NASHP
NATIONAL ACADEMY FOR STATE HEALTH POLICY

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OPIOID SOLUTIONS CENTER

Promising Practices for Collaboration on State and Local Opioid Settlement Spending

Case Studies from Colorado, Indiana, Minnesota, North Carolina and Virginia

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Introduction

State-Local Collaboration Across Different State Opioid Settlement Structures

Between 2022 and 2040, states, counties and cities expect to receive over $50 billion in payments from national opioid settlements. These settlements reflect years of coordinated legal action between states and their political subdivisions, as the success of negotiations depended upon a critical mass (90 percent) of local governments surrendering their individual lawsuits and signing on to state agreements. As settlement payments are disbursed in the coming years, continued state-local coordination is key to ensuring that these resources are effectively invested. Ongoing communication and information sharing at the state and local levels can improve alignment of efforts and resources, reduce duplication and ensure that settlement funds are directed to the areas of greatest need.

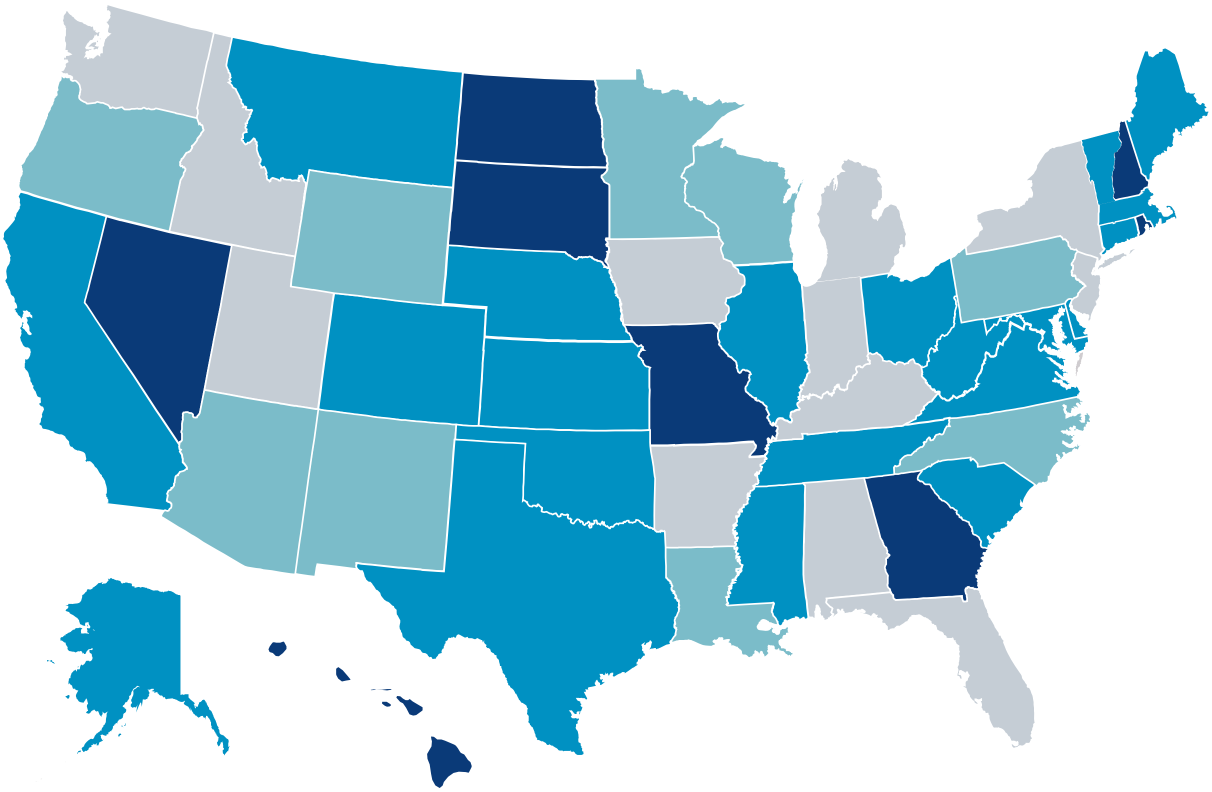
While the national settlement agreements (e.g., the $26 billion settlement with Johnson & Johnson and the "big three" opioid distributors) determine the share of opioid settlement dollars between states, the share of opioid settlement dollars within states depends on state-level agreements. These state-level agreements determine which entities will receive settlement payments and how funds are allocated across state agencies, independent statewide abatement funds and/or local governments. The distribution of state versus local control of settlement dollars varies significantly across states, with a majority of funding controlled by state agencies in eight states, by independent statewide abatement funds in 21 states and by city or county governments in nine states. In the remaining 12 states, no single institution controls more than 50 percent of the state's total share (see Figure 1). Priorities for state-local collaboration should be tailored to fit the unique processes and requirements built into these different structures.

