

# Arkansas



## Total Funds

\$216 million<sup>1</sup>

## Allocation

66.6% to participating cities and counties and 33.3% to the state

## Mechanism

Allocation agreement between the state and local governments ([Arkansas Opioids Memorandum of Understanding](#)),<sup>2</sup> local distribution agreements ([Cities Distribution Agreement](#), [Counties Distribution Agreement](#)),<sup>3</sup> court order ([Order Establishing the Arkansas Opioids Qualified Settlement Fund](#))

## Key Takeaways

**Cities and Counties.** The allocation of funds to the state (1/3), cities (1/3), and counties (1/3) is established by Arkansas' MOU.<sup>4</sup> Unique to Arkansas are its additional governing documents – the [Cities](#) and [Counties](#) Distribution Agreements – which redirect the management of localities' funds to the [Arkansas Opioid Recovery Partnership \(ARORP\)](#).

**ARORP.** The Arkansas Opioid Recovery Partnership (ARORP), an organization formed by the [Arkansas Municipal League](#) and the [Association of Arkansas Counties](#), oversees and distributes 2/3 of the total funds coming to Arkansas (1/3 cities share + 1/3 counties share).

**Public reporting.** ARORP's [Funded Projects Table](#) displays descriptions and funding amounts of active abatement projects in each county. Its website also hosts a live grant [portal](#) with opioid settlement-funded opportunities for local communities.

## Background

*This resource is current as of 4/25/2023. For the most up-to-date information, please visit <https://www.opioidsettlementtracker.com/settlementspending>.*

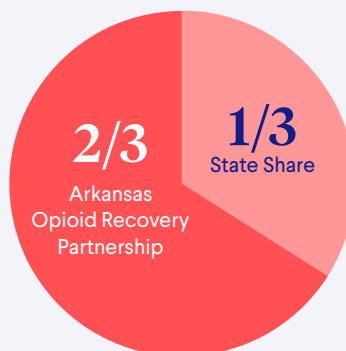
The [Arkansas Opioids Memorandum of Understanding](#) (MOU) allocates 33.3% of funds to the state government, 33.3% to cities, and 33.3% to counties.<sup>5</sup> All opioid funds, regardless of allocation, must be spent according to “Approved Purposes” and consistently with settlement agreements.<sup>6</sup> The MOU's definition of Approved Purposes includes twenty priorities, such as the expansion of treatment, addressing the needs of pregnant or parenting women, reducing overprescribing, harm reduction, law enforcement expenditures, and research.<sup>7</sup> In practice, the [Arkansas Opioid Recovery Partnership](#) (ARORP) – which oversees 2/3 of the funds – assesses funding proposals against the national settlements' [Exhibit E](#) rather than the MOU.<sup>8</sup>



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## Decision-Making Process

### ALLOCATION OF SETTLEMENT FUNDS



### **2/3 ARKANSAS OPIOID RECOVERY PARTNERSHIP**

The participating cities' and counties' respective 1/3 shares are held in the Qualified Settlement Fund created by [court order](#).<sup>9</sup> 27% of both the Cities Fund and the Counties Fund are reserved for attorneys' fees and litigation expenses.<sup>10</sup> The remaining monies in both funds are governed by the [Cities](#) and [Counties](#) Distribution Agreements,<sup>11</sup> which provide that this 2/3 share belonging to Arkansas' localities will be disbursed by the [Arkansas Opioid Recovery Partnership](#) (ARORP),<sup>12</sup> a joint body formed in 2022 to distribute the cities', towns', and counties' shares of the settlement funds. A 12-member advisory board oversees the ARORP and must have an equal number of members appointed by the directors of the [Association of Arkansas Counties](#) and the [Arkansas Municipal League](#), respectively.<sup>13</sup> As of publication, ARORP's [advisory board](#) members represent a mix of professional backgrounds, including law enforcement, elected leaders, doctors, and judges.

The ARORP advisory board evaluates proposals and makes funding recommendations to the ARORP Director and the Directors of the Arkansas Municipal League and Association of Arkansas Counties.<sup>14</sup> In making its recommendations, the advisory board is guided by ARORP's [nine principles](#).<sup>15</sup> These principles highlight evidence-based practices like harm reduction and the inclusion of people with lived experience, and also stress the need to avoid supplantation of existing efforts and funding.<sup>16</sup> The ARORP's funds are ultimately distributed by the Qualified Settlement Administrator, who is authorized by court order to distribute the funds to approved projects.<sup>17</sup>



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## Decision- Making Process

(Continued)

### 1/3 STATE SHARE

The state — acting through its Governor and Attorney General<sup>18</sup> — must spend its share on "Approved Purposes" as defined by the MOU's twenty priorities, which include the expansion of treatment, addressing the needs of pregnant or parenting women, reducing overprescribing, harm reduction, and funding for law enforcement and infrastructure.<sup>19</sup> The state's 1/3 share will also cover any Medicaid Claw Back as applicable and the cost of counsel for the state.<sup>20</sup>

## Tracking Funds and Accountability

- ARORP's [principles](#) state that it will operate "with all reasonable transparency." Its [Funded Projects Table](#) — navigable by county — displays individual project descriptions and funding amounts.
- The state's 1/3 share, however, is not subject to similar expenditure reporting.<sup>21</sup>

## Engaging in the Process

- Check out ARORP's [Funding Opportunities](#) page, which includes a General Funding Application intended to cover "any project related to opioid prevention, treatment, and recovery" and which has no application deadline, though proposals in this category require signatures of county and city support.
- Scan ARORP's [Funded Projects Table](#) for a list of groups receiving funding and descriptions of their projects from the 2/3 Cities and Counties shares.
- Request that the AG and Governor publish the same level of detail for the state's share of funds!<sup>22</sup>
- Consider engaging with the [Association of Arkansas Counties](#) and the [Arkansas Municipal League](#) to encourage appointments to the ARORP advisory board that reflect community perspectives and relevant expertise.



