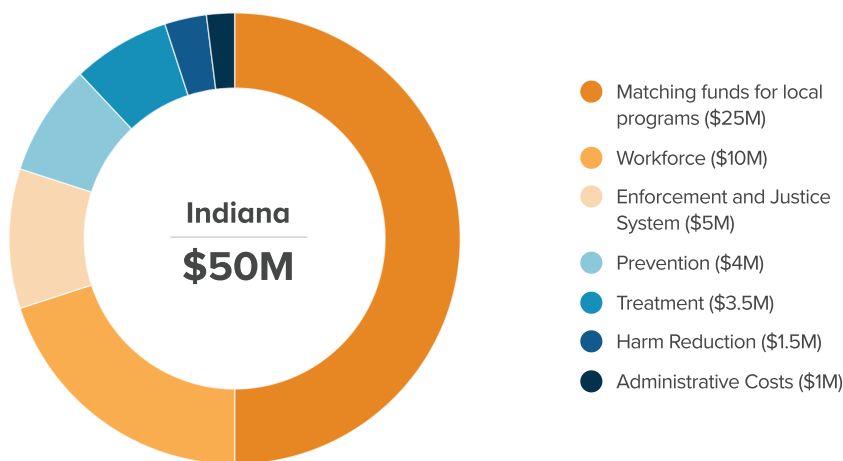
Indiana

- **Status:** The Indiana Family and Social Services Administration (FSSA) received approval from the State Budget Committee on a [spending plan](#) for settlement funds for fiscal year 2023 and fiscal year 2024 that outlines seven general abatement categories.
- **Background:** [2022 legislation](#) requires that 50 percent of all opioid settlement money received by Indiana be sent to cities, counties, and towns; 15 percent be sent to the state with no restrictions; and 35 percent be sent to the state for abatement of the opioid epidemic as defined in the settlement. This 35 percent must be appropriated each year to FSSA, and each year the secretary of FSSA must submit a spending plan to the legislature's budget committee for approval.

- **What’s in the plan:** FSSA’s plan lays out [uses for \\$50 million of funds](#), with specific allotments for strategies such as “treatment,” “prevention,” and “harm reduction.” A small number of potential focus areas are listed for each of these broader strategies. \$25 million is designated for a matching program for local efforts.

A closer look at Indiana’s planned expenditures

Indiana’s spending plan gives the Family and Social Services Administration approval to spend a total of **\$50 million** of settlement funding on the following strategies:



Michigan

- **Status:** The Department of Health and Human Services (DHHS) published a [spending plan](#) for fiscal year 2023 that outlines general strategies, priority populations, and principles that will guide the spending of \$39 million appropriated to the department in the state’s [fiscal year 2022–23 budget](#).
- **Background:** Michigan’s State-Subdivision agreement awarded 50 percent of all opioid settlement funds to local governments and 50 percent to the state. A [2022 law](#) created the Michigan Opioid Healing and Recovery Fund within the state treasury to hold the state share of funding, and a [subsequent law](#) called for the creation of an Opioid Advisory Commission (OAC) tasked with providing annual recommendations to the governor, attorney general, and legislature. Michigan’s [fiscal year 2022–23 budget](#), approved prior to the initial convening of the OAC, appropriated \$39 million from the Michigan Opioid Healing and Recovery Fund to DHHS.

- **What's in the plan:** DHHS's fiscal year 2023 [spending plan](#) outlines “proposed efforts” and “specific populations and foundational principles” to be targeted with the funds. Proposed efforts are divided into strategies under “treatment,” “prevention,” “recovery,” and “harm reduction,” although specific dollar amounts are not attached to the efforts or strategies in the plan.