Strategies and Mechanisms for Collaboration

To highlight state and local collaboration on settlement spending, the National Association of Counties (NACo) and the National Academy for State Health Policy (NASHP) partnered to develop case studies in five geographically and politically diverse states that have demonstrated innovative approaches to collaboration within their own unique settlement structures.

For detailed information on state settlement structures, funding distributions and spending, see NASHP's State Opioid Settlement Spending Decisions tracker.

Figure 1. **Primary Approaches for Statewide Distribution of Opioid Settlement Dollars**



State-Controlled
More than 50 percent of funds controlled by state

Fund-Controlled
More than 50 percent of funds controlled by statewide abatement fund

Locally-Controlled
More than 50 percent of funds controlled by counties and/or cities

Split
No institution controls more than 50 percent of funds

Through key informant interviews with state officials, county officials and county association leaders, NACo and NASHP identified examples of intergovernmental coordination across four domains:

Sharing resources, expertise and learnings across jurisdictions.

Includes initiatives supported by state authorities, county associations and others to provide local decision-makers with resources and support for investing settlement funding in evidence-based programs.

Aligning settlement funding to address common priorities.

Includes strategies developed at the state level to maximize the impact of local settlement investments by encouraging alignment of local spending activities with statewide priorities and/or collaboration across cities, states and regions toward common goals.

Developing mechanisms for ongoing coordination and communication.

Includes initiatives supported by state authorities, county associations and others to provide ongoing forums to coordinate activities and share best and promising practices.

Promoting transparency of funding decisions.

Includes initiatives supported at the state level to promote consistent reporting and transparency of all opioid settlement funding decisions made within a state.

Through this process, NACo and NASHP identified examples of successful state-local coordination in opioid settlement administration as defined by state and local stakeholders. This resource contains case studies describing five unique state contexts (Colorado, Indiana, Minnesota, North Carolina and Virginia) and two key strategies supporting state-local coordination within each state.

Colorado

In Colorado, the majority of opioid settlement funds (60 percent) are allocated to regional entities and the remainder is allocated across local governments, state government and a statewide fund. A leader in financial transparency, Colorado's opioid settlement structure also incorporates strategies to align funding priorities across settlement beneficiaries and promote cross-organizational communication.

COLORADO BY THE NUMBERS

- Number of counties: 64
- 2021 population: 5,812,069[1]
- 2021 drug overdose death rate: 31.4 per 100,000 population[2]

BACKGROUND:

Colorado's Response to the Opioid Crisis

Responding to rising rates of opioid and stimulant-related overdoses, the Colorado General Assembly formed a Substance Abuse Trend and Response Task Force in 2013 chaired by the state's Attorney General. The task force works to convey best practices for substance use prevention, treatment and criminal justice-related initiatives. It also monitors substance use trends and promotes awareness of the broader substance use crisis across the state. The Colorado Department of Public Health and Environment's Drug Overdose Dashboard provides relevant statistics related to monitoring the substance use crisis.

Colorado's behavioral health services follow a regional model and are administered by the state's department of human services. In 2022, the Colorado General Assembly passed legislation to reform the behavioral health system by establishing the Behavioral Health Administration (BHA) under the Department of Human Services. Beginning in 2024, the BHA will be responsible for the delivery of person-first and equitable mental health and substance use treatment services across the state. Until the transition to the BHA is complete, behavioral health services will be delivered through the existing regional models.

