

Total Funds

\$190 million¹

Allocation

75% to the Kansas Fights Addiction Fund and 25% to local governments

Mechanism

Allocation agreement between the state and local governments (Kansas Opioids Memorandum of Understanding between the Attorney General, the League of Kansas Municipalities, and the Kansas Association of Counties), legislation (K.S.A. §§ 75-775 through <u>75-781</u>)²

Key Takeaways

Grants. 75% of monies will go to the Kansas Fights Addiction (KFA) Fund.³ The Sunflower Foundation is empowered by state law to administer grants that the KFA Grant Review Board approves for funding. 4 State agencies, local governments, and non-profit organizations are eligible to apply.5

No supplantation, yes public reporting. Expenditures of the KFA Fund may not be used in ways that supplant existing funding streams and will be published to the Board's website.6

Harm reduction. Kansas included harm reduction strategies like naloxone distribution, expanding access to HIV and HCV testing, and condom distribution to people who use drugs in its first call for proposals.7

Background

The Kansas Fights Addiction Act (KFA Act) establishes a 75% to 25% allocation of opioid settlement monies between the Kansas Fights Addiction Fund (KFA Fund) and the Municipalities Fight Addiction Fund (MFA Fund).8 The KFA Act also creates the Kansas Fights Addiction Grant Review Board (Board),9 which is responsible for overseeing grantmaking with monies in the KFA Fund.¹⁰ The Kansas Opioids Memorandum of Understanding (MOU) provides additional state and local spending rules.

This resource is current as of 5/1/2023. For the most up-to-date information, please visit https:// www.opioidsettlementtracker.com/ settlementspending.

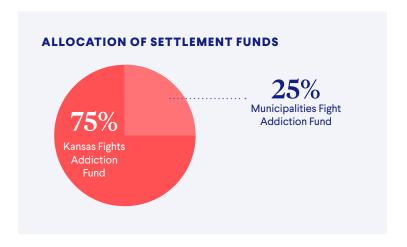


Background

(Continued)

All settlement funds are received by the Attorney General and transferred to the Treasurer, who deposits monies into the Treasury and credits 75% to the KFA Fund and 25% to the MFA Fund.¹¹ The MOU further provides that the 25% portion of funds in the MFA Fund are split evenly between Kansas' cities and counties. 12 Regardless of allocation, Kansas' settlement funds must be spent on Approved Purposes, 13 which are defined to include prevention, harm reduction, and treatment projects and activities; reimbursements for past opioid-related expenses; and litigation costs.14 Kansas' definition of Approved Purposes also explicitly includes law enforcement.15

Decision-**Making Process**



75% KANSAS FIGHTS ADDICTION FUND

Seventy-five percent (75%) of the state's settlement funds are housed in the Kansas Fights Addiction Fund (KFA Fund), which sits in the state Treasury and is administered by the Attorney General. 16 Monies in the Fund must be spent "as grants ... to qualified applicants ... for projects and activities that prevent, reduce, treat or mitigate the effects of substance abuse and addiction."¹⁷ State law allows the AG to contract with the Sunflower Foundation to administer and monitor KFA Fund grants, 18 and grant applications must be approved by the Kansas Fights Addiction Grant Review Board (Board). Additionally, \$200,000 is transferred from the Fund to a prescription drug monitoring program each year.²⁰ These monies may not be used to supplant existing funding streams or on attorneys' fees and litigation costs,²¹ and all KFA Fund expenditures must comply with state appropriations laws.22



Decision-**Making Process**

(Continued)

The KFA Review Board's 2022 Annual Report describes two grants that were approved but not expended that year:47 a \$100,000 grant to the Attorney General's office to staff the Board in 2023 and a \$1.5 million grant to the Sunflower Foundation to administer, via contracted partners, a statewide substance use disorder needs assessment.48 Future reports will include actual expenditures, including the funds expended via the calls for proposal issued in March and May 2023.49

LOCAL **SPENDING EXAMPLE**

At its April 2023 meeting, the **Douglas County Commission** considered a proposal from the non-profit DCCCA to use \$47,570 in settlement funds to purchase and place naloxone in strategic spots around the county, including through vending machines.50

As noted above, grants must be approved by the KFA Grant Review Board created by state law.²³ Non-profit organizations, state agencies, and local governments are eligible to apply for grants,²⁴ and the Board is empowered to review grant applications and to create its own operating procedures.²⁵ When awarding grants, the Board must:26