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## Additional Resources

### [ARKANSAS OPIOID RECOVERY PARTNERSHIP](#)

[Funded Projects Table](#)

[General Application Flyer](#)

[ARORP Overview Flyer](#)

### **KTHV**

[Arkansas recovery program using settlement money to tackle opioid battle](#)



## References

Last updated April 25, 2023.

1. From settlements with distributors McKesson, AmerisourceBergen, Cardinal Health and manufacturer Johnson & Johnson only. Arkansas is also participating in several settlements that are likely to be finalized later this year, e.g., CVS, Walgreens, Walmart, Allergan, and Teva. See KHN's "[The Right to Know: Where Does Your State Stand on Public Reporting of Opioid Settlement Cash?](#)" interactive transparency map (located mid-article; click "Arkansas" for state-specific participation information) and OpioidSettlementTracker.com's [Global Settlement Tracker](#) for more information.
2. Neither Arkansas' MOU nor its court order establishing the opioids qualified settlement fund are limited by their definitions to the Distributor and Janssen Settlements. See MOU 1.11, 13, 14, 16 (defining "opioid funds" and "settlement" generically) and Order Establishing the Arkansas Opioids Qualified Settlement Fund Sec. 2 (stating that the Fund will receive "settlement amounts" "as defined in the MOU"). Note that many states' mechanisms for opioid settlement spending were designed to comply with the requirements of the [Distributor](#) and [Janssen](#) settlement agreements, which require (among other provisions) that a minimum of 85% of settlement funds be spent on opioid remediation expenditures. [Section V.B.1](#). Subsequent settlements require varying thresholds of opioid remediation spend; the [CVS](#) and [Walgreens](#) agreements, for instance, require a minimum of 95.5% and 95% opioid remediation spending, respectively. [Section V.B.1](#). Keep an eye out for the ways states will amend their spending mechanisms, if at all, to comply with subsequent settlement terms.
3. Both the Cities and Counties agreements refer to the future formation of a nonprofit foundation to house monies that will support Arkansas' abatement efforts but do not derive from settlements or bankruptcies. [Cities and Counties Distribution Agreement](#), Sec. 10. ARORP's responsibilities vis-à-vis this foundation are as of yet unclear.
4. MOU 2.2.
5. MOU 2.2.
6. MOU 2.2.
7. MOU 1.1.1-1.1.20.
8. "Exhibit E ... specifies exactly how settlement funds must be used. The ARORP Advisory Board will use Exhibit E guidelines to evaluate your proposal." <https://www.arorp.org/wp-content/uploads/2023/03/ARORP-General-Application-Flyer.pdf>
9. Order Establishing the Arkansas Opioids Qualified Settlement Fund, Sec. 2.
10. MOU 2.3.1, 2.4.1.
11. MOU 2.3.2, 2.4.2.
12. Cities Distribution Agreement, Sec. 3; Counties Distribution Agreement, Sec. 3.
13. Cities Distribution Agreement, Sec. 5; Counties Distribution Agreement, Sec. 5.
14. Cities Distribution Agreement, Sec. 4-6; Counties Distribution Agreement, Sec. 4-6. ARORP's project and funding guidelines may be found in Sec. 8 of both the Cities and Counties Distribution Agreements.
15. Cities Distribution Agreement, Sec. 7; Counties Distribution Agreement, Sec. 7.
16. Cities Distribution Agreement, Sec. 7; Counties Distribution Agreement, Sec. 7. See also "[Fighting fentanyl: How Arkansas is spending its opioid settlement fortune](#)" ("The Partnership does not fund programs that are duplicated elsewhere in government infrastructure; naloxone for law enforcement officers, for example, is already provided for by the University of Arkansas's Criminal Justice Institute").
17. "Attorney Edgar C. Gentle, III... is hereby appointed to serve as the Fund Administrator, to carry out the duties of Fund Administrator set out in the Consent Motion and in this Order." Order Establishing the Arkansas Opioids Qualified Settlement Fund, Sec. 3. See also <https://www.arorp.org/about/> (describing the QSF administrator as the person tasked to "write checks to fund approved projects").
18. MOU 1.15.
19. MOU 1.1.1-1.1.20.
20. MOU 2.5.1-2. Former AG Rutledge [once transferred](#) state share funds received by the AG's office to the state's general revenue fund. Once AG Griffin replaced Rutledge in January 2023, he [transferred these funds back to the AG's office](#), ostensibly to avoid fees, but may transfer funds back to the general revenue fund once again.
21. See OpioidSettlementTracker.com's "[States' Initial Promises to Publicly Report Their Opioid Settlement Expenditures](#)."
22. "State' shall mean the State of Arkansas acting through its Governor and Attorney General." MOU 1.15.