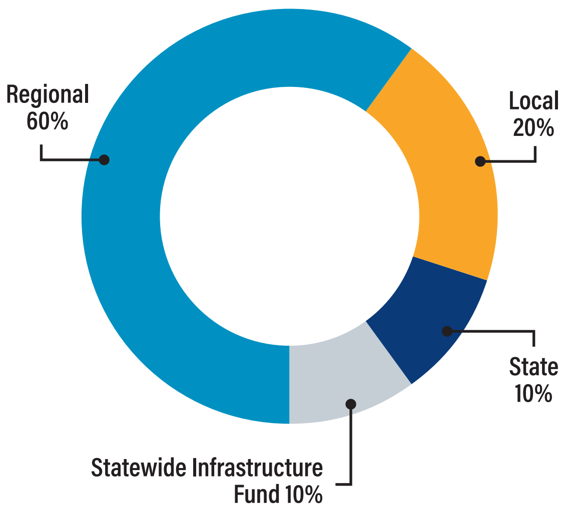
Opioid Settlement Structure

Colorado is on track to receive approximately $385 million through the master settlement agreement over 18 years.* The Colorado Opioids Settlement Memorandum of Understanding (MOU)[3] directs 60 percent of these funds to a regional fund, 20 percent to local governments, 10 percent to the state and 10 percent to a statewide infrastructure fund. The regional fund is administered by the Colorado Opioid Abatement Council (COAC), a body of state and local leaders appointed by the Attorney General and local governments. The COAC works with the Regional Opioid Abatement Councils to disburse funds to 19 designated regions. The local government share is distributed directly to local governments, who may choose to pool their funds with other local governments or with the funds administered by their respective Regional Council. The state share is administered by the Attorney General's Office and

** To standardize data across case studies, this resource references each state's allocation of funding from the master settlement agreement. The master settlement agreement refers to the $26 billion settlement with opioid manufacturer Janssen and distributors McKesson, AmerisourceBergen and Cardinal Health, which is the largest of the national opioid settlements.*

the Department of Law, which is advised by a body appointed by the Governor. Lastly, the statewide infrastructure share, a subset of funds designated for capital improvements in under-resourced areas, is administered by the COAC.

HOW ARE OPIOID SETTLEMENT FUNDS ALLOCATED IN COLORADO?[4]



Strategies for State-Local Collaboration

Colorado's opioid settlement structure prioritizes the needs of local governments and the alignment of investments across each level of government. Strategies that support state and local coordination in Colorado include:

Aligning Settlement Funding to Address Common Priorities

Colorado's counties formed a regional system to administer opioid settlement funds through 19 regions representing county and city governments with shared local infrastructure and existing relationships. The regional model resembles the state's approach to delivering publicly funded behavioral health care, making it a practical method to distribute settlement dollars statewide. Each region is represented by a Regional Opioid Abatement Council, which is comprised of local elected officials (city and county)

and representatives of local public service systems, including health, human services and justice. The Regional Councils set priorities for each region, establish a fiscal agent and request disbursements from the regional fund overseen by the COAC. More recently, regional leaders established a data working group through which they will define data outcomes and shared indicators for evaluating the impact of settlement investments. To receive a disbursement from the regional fund, each Regional Council must develop a two-year spending plan that names the approved purposes for which funds will be used. Development of the two-year plan must involve input from local governments and other interested parties within the region, prompting relationship building and productive communication at the local level; in addition, the COAC offers technical assistance for developing plans. The spending plans are then reviewed by the COAC to ensure they meet eligibility requirements and to promote alignment in funding between state and regional beneficiaries.

Developing Mechanisms for Ongoing Coordination and Communication

The COAC serves as a central convener and technical assistance provider for all opioid settlement beneficiaries in Colorado. The COAC is comprised of 13 members including the Attorney General, six members appointed by the Attorney General and six representatives of local government appointed by Regional Opioid Abatement Councils.[5] The Council is multidisciplinary in nature, with Attorney General appointees providing subject matter expertise (e.g., treatment professionals, people with lived experience) and local government representatives providing expertise in public administration and local service delivery. The COAC engages regional stakeholders through regular newsletter communication, virtual meetings and an annual statewide conference (regional councils host similar conferences locally), offering m any t ouchpoints f or r esource a nd b est practice sharing. These engagement activities are supported by a robust digital platform that tracks the COAC's contacts, communications and the collection of expenditure reports.

STRATEGY IN ACTION Building on a long history of local collaboration on substance use prevention, Larimer County, Colo. is utilizing both county and regional settlement funds to support substance use prevention across a variety of settings. The spending plan for the Regional Opioid Abatement Council representing Larimer County, the City of Loveland, the City of Fort Collins and the Town of Wellington aims to improve care coordination in jails, schools and among caregivers. Larimer County will supplement these regional investments by investing in effective interventions in school settings. Specifically, the county awarded $400,000 to implement the Blues Program, an evidence-based school prevention program for students at risk of depression.

As settlement payments are disbursed in the coming years, continued state-local coordination is key to ensuring that these resources are effectively invested.