New York

- **Status:** New York's Opioid Settlement Fund Advisory Board (OSFAB) published an [annual report](#) on November 1, 2022, that included spending priorities for the Office of Addiction Services and Supports (OASAS). All recommendations not precluded by state or federal law were [approved in December](#) by the OASAS commissioner.
- **Background:** New York's [Settlement Sharing Agreement](#) provides a portion of funding directly to municipalities, a separate portion for municipalities and other litigating entities that is allocated through the State of New York, and another portion that is allocated to the state to be distributed through OASAS. The state also created an advisory board (OSFAB) to make annual funding recommendations to the governor and state legislature. The board issued its first report, containing 10 themes and hundreds of specific initiatives, in November 2022. The OASAS commissioner (on behalf of the state) responded to inform the OSFAB that two recommendations were rejected due to legality. The state has been working with municipalities to approve plans and make that portion of funding available. The state has also been making funding available for providers and community-based organizations through competitive procurements.
- **What's in the plan:** The [report](#) proposes specific dollar-amount allocations to general categories such as “harm reduction,” “treatment,” housing,” “transport,” and “research.” The report also directs that funding should be made available through two overarching priorities of addressing co-occurring disorders and ensuring equity. It provides highly detailed explanations of strategies to be used within these categories, though specific dollar amounts are not included below the category level.

Nevada

- **Status:** The Nevada Department of Health and Human Services (DHHS) published an [Opioid Needs Assessment and Statewide Plan](#) in December 2022 that included goals and corresponding proposed budget allocations for settlement funds held in the statewide Fund for a Resilient Nevada. These allocations were approved by the state legislature's Interim Finance Committee in January 2023, as well as through the legislative biennium budget 2024–2025.

- **Background:** Nevada enacted [legislation](#) that created the Advisory Committee for a Resilient Nevada (ACRN) and established the Fund for a Resilient Nevada. Legislation also gave DHHS authority to allocate the statewide share of opioid settlement funds to statewide projects or grants, based on the needs assessment and plan.
- **What's in the plan:** Nevada's Needs Assessment and Statewide Plan proposes budget allocations for six high-level goals for fiscal years 2023, 2024, and 2025. It also includes a more detailed list of recommendations scored on "impact," "urgency," and "feasibility," which were used to inform the broader categories for funding requests. Final funding allocations are approved by the DHHS Director's Office.

Utah

- **Status:** The governor signed [legislation](#) in March 2023 that appropriates a total of \$6.1 million from the state's Opioid Litigation Settlement Restricted Account to three sub-agencies within the Department of Health and Human Services (DHS). Specifically, funds are sent to clinical services, integrated health care services, and public health, prevention, and epidemiology.
- **Background:** Utah enacted [legislation](#) in 2022 that created an Opioid Litigation Settlement Restricted Account within the General Fund to hold the state share of all money received from opioid settlements. The legislation stated that money in the account would be subject to appropriation by the legislature.
- **What's in the plan:** Each of the three DHS subdivisions mentioned above will receive money from the general fund, an income tax fund, federal funds, and expendable receipts, in addition to their receipts from the Opioid Litigation Settlement Restricted Account. A "schedule of programs" is laid out for each agency, but the legislation does not specify that certain programs within these lists be funded by settlement funds.

