

Minnesota



Total Funds

\$303 million¹

Allocation

75% to participating local governments and 25% to the state

Mechanism

Allocation agreement between the state and local governments ([Amended Minnesota Opioids State-Subdivision Memorandum of Agreement](#)), addendum to MOA ([Reporting and Compliance Addendum](#)), legislation ([Sec 256.042](#), [Sec. 256.043](#))²

Key Takeaways

Amended MOA. Minnesota updated its MOA in 2023 so that it may apply to future settlements.³

Future opioid remediation. Minnesota requires that state and local opioid settlement funds be spent on forward-looking opioid remediation interventions,⁴ meaning the funds may not be used as reimbursement for past expenditures.

100% public reporting. The Minnesota Opioid Epidemic Response Advisory Council's written reports, which contain information about the Opiate Epidemic Response Fund's grantees, are available on the Council's [website](#).⁵ Participating local governments must also report their expenditures to the Minnesota Department of Human Services (DHS), and DHS must make this information available to the public.⁶

Background

The [Amended Minnesota Opioids State-Subdivision Memorandum of Agreement](#) (MOA) establishes the 75% to 25% allocation between participating local governments and the state,⁷ and an [addendum](#) to the amended MOA establishes reporting and compliance requirements. State laws establish the [Opiate Epidemic Response Advisory Council](#) (OERAC),⁸ the [Opiate Epidemic Response Fund](#) (Fund),⁹ and a sub-account ("settlement account") within the Fund to hold the state's opioid settlement funds.¹⁰ All funds, regardless of allocation, must be spent on Approved Uses, which are defined as the forward-looking strategies, programs, and services outlined in [Exhibit A](#) of the MOA.¹¹ (Minnesota's Exhibit A is identical to the national settlement agreement's [Approved Uses list](#) and includes prevention, harm reduction, treatment, and recovery services.) In addition, the [state law](#) establishing the OERAC requires it to focus on four priorities: prevention and education,¹² training on the treatment of opioid use disorder,¹³ expanding and enhancing the continuum of care for opioid use disorder,¹⁴ and protecting the interests of people

This resource is current as of 4/19/2023. For the most up-to-date information, please visit <https://www.opioidsettlementtracker.com/settlementspending>.



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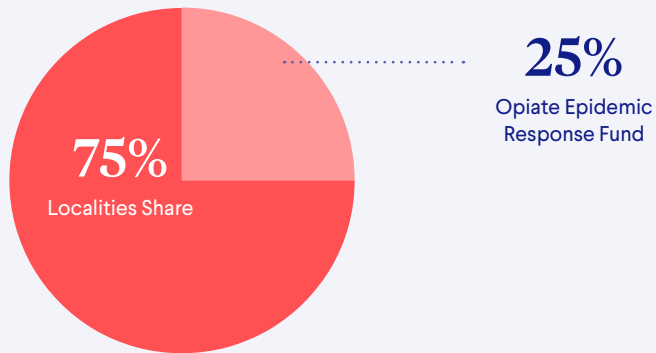
Background

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who use prescription pain medications.¹⁵ All funds must be spent on prospective remediation activities,¹⁶ which prohibits the use of funds to reimburse past expenditures.¹⁷

Decision-Making Process

ALLOCATION OF SETTLEMENT FUNDS



75% LOCALITIES' SHARE

The localities' 75% share is distributed directly to all participating counties, as well as to participating cities that (1) have populations of 30,000 or more; (2) funded or managed an established health department or similar agency; or (3) initiated litigation against certain pharmaceutical companies on or before December 3, 2021.¹⁸ [Exhibit B of the MOA](#) describes the percentage of funds going to each participating local government.¹⁹ Participating local governments must establish a special revenue fund designated for the receipt and expenditure of their opioid settlement funds.²⁰ If a participating local government has a public health department, the public health department operates as the lead agency and "Chief Strategist" for identifying and responding to local issues and advising on the disbursement of settlement funds.²¹ These local public health departments are responsible for convening community stakeholders and advising cities in their development of community health assessments, and are encouraged to work with law enforcement "where appropriate."²²



Minnesota

Decision- Making Process

(Continued)

LOCAL PLANNING EXAMPLE

Wright County established an [Advisory Council](#) to advise the Board of Commissioners on the best way to spend funds. The Council sought [public input](#) to determine its funding priorities, and Wright County Public Health (i.e., the county's "Chief Strategist") created a [guide](#) for local organizations in sectors adjacent to overdose to help them understand how funds may be used to support their grant application efforts.²³