Indiana

In Indiana, opioid settlement funds are evenly allocated between the state (50 percent) and local governments (50 percent). With a history of state-local coordination in criminal justice reform, Indiana's opioid settlement structure incorporates strategies to align state and local funding priorities and promote transparency of funding decisions.

INDIANA BY THE NUMBERS

- Number of counties: 92
- 2021 population: 6,805,985[1]
- 2021 drug overdose death rate: 43 per 100,000 population[2]

BACKGROUND:

Indiana's Response to the Opioid Crisis

Prior to the opioid settlements, Indiana established multiple intergovernmental initiatives to strengthen the state's response to the opioid epidemic. In 2016, Governor Mike Pence established the Indiana Commission to Combat Substance Use Disorder to coordinate opioid abatement strategies between state agencies. In 2017, Governor Eric Holcomb appointed an Executive Director for Drug Prevention, Treatment, and Enforcement to oversee the Commission and centralize leadership at the state level. In 2021, Governor Holcomb established a system of state and local Justice Reinvestment Advisory Councils (JRACs) to align state investments in criminal justice diversion with local needs, interests and experiences.

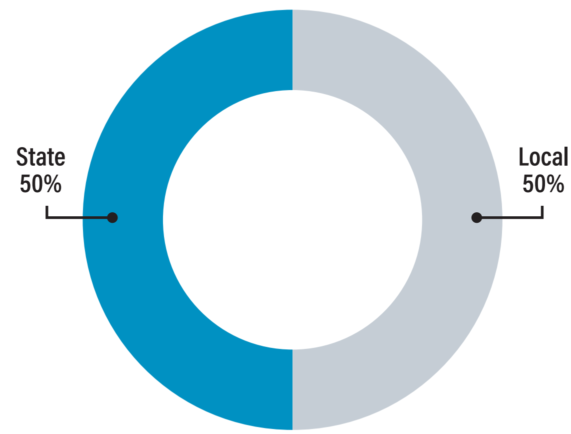
People in Indiana who are uninsured, underinsured or enrolled in Medicaid receive mental health and substance use treatment from the state's system of Community Mental Health Centers which is overseen by the Family and Social Services Administration (FSSA). Counties contribute a small portion of funding to Community Mental Health Centers, with the remainder funded through Medicaid and Substance Abuse and Mental Health Service Administration block grants.

Opioid Settlement Structure

Indiana will receive approximately $508 million through the master settlement agreement over 18 years. Indiana's opioid settlement structure, codified under House Enrolled Act No. 1001, evenly divides opioid settlement funds between state and local government.[6] The state's 50 percent share represents funds disbursed to the State Abatement Opioid Settlement Account (35 percent) and the State Unrestricted Opioid Settlement Account (15 percent). Similarly, the local government share represents funds disbursed to the Local Abatement Opioid Settlement Account (35 percent) and the Local Unrestricted Opioid Settlement Account (15 percent). For both the state and local governments, Abatement Account funds may only be used for abatement strategies identified as best practices under the settlement agreement and Unrestricted Funds may be spent on administrative expenses and other items.

The FSSA serves as the central reporting authority for the state's opioid settlement funds. All entities receiving settlement funds track their spending and submit annual reports. The [FSSA's 2023 Annual Report] includes local government reports, the state's 2022-2024 spending plan and match grant recipients.

HOW ARE OPIOID SETTLEMENT FUNDS ALLOCATED IN INDIANA?[7]



Strategies for State-Local Collaboration

Indiana's opioid settlement structure preserves state and local government authority while promoting intergovernmental partnership and collaboration. Strategies that support state and local coordination in Indiana include:

Aligning Settlement Funding to Address Common Priorities

As soon as the first national opioid settlement was finalized, Indiana began pursuing alignment of state and local funding decisions through a grant matching program. Led by the FSSA's Division of Mental Health and Addiction and the Office of the Governor, the program allocated $25 million from the state's settlement share to match investments in evidence-based prevention, treatment and harm reduction services and workforce initiatives by local governments. This one-time grant matching opportunity was awarded to over 28 Indiana counties to bolster abatement services.[8]

The grant matching strategy incentivizes the use of evidence-based strategies at the local level and increases the impact of local initiatives. This strategy has also been utilized to align funding for criminal justice reform between state and local governments through the JRAC system.[9] The structure enables the state to partner with county officials to invest in local correctional practices that are evidence-based and meet the unique needs of each county.