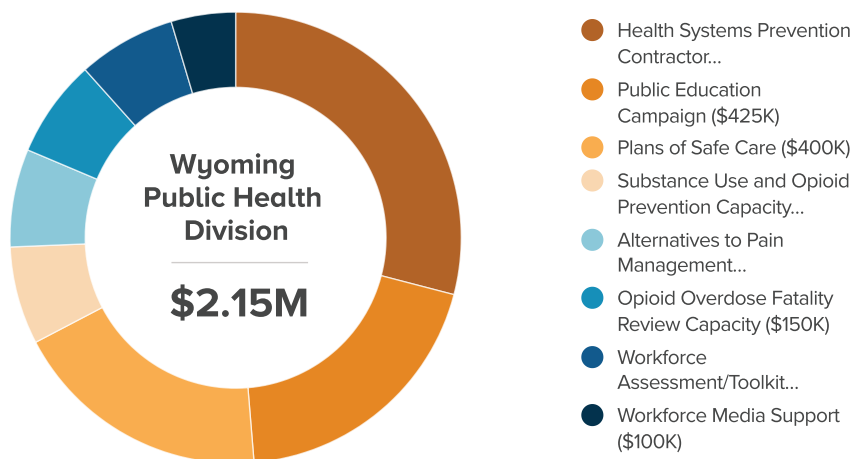
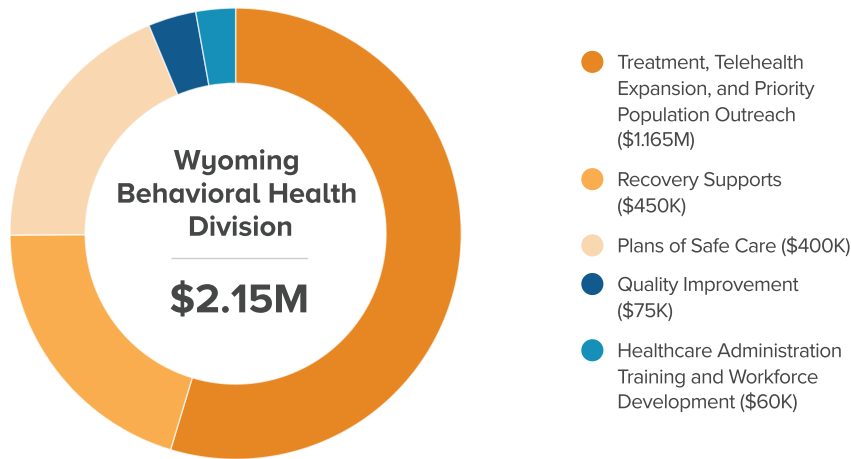
Wyoming

- **Status:** The Department of Health published a [Statewide Share of Opioid Funds Annual Report](#), which includes a spending plan for the funds for 2023, with specific dollar amounts attached to general abatement strategies to be carried out by different divisions within the department.
- **Background:** A [Memorandum of Agreement](#) between Wyoming and its cities and counties requires that the local governments in Wyoming receive 65 percent of the money from any opioid-related settlement and the state receive 35 percent. It designates the Department of Health as the lead agency for distributing the statewide share of funds and requires that the state publish a report on its receipt and spending of settlement funds by January 31 each year.

- What's in the plan:** The [report](#) states that no funds have been expended yet but outlines the department's plans for the coming year. The 2023 plan lays out projects such as "Treatment/MAT for OUD," "Plans of Safe Care," "Substance Use and Opioid Prevention Capacity," and "Public Education Campaign" and designates specific dollar amounts to each of these projects to be awarded by the Department's Behavioral Health Division and Public Health Division.

A closer look at Wyoming's planned expenditures

The Wyoming Department of Health plans to spend a total of **\$4.3 million** in 2023, with this spending evenly distributed between the Department's Behavioral Health Division and Public Health Division. The plan further breaks down the strategies to be funded:



State Agencies or Statewide Abatement Funds That Have Made Awards to Specific Abatement Programs

Arizona

- **Status:** The Attorney General's Office announced two sets of grant awards from national settlement funding in December 2022, including [\\$1.7 million in grants to organizations in Maricopa County and Pima County](#) and [\\$2.2 million in grants to organizations in rural counties](#).
- **Background:** The [One Arizona Distribution of Opioid Settlement Funds Agreement](#) requires that the state receive 44 percent of all funds from litigation against pharmaceutical supply chain participants and local governments receive 56 percent. It mandates that the state share be used only for “approved purposes within the state” or for “grants to organizations for approved purposes within the state.”
- **What's in the plan:** Both announcements include grant awards directly to organizations that provide direct services to abate the opioid epidemic.