- Ensure that at least 1/8 of funds granted annually go to each of the state's four congressional districts.²⁷
- · Consult the Kansas Prescription Drug and Opioid Advisory Committee, the Department of Health and Environment, the Insurance Department, 28 and other relevant public and private groups.29
- Consider the sustainability of grant programming after funds are exhausted.³⁰

The Board is composed of 11 members with expertise in preventing, reducing, treating, or mitigating the effects of substance use and addiction.³¹ At least one member must reside in each of the state's four congressional districts.³² Members are appointed by the Attorney General and Governor, legislative leadership, the League of Kansas Municipalities, the Kansas Association of Counties, the Kansas County and District Attorneys Association, the Association of Community Mental Health Centers of Kansas, and the Behavioral Sciences Regulatory Board.³³ Current members of the Board may be found here.

25% MUNICIPALITIES FIGHT ADDICTION FUND

Local governments' 25% share of Kansas' settlement funds is housed in the Municipalities Fight Addiction Fund (MFA Fund), which sits in the state Treasury and is administered by the Attorney General.³⁴ Monies in the fund are disbursed and expended according to the MOU, an agreement among the Attorney General, the Kansas Association of Counties, and the League of Kansas Municipalities. 35 Half of this 25% share is distributed to Kansas' cities and half is distributed to its counties.³⁶

- Cities' 12.5% share is allocated by population among both litigating and non-litigating cities,³⁷ with litigating cities receiving a 25% increase in their share.³⁸ Non-litigating cities must have passed a resolution stating that they can spend the funds for approved purposes to be eligible.³⁹
- The 12.5% share belonging to counties is distributed as follows: 6.25% of funds are allocated by population among all counties⁴⁰ and 6.25% is allocated by population among litigating counties.⁴¹ Non-litigating counties are eligible to receive funds only if they passed a resolution stating that they can spend the funds for approved purposes.⁴²

All cities' and counties' shares must be spent on activities that "prevent, treat, reduce, or mitigate" the effects of substance misuse and addiction;⁴³ to reimburse past overdose crisis-related expenditures;44 or on litigation costs and attorney's fees. 45 Cities and counties may pool their funds or allocate them to the KFA Fund. 46



Tracking Funds and Accountability

- Expenditures of the KFA Fund will be published to the Board's website in future annual reports.51
- There are no public reporting requirements applicable to settlement funds distributed to cities and counties via the MFA Fund.⁵²
- Only the state, the League of Kansas Municipalities, and the Kansas Association of Counties have the power to directly enforce the terms of Kansas' MOU.53 This means that non-profit organizations, community advocates, and political subdivisions cannot directly enforce the MOU.⁵⁴ However, political subdivisions can bring MOU-related disputes to the League of Kansas Municipalities, Kansas Association of Counties, or the Kansas Attorney General's Office.55

Engaging in the Process

- The Sunflower Foundation administers the KFA Fund's grantmaking. Explore its website, which posts open grant opportunities, webinars, and other information for grantseekers, and apply for funding.
- Before applying for funds, review helpful guidelines from the Sunflower Foundation, including a draft scoring rubric and the KFA Grant Review Board's listed priorities.56
- Attend KFA Grant Review Board meetings. Information on how to attend is posted on the group's website, and links to watch via Youtube are in the meeting agendas. Past meeting minutes and materials are also available for review here.
- Local governments may also make grants from MFA Fund monies. Watch for those as well.57
- The Sunflower Foundation is undertaking a statewide substance use disorder needs assessment.⁵⁸ Ensure that there are opportunities to integrate community feedback by writing to Krista Machado, who oversees the Foundation's KFA work, at kmachado@sunflowerfoundation.org.
- Encourage opportunities for community input on the use of funds at the state and local levels. For example, localities could create advisory bodies that include directly impacted people or hold townhalls to receive public feedback. The state could also ensure that the KFA Grant Review Board includes members with lived experience.



Additional Resources

KANSAS ATTORNEY GENERAL'S OFFICE

Kansas Fights Addiction Act Grant Review Board

Kansas Opioid Settlements

A Brief Overview of the Opioids Settlements

KANSAS FIGHTS ADDICTION GRANT REVIEW BOARD

Draft 2022 Annual Report

Landscape Analysis & Framework to Begin Planning

Draft RFP Scoring Rubric

KANSAS FIGHTS ADDICTION GRANT REVIEW BOARD AND SUNFLOWER **FOUNDATION**

Draft Role Chart (August 2022)

Kansas Fights Addiction

Kansas Fights Addiction Fund RFP Review Process

Kansas Fights Addiction Fund – A Three-Pronged Approach for 2023

Kansas Fights Addiction Initial Funding Strategy Framework (Jan 2023)

KANSAS PRESCRIPTION DRUG AND OPIOID ADVISORY COMMITTEE

Kansas Overdose Prevention Strategic Plan (2022-2027)





References

Last updated May 1, 2023.