Promoting transparency of funding decisions

With local funding spread across 648 units of local government, the FSSA maintains responsibility for reporting the use of all settlement funds — including funds spent by local governments — to the General Assembly. The state's first report on local spending revealed that only 19 percent of local abatement funds had been expended, encumbered or designated to date.[10] Through these iterative reports, the FSSA provides information on current investments, helps identify opportunities for technical assistance and promotes public transparency of spending decisions.

STRATEGY IN ACTION Clinton County, Ind. and the City of Frankfort created an intergovernmental task force to coordinate settlement expenditures between the two jurisdictions. The task force is comprised of city and county officials, first responders, health department representatives and practitioners. In addition to coordinating expenditures, both jurisdictions have agreed to invest all opioid settlement funds – including unrestricted funds – solely for the purpose of opioid abatement. In its first year, the task force conducted a community health needs assessment to identify gaps in services in the region. Based on the results of the needs assessment, the task force unanimously decided to direct settlement funds to support recovery housing in the area.

Minnesota

In Minnesota, the majority of opioid settlement funds (75 percent) are allocated to local governments and the remainder is allocated to the state. With previous experience administering revenue from opioid-related fees, Minnesota's opioid settlement structure incorporates new mechanisms for coordination and an integrated platform to promote transparency of funding decisions.

MINNESOTA BY THE NUMBERS

- Number of counties: 87
- 2021 population: 5,707,390[1]
- 2021 drug overdose death rate: 31.5 per 100,000 population[2]

BACKGROUND:

Minnesota's Response to the Opioid Crisis

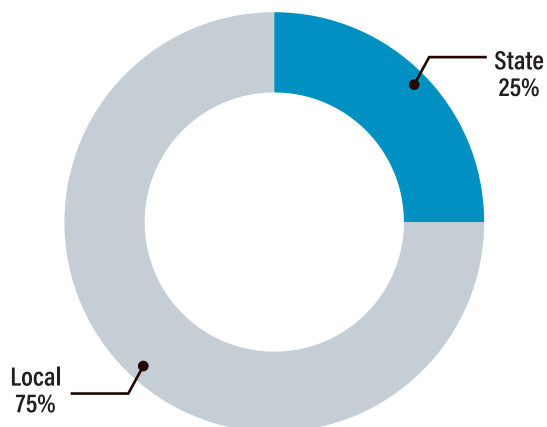
In 2019, Minnesota became the first state to impose registration and licensing fees on opioid wholesalers with the enactment of House File 400 (HF 400).[11] In addition to imposing licensing fees of up to $55,000 on opioid manufacturers, the legislation established a special revenue fund and advisory body to guide state spending.

Minnesota counties act as local mental health authorities and are responsible for coordinating treatment, including for substance use disorders. Minnesota has uniquely designated local public health departments as "Chief Strategists" in local opioid settlement spending to promote investments in proven public health strategies. The Department of Human Services (DHS) is responsible for supervising the statewide publicly funded mental health and substance use disorder treatment system.

Opioid Settlement Structure

Minnesota will receive more than $300 million through the master settlement agreement over 18 years. The Amended Minnesota Opioids State-Subdivision Memorandum of Agreement (MOA) allocates 25 percent of settlement dollars to a state share and 75 percent directly to local governments.[12] Similar to revenues from HF 400, the state's share of opioid settlement funds is held in a special revenue fund overseen by the Opioid Epidemic Response Advisory Council (OERAC). The OERAC is comprised of 20 voting members and three additional non-voting members including subject matter experts, representatives of the state senate, tribal representatives and a representative of local government.[13] Funds from the state share are released by the state legislature per the recommendations of the OERAC. Localities direct their shares to settlement-specific special revenue funds and authorize expenditures by passing budgets or resolutions. The DHS serves as the ultimate reporting authority over state and local abatement spending, collecting expenditure reports from the OERAC and local governments and reviewing reports to confirm that funds were invested for opioid abatement purposes only.

HOW ARE OPIOID SETTLEMENT FUNDS ALLOCATED IN MINNESOTA?[14]



Strategies for State-Local Collaboration

Minnesota's opioid settlement structure recognizes the county role in behavioral health service delivery and state capacity for data sharing. Strategies that support state and local coordination in Minnesota include:

Developing Mechanisms for Ongoing Coordination and Communication

Minnesota localities and the Association of Minnesota Counties (AMC) have cultivated a landscape of interlocal coordination and collaboration around opioid abatement. This commitment is reflected in the MOA, which requires an annual consultation between counties and their adjacent municipalities to coordinate settlement spending. The AMC facilitates ongoing communication between local governments by holding monthly opioid abatement sharing sessions where public health staff can come together to share best practices, address roadblocks and learn about legislative updates. The AMC provides a variety of resources to assist localities in developing processes for settlement spending, including its Opioid Settlement Toolkit and Frequently Asked Questions document.