Colorado

- **Status:** The [Colorado opioid settlement fund dashboard](#) lays out chosen uses for funds from multiple shares of Colorado's settlement funding. The Colorado Opioid Abatement Council has awarded [six grants totaling \\$1.9 million](#) from the infrastructure share of the state's funds, which is intended to supplement other settlement funding by providing additional support to areas of greatest need and to encourage collaboration among the 19 settlement regions receiving funding in Colorado. Additionally, the dashboard outlines [past and planned expenses from Colorado's state share](#) of funds.
- **Background:** Colorado's [Opioids Settlement Memorandum of Understanding \(MOU\)](#) divides the state's total receipts from any opioid settlements into a 60 percent regional share, a 10 percent infrastructure share, a 10 percent state share, and a 20 percent local government share. The MOU also creates the [Colorado Opioid Abatement Council](#), responsible for ensuring all settlement funding is spent in line with the terms of the settlement.
- **What's in the plan:** The first round of Infrastructure Share Awards fund specific treatment, recovery, prevention, and harm reduction initiatives. State share funds have been used for regional planning grants, opioid response unit operations, and a fentanyl conference.

Kentucky

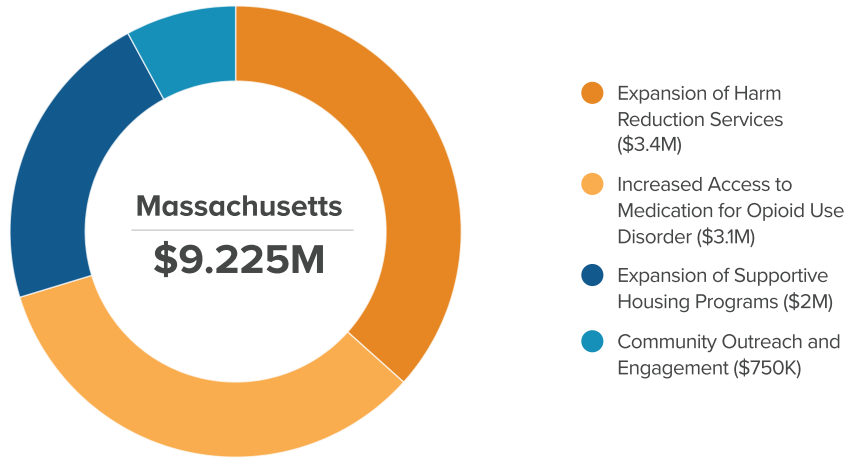
- **Status:** Kentucky’s Opioid Abatement Advisory Commission (OAAC) has awarded a total of [\\$18.5 million in grant awards from the state share of its national settlement funding](#), including 10 grants focused on prevention and 15 focused on treatment and recovery. Of the \$18.5 million awarded thus far, \$10.5 million will support a Behavioral Health Conditional Dismissal Pilot Program that provides behavioral health and substance use services as an alternative to incarceration. The [legislation that created this pilot program](#) was enacted in 2022 and mentioned “opioid settlement moneys made available” as one of several possible funding sources for the program. In addition to these awards, the OAAC it is currently accepting [grant applications](#) and awarding grants on a rolling basis.
- **Background:** Kentucky enacted [legislation](#) in 2021 that created and outlined the OAAC, which is attached to the Department of Law, and gave it the authority to award the state share (50 percent) of opioid settlement funds.
- **What’s in the plan:** The \$10.5 million will go directly to the pilot program to be used to carry out its operations.

Massachusetts

- **Status:** The Massachusetts Opioid Recovery and Remediation Fund Advisory Council published an [annual report](#) in September 2022 that detailed expenditures made by the Executive Office of Health and Human Services (EOHHS) from the State’s Opioid Recovery and Remediation Fund during the preceding year.
- **Background:** A [State-Subdivision Agreement](#) requires that 40 percent of all opioid settlement funding be sent to local governments and 60 percent be placed in a statewide Opioid Recovery and Remediation Trust Fund. A 2020 [law](#) created the fund and an advisory council to provide spending recommendations for the fund to the EOHHS secretary.
- **What’s in the plan:** The [report](#) describes \$12 million of fiscal year 2022 spending, with dollar amounts attached to categories such as “increased access to medication for opioid use disorder” and “community outreach and engagement.”