- 1. From settlements with distributors McKesson, AmerisourceBergen, Cardinal Health and manufacturer Johnson & Johnson only. Kansas 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 "Kansas" for state-specific participation $information) and Opioid Settlement Tracker. com's \ \underline{\textit{Global Settlement Tracker}} \ for \ more \ information.$
- Neither Kansas's MOU nor the Kansas Fights Addiction Act are limited by their definitions to the Distributor and Janssen Settlements. See MOU C.1, A.5, B.1, A.12 (allocating both "maximizing" settlements [J&J, Distributor, Purdue, Mallinckrodt, Insys, and "any future settlements that utilize a bonus structure for ... population participation"] and "standard" settlements (i.e., non-maximizing "negotiated ... resolution[s]") and Kan. Stat. Ann. § 75-777(a) (encompassing "all moneys that are received by the state pursuant to opioid litigation in which the attorney general is involved that is dedicated by the terms of such litigation for the abatement or remediation of substance abuse or addiction"). Note that many states' mechanisms for opioid settlement spending were designed to comply with the requirements of the <u>Distributor</u> and <u>Janssen</u> 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. Kan. Stat. Ann. § 75-777(a).
- 4. Kan. Stat. Ann. § 75-778(d)(2)(A).
- 5. See Kansas Fights Addiction Act Grant Review Board.
- 6. See also OpioidSettlementTracker.com's "States' Initial Promises to Publicly Report Their Opioid Settlement Expenditures." The KFA Fund Grant Program's Request for Proposal first opened March 2023, so the Fund did not yet have grant expenditures for the Board to report in its 2022 Annual Report.
- See Kansas Fights Addiction Request for Proposals.
- 8. Kan. Stat. Ann. §§ 75-777(b) (establishing the Kansas Fights Addiction Fund); 75-777(d)(1) (establishing the Municipalities Fight Addiction Fund); 75-777(a) (establishing 75% to 25% allocation between Kansas Fights Addiction Fund and Municipalities Fight Addiction Fund). See also MOU B.1 and C.1 (establishing the 75% to 25% allocation for standard and maximizing settlement funds, respectively). Unless otherwise noted, rules for "Maximizing Settlement Funds" will be cited throughout. See MOU A.5.
- 9. Kan. Stat. Ann. § 75-778(a).
- 10. Kan. Stat. Ann. § 75-778(b)-(c).
- 11. Kan. Stat. Ann. § 75-777(a).
- 12. MOU C.2. In addition to applying this allocation to "Maximizing Settlement Funds," which are specifically defined to include the J&J, Distributor, Purdue, Mallinckrodt, Insys, and any future settlements that incentivize participation through a bonus structure (MOU A.5), the MOU applies this allocation as well to "Standard Settlement Funds," which include all settlements that provide base monetary awards without a bonus structure incentivizing participation. MOU A.13.
- 13. MOU D.1, A.1. Kansas' official opioid settlement documents do not refer specifically to the national settlement agreements' Approved Uses list.
- 14. MOU A.1. See also Kan. Stat. Ann. § 75-777(b),(d)(1). The state and political subdivisions may use monies in the Municipalities Fight Addiction Fund to cover litigation costs and attorneys' fees only after first seeking payment from settlement fee funds. MOU A.1. Settlement monies in the Kansas Fights Addiction Fund may not be used to pay litigation costs, expenses, or attorney fees. Kan. Stat. Ann. § 75-777(b).
- 15. MOU A.1.
- 16. Kan. Stat. Ann. § 75-777(a)-(b).
- 17. Kan. Stat. Ann. § 75-777(b). "Qualified applicant' means any state entity, municipality or not-for-profit private entity that provides services for the purpose of preventing, reducing, treating or otherwise abating or remediating substance abuse or addiction and that has released its legal claims arising from covered conduct against each defendant that is required by opioid litigation to pay into the fund." Kan. Stat. Ann. § 75-776(g).