Promoting Transparency of Funding Decisions

Minnesota Management and Budget, the state budget office, is responsible for managing state finances, including opioid settlement dollars. The office produces an annual evaluation of OERAC-funded projects for the state legislature.[15] The evaluation summarizes OERAC-funded projects and assesses Minnesota's progress towards its opioid abatement goals. This evaluation also fulfills reporting requirements for the DHS and OERAC outlined in state law. Minnesota Management and Budget operates a dashboard detailing evidence of opioid response spending by the OERAC and local government, providing a sightline into types of awards, geographic areas and abatement categories served by settlement funding. The dashboard is highly interactive and allows users to sort data by target population, funding year and funding source.

STRATEGY IN ACTION Wright County, Minn. prioritizes intergovernmental collaboration by working closely with state officials and establishing an advisory council to guide settlement fund investments. Using a community survey, the council solicited resident input on settlement priorities in December 2022. The survey results continue to guide the advisory council in prioritizing funding for an array of projects. Additionally, the Wright County public health department developed a guide to help a variety of service-providing organizations identify roles in opioid misuse prevention, treatment and recovery efforts.

Ongoing communication and information sharing at the state and local levels can improve alignment of efforts and resources, reduce duplication and ensure that settlement funds are directed to the areas of greatest need.

North Carolina

In North Carolina, the majority of opioid settlement funds (85 percent) are allocated to local governments with the remainder allocated to the state. One of the first states to establish an opioid settlement agreement, North Carolina's opioid settlement structure incorporates strategies to share resources across settlement recipients and promote transparency of funding decisions.

NORTH CAROLINA BY THE NUMBERS

- Number of counties: 100
- 2021 population: 10,551,162[1]
- 2021 drug overdose death rate: 39.2 per 100,000 population[2]

BACKGROUND:

North Carolina's Response to the Opioid Crisis

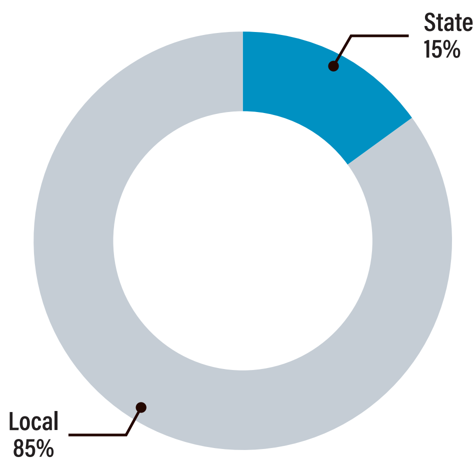
In the years leading up to the first national opioid settlement, North Carolina developed a statewide opioid response strategy centered on a campaign by the Attorney General and Department of Health and Human Services (DHHS). The campaign, More Powerful NC, consists of educational resources and communication tools to raise awareness of opioid use disorder and related services. The campaign website later became a platform to disseminate settlement-related information.

Publicly funded behavioral health services in North Carolina are primarily delivered by Local Management Entity/Managed Care Organizations (LME/MCOs). These regional entities are primarily funded by state general revenue, Substance Abuse and Mental Health Services Administration block grants and Medicaid dollars, with counties contributing a small portion of funding. DHHS is responsible for monitoring LME/MCO performance.

Opioid Settlement Structure

North Carolina will receive approximately $750 million through the master settlement agreement over 18 years. The Memorandum of Agreement Between the State of North Carolina and Local Governments on Proceeds Relating to the Settlement of Opioid Litigation (MOA) allocates 15 percent of settlement dollars to a state share and 85 percent directly to local governments.[16] The state share is held in an Opioid Abatement Fund within DHHS and appropriated by the General Assembly to fund abatement activities. The local share is distributed directly to local governments' special revenue funds. The North Carolina Department of Justice (DOJ) is responsible for overseeing reporting on local expenditures as outlined in the MOA.