A closer look at Massachusetts' 2022 spending

The Opioid Recovery and Remediation Fund Advisory Council's 2022 report details \$9.225 million in expenditures. Funded abatement strategies were as follows:



North Carolina

- Status:** In a [Modification to the Appropriations Act of 2021](#), North Carolina's General Assembly appropriated \$14,781,203 of national settlement funding to the Department of Health and Human Services (DHHS) and the University of North Carolina to be spent on a set of abatement programs outlined in detail in the legislation.
- Background:** [2021 legislation](#) created an Opioid Abatement Reserve within the General Fund to hold the state's share of awards from any opioid-related settlement and declared that money in the reserve may be used only through legislative appropriation.
- What's in the plan:** Within the broader awards to DHHS and the University of North Carolina, [specific dollar awards are designated](#) for specific treatment programs, infrastructure development projects, research projects, and other programs to abate the opioid epidemic.

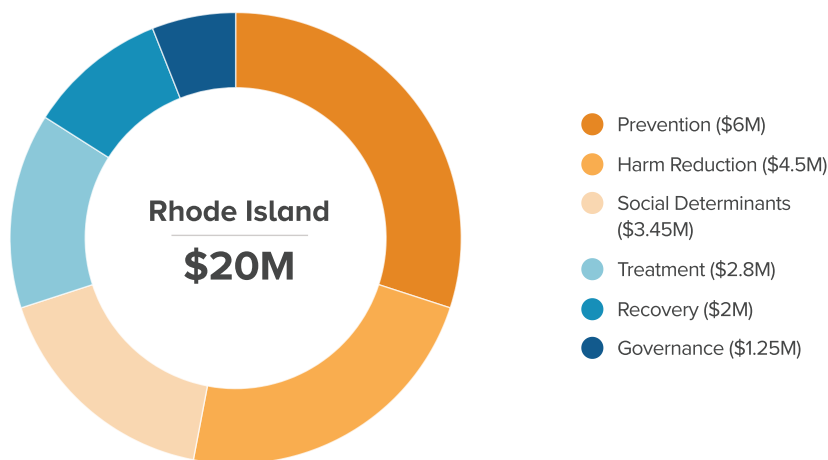
Rhode Island

- Status:** The secretary of the Executive Office of Health and Human Services (EOHHS) approved [spending recommendations](#) from an [Opioid Settlement Advisory Committee](#) in August 2022. A January 2023 [annual report](#) from EOHHS details the agency's progress toward implementing the spending plan.

- **Background:** A [memorandum of understanding](#) directs 20 percent of settlement funding to cities, counties, and towns and 80 percent to a Statewide Opioid Abatement Account, and creates an Advisory Committee to provide spending recommendations to the EOHHS secretary.
- **What’s in the plan:** The [annual report](#) includes dollar amounts budgeted for specific abatement strategies and explains progress toward expending the budgeted amounts. \$14,677,000 was budgeted for expenditure from the account in 2022, and \$52,353 was spent.

A closer look at Rhode Island’s settlement spending plan

The approved spending recommendations created by Rhode Island’s Opioid Abatement Advisory Commission call for **\$20 million** of funds to be divided between abatement strategies as follows:



South Carolina

- **Status:** The statewide Opioid Recovery Fund Board posted details of [grant awards](#) made to localities through a “Guaranteed Political Subdivision Fund” within the broader South Carolina Opioid Recovery Fund.
- **Background:** The [allocation agreement](#) between South Carolina and its political subdivisions awards approximately 92 percent of funding awarded through opioid-related settlements to the South Carolina Opioid Recovery Fund, with approximately 8 percent covering attorney fees and other similar expenses. Within the South Carolina Opioid Recovery Fund, approximately 67 percent of all funds must be placed in a Guaranteed Political Subdivision Subfund, distributed according to a formula based on the impact of the opioid crisis,

and approximately 33 percent must be placed in a Discretionary Subfund. The agreement also called for the creation of a South Carolina Opioid Recovery Fund Board, which is authorized to make disbursements from the South Carolina Opioid Recovery Fund.