References

- 18. Kan. Stat. Ann. § 75-778(d)(2).
- 19. Kan. Stat. Ann. § 75-778(d)(2)(A).
- 20. Kan. Stat. Ann. § 75-777(c). See also K-TRACS.
- 21. Kan. Stat. Ann. § 75-777(b).
- 22. Kan. Stat. Ann. § 75-777(e).
- 23. Kan. Stat. Ann. § 75-777(b). See Kan. Stat. Ann. § 75-778(a).
- 24. See Kansas Fights Addiction Act Grant Review Board.
- 25. Kan. Stat. Ann. § 75-778(b).
- 26. The Board may also give preference to grants that expand the availability of certified drug treatment programs for court-ordered treatment for individuals charged with certain controlled substance offenses. Kan. Stat. Ann. § 75-778(c)(8).
- 27. Kan. Stat. Ann. § 75-778(c)(1).
- 28. Kan. Stat. Ann. § 75-778(c)(3).
- 29. e.g., Kansas Department of Aging and Disability Service. See KFA Review Board's 2022 Annual Report.
- 30. Kan. Stat. Ann. § 75-778(c)(5).
- 31. Kan. Stat. Ann. § 75-778(a).
- 32. Kan. Stat. Ann. § 75-778(a).
- 33. Kan. Stat. Ann. § 75-778(a)(1)-(11).
- 34. Kan. Stat. Ann. § 75-777(d)(1).
- 35. This MOU, which has been amended (see Amendment 1, Amendment 2) is the "agreement" anticipated by Kan. Stat. Ann. § 75-777(d)(2).
- 36. MOU C.2.
- 37. MOU C.3(c).
- 38. MOU C.3(c)(i).
- 39. MOU C.3(b). The resolution must also have stated that the city "has previous or expected expenses related to substance abuse or addiction mitigation or other covered conduct in excess of \$500." Id.
- 40. MOU C.3(d)(i).
- 41. MOU C.3(d)(ii).
- 42. MOU C.3(b). The resolution must also have stated that the county "has previous or expected expenses related to substance abuse or addiction mitigation or other covered conduct in excess of \$500." Id.
- 43. Kan. Stat. Ann. § 75-777(d)(1).
- 44. Kan. Stat. Ann. § 75-777(d)(1). Prior to using fund monies as reimbursements, political subdivisions must pass a resolution "stating that its previous expenses related to substance abuse mitigation or arising from covered conduct are greater than or equal to the amount of funds that the Political subdivision seeks to use for reimbursement." MOU D.1.
- 45. Provided that municipalities first seek reimbursements for litigation costs elsewhere. Kan. Stat. Ann. § 75-777(d)(1) and MOU D.4.
- 46. MOUD 3.
- 47. The Board's first funding round, which closed in April 2023, made \$3 million available to organizations proposing projects related to treatment, recovery, harm reduction, and linkage to care. Groups could apply for up to \$200,000 for 12 months. A second funding round, focusing on prevention, providers and health systems, and public safety and first responders, is expected to open in May 2023.
- 48. "While Sunflower will oversee completion of the statewide needs assessment, none of the approved grant funds will be used to support the work/time of the Sunflower Foundation." KFA Review Board's 2022 Annual Report.
- 49. See OpioidSettlementTracker.com's "States' Initial Promises to Publicly Report Their Opioid Settlement Expenditures."
- 50. See also "Plan would distribute opioid overdose reversal drug in Douglas County; commission to consider funding request."
- 51. See OpioidSettlementTracker.com's "States' Initial Promises to Publicly Report Their Opioid $\underline{\textit{Settlement Expenditures.}} \textbf{ The } \underline{\textit{KFA Fund Grant Program's Request for Proposal}} \textbf{ first opened March}$ 2023, so the Fund did not yet have grant expenditures for the Board to report in its 2022 Annual Report.



References

(Continued)

- 52. Each political subdivision must report on expenditures "consistent with the terms of this MOU," but the Kansas MOU merely requires subdivisions to pass a resolution to spend settlement monies on reimbursement uses — something already required by the national settlement agreements themselves. MOU D.1. Permission on reimbursement (with no cap) repeated by Kan. Stat. Ann. § 75-777(d)(1). See also OpioidSettlementTracker.com's "States' Initial Promises to Publicly Report Their Opioid Settlement Expenditures."
- 53. MOU F.1-3. "This MOU is enforceable only by the parties." MOU F.1. See also MOU A.6 (defining "parties" as "the State of Kansas, the League of Kansas Municipalities, and the Kansas Association
- 54. "Political Subdivisions shall not have direct enforcement rights under this MOU[.]" MOU F.1.
- 55. MOU F.1-3.
- 56. See first RFP pg. 8.
- 57. See, e.g., "How is the community going to use funds received from opioid settlements?"
- 58. Draft 2022 Annual Report.