



Total Funds

\$174 million¹

Allocation

50% to the state and 50% to participating local governments

Mechanism

Allocation agreement between the state and local governments ([Iowa Opioid Allocation Memorandum of Understanding](#)), legislation ([Iowa Code Chapter 12.51](#))²

Key Takeaways

50-50 allocation. The [Iowa Opioid Allocation Memorandum of Understanding](#) (MOU) evenly splits Iowa's opioid settlements between the Iowa Abatement Share, to sit in the Iowa Abatement Fund created by state law,³ and [participating local governments](#) (the "LG Abatement Share").

Local governments' public reporting. Participating local governments receiving monies directly from the "LG Abatement Share" must file a public annual report that includes, but is not limited to, a narrative description of funded programs, amounts allocated, and outcomes achieved.⁴ The state's 50% share, however, is not subject to similar reporting.⁵

Background

The [Iowa Opioid Allocation Memorandum of Understanding](#) (MOU) establishes the state's opioid settlement allocations: 50% to the state and 50% to participating local governments.⁶ A [state law](#) also established an opioid settlement fund to hold the state's share of funds (referred to as the Iowa Abatement Fund in the MOU).⁷

Both the state's funds and the local share must be spent on "Opioid Related Expenditures," such as to expand harm reduction and treatment services.⁸ Neither share may be used to reimburse for past expenditures incurred before the effective date of the MOU,⁹ but up to 2.5% of each share may be spent on abatement-related administrative expenses.¹⁰ Finally, both the state and local governments must spend at least 75% of their opioid settlement funds on the "Core Strategies" named in the MOU,¹¹ such as increasing access to overdose reversal drugs like naloxone and medications for opioid use disorder like methadone and buprenorphine.¹²

This resource is current as of 4/11/2023. For the most up-to-date information, please visit <https://www.opioidsettlementtracker.com/settlementspending>.



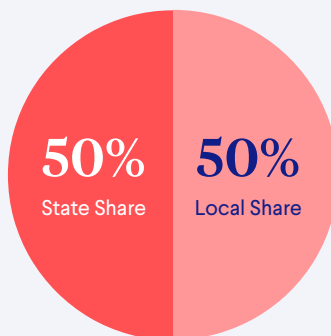
Iowa

Decision-Making Process

LOCAL SPENDING EXAMPLE

The [Jasper County Opioid Settlement Committee](#) sits under the county's health department and has chosen to distribute portions of its share via grants to local organizations. The 5-member committee contains the county attorney, supervisor, auditor, deputy auditor, and health department administrator.²²

ALLOCATION OF SETTLEMENT FUNDS



50% STATE SHARE

The state government's 50% of opioid settlement funds will be deposited into the Iowa Abatement Fund,¹³ which sits separately from the general fund and is ultimately appropriated by the general assembly for opioid-related expenditures.¹⁴ The MOU specifies that the state's share of funds must be spent in accordance with [Exhibit 1](#) of the MOU, which includes strategies related to prevention, harm reduction, treatment, and recovery.¹⁵ [State law](#) also provides that state settlement funds may support the [opioid antagonist medication fund](#),¹⁶ which funds the purchase, maintenance, and replacement of opioid antagonist medications for first responders.¹⁷

50% LOCAL SHARE

Iowa's "LG Abatement Share" will be distributed directly to participating counties according to the formula detailed in [Exhibit 2](#).¹⁸ As with the state's Iowa Abatement Fund monies, local governments must spend their settlement funds only on future Opioid Related Expenditures.¹⁹ Counties may sub-allocate funds to cities if they enter into an agreement requiring the funds be spent on future opioid abatement.²⁰ Participating local governments may also elect to combine their direct distribution amounts.²¹ Localities will likely use their normal budgeting and decision-making processes to allocate and spend their opioid settlement funds.



Tracking Funds and Accountability

- Local governments receiving settlement funds directly from the “LG Abatement Share” must file a public annual report that includes a narrative description of funded programs, amounts allocated, and outcomes achieved.²³ The state’s 50% share, however, is not subject to similar reporting requirements,²⁴ though the state “may” use the localities’ reports to report to the public on the state’s use of funds.²⁵
- Local governments’ funds are also subject to audit. If an audit reveals that monies have been misspent, the participating local government must immediately redeploy the funds toward an allowable expense.²⁶
- A city may be disqualified from receiving future sub-allocations from a county if it uses opioid settlement funds for non-allowable expenses.²⁷

Engaging in the Process

- Ask the state to commit to publicly reporting its own share of funds. The MOU notes that the state “may” use the reports describing local participating governments’ use of funds to inform the public,²⁸ and advocates should use this as an opportunity to push the state to achieve public reporting parity with its own localities.
- Iowa has fewer obvious channels to engage on settlement spending than many states. Push for that to change! Reach out to your county’s leadership for more information about how settlement funds will be spent in your community.
- Iowans in need of treatment support can look to two new resources. \$3.8 million in earlier McKinsey settlement funds supported the University of Iowa to build out a statewide network of providers who can prescribe medications for opioid use disorder;²⁹ these funds were also used to launch opioidhelp.iowa.gov which folks can use to locate treatment in their part of the state.