- **What's in the plan:** Specific dollar amounts are [allocated](#) to cities, counties, and other political subdivisions through the Guaranteed Political Subdivision Subfund. Funding for all other qualified applicants, including nonprofits, hospitals, state agencies, educational providers, and any other person or entity working to help address the opioid epidemic, will be distributed by application made for the Discretionary Subfund.

Tennessee

- **Status:** The Opioid Abatement Council announced [\\$31.4 million of direct payments](#) to counties in February 2023.
- **Background:** The [Tennessee State-Subdivision Opioid Abatement Agreement](#) requires that 70 percent of the state's total opioid settlement funding be directed to an Abatement Accounts Fund controlled by an Opioid Abatement Council, and 2021 [legislation](#) states that the Council must distribute 35 percent of the fund directly to counties that signed on to the settlement.
- **What's in the plan:** These payments are from the Opioid Abatement Council directly to county governments. Counties may spend the money on any initiatives in line with an [remediation list](#) approved by the Abatement Council.

Virginia

- **Status:** Virginia's Opioid Abatement Authority (OAA) opened its first grant application process for cities and counties on January 19, 2023. An early application in that process was approved on April 10, 2023, with a [grant award of \\$115,970](#). By the time the application period closed on May 5, 2023, an additional 42 grant requests were received. These requests included 16 individual city/county grants and 26 cooperative partnership (multiple localities) requests.
- **Background:** A [memorandum of understanding](#) divides opioid settlement funds received by Virginia into a 15 percent share for the state, a 30 percent share for subdivisions, and a 55 percent share for the Virginia Opioid Abatement Fund. [Legislation](#) established an independent body called the Opioid Abatement Authority to make awards from the Virginia Opioid Abatement Fund. The OAA may only make awards to cities, counties, and state agencies.

- **What's in the plan:** The grant approved by the OAA on April 10 will fund the creation of a treatment center that provides post-detox and recovery services for women. The OAA expected to announce tentative decisions on the remaining awards the week of June 11–15, 2023. Awards to state agencies are expected to be announced in September 2023.

Wisconsin

- **Status:** The Department of Health Services (DHS) submitted a 2022 spending plan for the statewide share of settlement funds on April 1, 2022. After review, the State Legislature's Joint Committee on Finance (JCF) raised an objection to the DHS plan. JCF then modified the plan, ultimately approving the DHS 2022 [spending plan](#) on September 8, 2022. DHS's [annual report](#) includes details on spending progress for certain plan initiatives.
- **Background:** 2021 [legislation](#) states that local governments will receive 70 percent of all opioid settlements and the state will receive 30 percent, to be allocated to the Department of Health Services. The department must submit a spending proposal to the legislature's joint committee on finance for approval by April 1 each year.
- **What's in the plan:** The [spending plan](#) allocates dollar amounts to general abatement activities such as “increase the availability of Narcan statewide via the DHS Narcan Direct program” and “room and board costs for residential RSUD” (residential substance use disorder). The [annual report](#) outlines specific expenditures from 2022 that sent money, Narcan, and fentanyl test strips to police departments, sheriff offices, and treatment centers across the state.

Next Steps

States are in different places in the process of selecting uses for settlement funding and implementing chosen strategies. More states will release spending plans, award grants, and make legislative appropriations throughout 2023. Published decisions to date indicate broad support for prevention, expansion of medication for opioid use disorder across treatment settings, harm reduction, and recovery supports. In this initial round of funding, most states have chosen to spread investment broadly across multiple priority areas rather than focusing specifically on one. As states continue to gain experience and track the impact of these investments, spending priorities and investments may shift to meet identified state needs.

Note

This issue brief provides a snapshot of state opioid settlement activities and spending as reported in spending plans, annual reports, press releases, and legislation as of April 2023. NASHP will continue to track publicly available state opioid settlement decision-making structures and activities through its [tracker of state approaches for distribution of national opioid settlement funding](#).

If you are aware of state action announced in April 2023 or earlier that you believe should be included in this issue brief, please email smermin@nashp.org.

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