HOW ARE OPIOID SETTLEMENT FUNDS ALLOCATED IN NORTH CAROLINA?[17]



Strategies for State-Local Collaboration

By proactively defining administrative requirements and processes, North Carolina quickly established a rhythm of productive collaboration between state, local and non-governmental organizations. Strategies that support state and local coordination in North Carolina include:

Sharing Resources, Expertise and Learning Across Jurisdictions

North Carolina leveraged existing relationships between state, county and academic stakeholders to create a multidisciplinary technical assistance team known as the Community Opioid Resources Engine for North Carolina (CORE-NC). CORE-NC is a collaborative between the DOJ, North Carolina Association of County Commissioners (NCACC), DHHS and University of North Carolina Injury Prevention Research Center (UNC). Each member of CORE-NC plays a role to support localities in opioid abatement planning, including interpreting and enforcing the MOA (DOJ), providing programmatic support (NCACC), providing technical support to localities (DHHS) and receiving and processing data (UNC). CORE-NC utilizes a centralized website to share information and resources with localities, rather than duplicating efforts across each organization's platform. The CORE-NC website offers a variety of strategy-specific resources, webinars, technical support, data dashboards and more. CORE-NC also hosts weekly calls between state and local governments, monthly inter-local government calls and an annual opioid abatement summit.

Promoting Transparency of Funding Decisions

North Carolina's culture of state-local collaboration prioritizes transparency by empowering local government spending and providing support for state-mandated reporting. As applied to settlement funds, the state requests that local governments submit sets of prospective and retrospective reports through CORE-NC. Prospective reporting includes spending authorization requests for each time a locality allocates funds to an abatement initiative, the results of which are published on the CORE-NC website. Retrospective reporting involves annual financial and impact reports that are submitted to CORE-NC. Local governments also file annual financial audits with the state's Local Government Commission. The CORE-NC website houses a robust local spending plan dashboard that reports on counties' planned abatement strategies and links to the corresponding plans. Resources to guide localities in evaluation and report development, such as sample reports and measures models, are available on the CORE-NC website.

STRATEGY IN ACTION

In 2021, the North Carolina Association of County Commissioners (NCACC) began building a technical assistance program to support counties with administering funds from the opioid settlements. Today, NCACC's Opioid Settlements Technical Assistance Team (OSTAT) is comprised of four full-time staff who provide individualized technical assistance across the state's 100 counties.[18] The team offers assistance in multiple formats to reach different audiences, including recorded webinars, virtual office hours and in-person meetings, such as the NC Summit to Reduce Overdose hosted in May 2023. As part of CORE-NC, NCACC helps develop and disseminate best practice guidance that is accurate, accessible and applicable to county stakeholders.

Virginia

In Virginia, the majority of opioid settlement funds (55 percent) are allocated to an independent fund and the remainder is allocated directly to state and local governments. With a robust independent entity serving both state and local stakeholders, Virginia's opioid settlement structure incorporates strategies to align funding priorities between state and local governments and share resources across the state.

VIRGINIA BY THE NUMBERS

- Number of counties: 95
- 2021 population: 8,642,274[1]
- 2021 drug overdose death rate: 30.5 per 100,000 population[2]

BACKGROUND:

Virginia's Response to the Opioid Crisis

As the home state of major tobacco manufacturers, the Tobacco Master Settlement of the early 2000s is an important backdrop to Virginia's opioid settlement landscape. To avoid a similar outcome to that of the tobacco settlement, in which less than 3 percent of settlement funds were invested in tobacco prevention and cessation,[19] Virginia grounded its settlement structure in transparency and accountability. The Virginia Opioid Abatement Authority (OAA), tasked with distributing the majority of funding, works diligently to ensure that all settlement-related activities and decision-making is transparent, whether this be through open meetings, media engagement or individualized outreach to local governments. The OAA's website houses all grant applications received and awards distributed from the Abatement Fund.

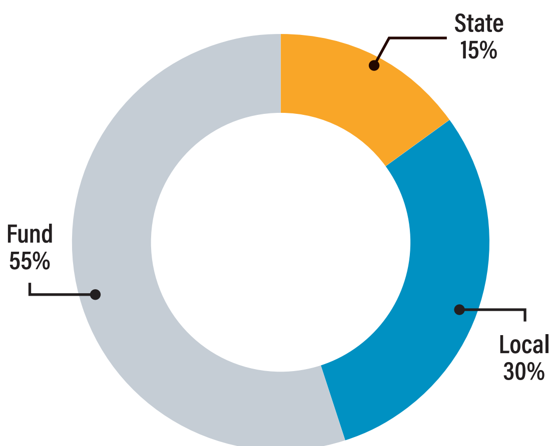
Community Services Boards (CSBs) and Behavioral Health Authorities (BHAs) are regional bodies responsible for public mental health and substance use disorder treatment services across Virginia, sometimes covering multiple counties and municipalities. CSBs and BHAs contract with specific providers to make services available for Virginians who are uninsured, underinsured or enrolled in Medicaid. The Virginia Department of Behavioral Health and Developmental Services licenses and monitors CSB and BHA services and provides access to state and federal funding opportunities to these entities.