Additional Resources

IOWA STATE ASSOCIATION OF COUNTIES

[Opioid Settlement Resources](#)
(includes recordings of past webinars)

IOWA ATTORNEY GENERAL’S OFFICE

opioidhelp.iowa.gov
(funded with opioid settlement monies)³⁰

[Opioid Settlement Information](#)

IOWA AUDITOR’S OFFICE

[Opioid Settlement Information](#)



References

Last updated April 11, 2023.

1. From settlements with distributors McKesson, AmerisourceBergen, Cardinal Health and manufacturer Johnson & Johnson only. Iowa 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 "Iowa" for state-specific participation information) and OpioidSettlementTracker.com's [Global Settlement Tracker](#) for more information.
2. While Iowa's MOU is limited by its definitions to the Distributor and Janssen Settlements (see MOU A.2), state law establishing the opioid settlement fund encompasses proceeds from "any ... national settlement of litigation with entities that manufactured, marketed, sold, distributed, dispensed, or promoted opioids, made in connection with claims arising from the manufacturing, marketing, selling, distributing, dispensing, or promoting of opioids." See Iowa Code § 12.51(1). 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. Iowa Code Sec. 12.51
4. MOU C.4.
5. See OpioidSettlementTracker.com's "[States' Initial Promises to Publicly Report Their Opioid Settlement Expenditures.](#)"
6. MOU B.1.
7. "The state portion of any moneys paid to the state as a result of a national settlement of litigation ... shall be deposited in the fund. This subsection does not apply to such moneys paid to the state that are earmarked for or otherwise required to be transferred or distributed to counties, cities, or other local governmental entities." Iowa Code Sec. 12.51(1).
8. The list of approved "Opioid Related Expenditures" is included in [Exhibit 1](#) of the MOU, MOU B.8, and is identical to the list of approved uses in [Exhibit E](#) of the Distributor and Janssen Settlement Agreements.
9. MOU B.8.
10. MOU B.9.
11. MOU B.8.
12. The "Core Strategies" outlined in the MOU are identical to those in [Schedule A of Exhibit E](#) of the national settlement agreements.
13. Iowa Code Sec. 12.51(1). "Opioid Funds shall not be considered funds of the Iowa Abatement Fund or any Local Government unless and until such time as an allocation is made to the Iowa Abatement Fund or any Participating Local Government pursuant to this Section." MOU B.3.
14. Iowa Code Sec. 12.51(2). See also [Iowa legislators will enter 2023 session with \\$19M in opioid settlement funds](#) ("The final decision as to how that money will be spent is up to state legislators, according to Iowa law").
15. MOU B.8.
16. "Moneys in the fund shall only be used pursuant to appropriations from the fund by the general assembly for purposes of abating the opioid crisis in this state, which may include but are not limited to the purposes specified in [section 135.190A](#) for moneys in the opioid antagonist medication fund." Iowa Code Sec. 12.51(2).
17. Iowa Code Sec. 135.190A(2).
18. MOU B.4. See also the Iowa Auditor's [Distributor and Janssen County Allocations](#) and the Iowa Association of Counties' [2023 Opioid Settlements Estimated Payments](#).
19. MOU C.2.
20. MOU B.7. The list of participating local governments is available in the MOU's [Exhibit 3](#). MOU E.2.
21. MOU C.5.
22. See [Opioid Settlement funds - Jasper County, Iowa](#).
23. "Participating Local Governments may work together to prepare and file joint reports if they so choose." MOU C.4(a).



References

(Continued)

24. See OpioidSettlementTracker.com's "[States' Initial Promises to Publicly Report Their Opioid Settlement Expenditures.](#)"
25. "The State may utilize the reports in order to report to the public on the use and effectiveness of the Opioid Funds in addressing the opioid crisis in Iowa." MOU C.4(c).
26. MOU C.3.
27. MOU B.7.
28. MOU C.4(c).
29. <https://medicine.uiowa.edu/content/iowa-ag-office-and-ui-health-care-launch-statewide-opioid-treatment-program-using-settlement>
30. https://qctimes.com/hundreds-of-iowans-to-be-helped-with-new-opioid-funding/article_c56f9ce5-f0df-595a-b594-fbba9bd510a7.html