Opioid Settlement Structure

Virginia will receive approximately $532.9 million through the master settlement agreement over 18 years. The Virginia Opioid Abatement Fund and Settlement Allocation Memorandum of Understanding (MOU) distributes opioid settlement funds in three shares: the Virginia Opioid Abatement Fund (55 percent), local subdivisions (30 percent) and the Commonwealth (i.e., state, 15 percent).[20]

The 30 percent local subdivision share is disbursed directly to participating local governments. The 15 percent Commonwealth share is deposited into a special state fund from which it can be appropriated by the General Assembly for opioid abatement purposes only. The Virginia Opioid Abatement Fund is administered by the OAA, which was established by legislation in 2021 to award funds, provide technical support, collect reports and make expenditures public. The OAA Board of Directors consists of 11 members including eight non-legislative subject matter experts representing stakeholders, as well as three ex-officio representatives of the state government. The non-legislative members include an elected member of local government, one sheriff and one county or city attorney.

HOW ARE OPIOID SETTLEMENT FUNDS ALLOCATED IN VIRGINIA?[21]



The Virginia Opioid Abatement Fund is further divided into four sub-shares: cities and counties (15 percent), projects involving two or more cities and counties (35 percent), state agencies (15 percent) and unrestricted uses (35 percent). The 15 percent cities and counties sub-share is allocated to individual localities and restricted to funding projects that would add new abatement strategies to the landscape, rather than supplanting existing assets. The 35 percent cities and counties sub-share is allocated for abatement projects involving a partnership between two or more localities. The 15 percent state agency sub-share is allocated to state agencies for abatement purposes. The unrestricted sub-share may be used for OAA administrative costs or redistributed to the other three sub-shares.

Strategies for State-Local Collaboration

Virginia's opioid settlement structure provides direct funding to state and local governments while engaging both levels of government in shared infrastructure. Strategies that support state and local coordination in Virginia include:

Aligning Settlement Funding to Address Common Priorities

With the shortcomings of the Tobacco Master Settlement in recent memory, Virginia decided to utilize incentives rather than mandates to guide the direction of settlement spending. This approach is operationalized by the OAA through its 'gold standard' incentive program. The OAA offers a 25 percent bonus to localities that opt to utilize their direct settlement funds for projects that focus solely on opioid abatement (i.e., 'gold standard' projects). The bonus comes from the 35 percent unrestricted sub-share of the Opioid Abatement Fund and is granted during localities' initial distributions after agreement to a set of 'gold standard' terms and conditions. As of December 2023, 100 percent of localities that applied for individual grants through the OAA also opted into the gold standard incentive.

Sharing Resources, Expertise and Learning across Jurisdictions

In collaboration with the Virginia Association of Counties and the Virginia Municipal League, the OAA facilitates a range of knowledge sharing activities including abatement workshops, webinars and an annual conference for elected members of local government. The OAA website provides information, resources and a centralized grant portal for local governments to request disbursements or apply for competitive funding. In collaboration with the Virginia Institute of Government, the OAA developed the Abatement Academy, a series of free workshops to promote best practices in local abatement planning.

The OAA has one designated staff member who travels to Virginia counties to provide in-person coaching and technical support to local abatement planners. In addition, the OAA performs targeted outreach to jurisdictions that have not yet applied for funding in order to reach rural communities who are particularly susceptible to opioid related harm.

STRATEGY IN ACTION Chesterfield County, Va. utilizes federal, state and local funds to address the opioid crisis. The county is home to the Chesterfield Recovery Academy, Virginia's first recovery high school, serving high school students from central Virginia who are in early recovery from substance use disorders. In addition to Chesterfield County Public Schools, the program receives assistance from health agencies, local and state government programs and police and legal agencies to help students navigate recovery while working toward their high school diploma. Students at the Academy receive academic, emotional and social support, as well as the flexibility to participate in jobs or internships. Chesterfield County is in the early stages of utilizing settlement funds to expand these programs and to offer additional services to county residents and residents across the region.

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Virginia

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