To spend their settlement funds, elected city councils and county commissioners must pass a budget or separate resolutions that authorize the use of funds for specific [Exhibit A](#) expenditures.²⁴ Cities may choose to direct their shares to the county²⁵ or form regions to pool their funds.²⁶ Participating local governments may use settlement monies to award grants to non-profit organizations²⁷ and form local partnerships to support community-based work with local stakeholders.²⁸

Every county that receives settlement funds must annually consult its municipalities on the use of funds and host a public meeting to collect input on proposed uses and facilitate collaboration.²⁹ In addition, participating local governments within counties are required to consult with one another to coordinate spending,³⁰ and the state and participating local governments generally are required to share expertise and resources, coordinate with community stakeholders, and share information about successful programs.³¹ Costs associated with administering the funds must be capped at actual costs or 10%, whichever is lower.³²

25% – OPIATE EPIDEMIC RESPONSE ACCOUNT

The state's 25% share of settlement funds will be deposited in the "settlement account" established within the Opiate Epidemic Response Fund.^{33,34,35} The [Opiate Epidemic Response Advisory Council](#) (OERAC) is responsible for creating and implementing a statewide opioid response effort and developing recommendations for the settlement account's allocation framework,³⁶ but appropriations of settlement account monies must be made in a specific order:³⁷

1. To make up the balance in the separate registration and license fee account, also housed in the Opiate Epidemic Response Fund;³⁸
2. To state agencies to administer and monitor the funds;³⁹
3. To Tribal agency projects providing child protection services to families impacted by substance use disorder.⁴⁰
4. For grantmaking according to the OERAC's recommendations.⁴¹

State law requires the OERAC to make funding recommendations to the Commissioner of Human Services for spending in four specific focus areas:⁴² prevention and education; training on the treatment of opioid use disorder; expanding the continuum of care for opioid use disorder; and protecting the interests of people who use prescription pain medications.⁴³ Settlement-funded projects that include promising practices may be selected for special evaluations.⁴⁴ The Commissioner of Human Services ultimately submits a report containing OERAC's recommendations to the leadership of the legislative committees with jurisdiction over health and human services policy and finance.⁴⁵ OERAC's grant recommendations control "unless otherwise appropriated by the legislature."⁴⁶



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Decision- Making Process

(Continued)

OPIOID EPIDEMIC RESPONSE ADVISORY COUNCIL

The 19-member OERAC must include legislators; providers; an alternative pain management therapy professional; a non-profit organization (with the first appointment going to the [Steve Rummier Hope Network](#)); a person in recovery; representatives of Tribal nations; and someone with chronic pain, intractable pain, or a rare disease or condition; among others.⁴⁷ OERAC must meet specific geographic, racial, and gender diversity standards, and at least one member must represent "a community of color disproportionately affected by the opioid epidemic."⁴⁸ Current OERAC members, voting and non-voting, can be found on [OERAC's website](#).

Tracking Funds and Accountability

- The Minnesota Opioid Epidemic Response Advisory Council must submit a written report containing information about the Opiate Epidemic Response Fund's grantees.⁴⁹ These reports are available on OERAC's [website](#).⁵⁰
- Participating local governments must report their expenditures to the Minnesota Department of Human Services (DHS), and DHS must publish those expenditures in a publicly accessible format.⁵¹
- The state maintains oversight of participating local governments' use of funds and compliance with reporting requirements,⁵² but Minnesota's localities can hold the state responsible for misspent settlement funds as well.⁵³ However, the power to enforce the terms of Minnesota's state-local agreement belongs only to the state and local governments themselves, not to non-profit organizations or community advocates.



Engaging in the Process

- State and participating local governments must engage with partners and community stakeholders to share information about successful strategies.⁵⁴ Hold them to this provision by reaching out and providing your organization's feedback and suggestions for spending settlement funds.
- Attend an OERAC meeting. All meetings are open to the public and include a dedicated public comment period.⁵⁵ Check OERAC's [website](#) for meeting dates, virtual log-in links, and access to past meeting minutes and agendas.
- Watch for funding opportunities from OERAC by subscribing to the Department of Human Services' [Grants and RFPs list](#). Review the list of organizations currently receiving [OERAC funding](#) to understand how funds are being deployed in your area and across the state. (Previous grants can be reviewed in the [Opioid Epidemic Response Advisory Council legislative report](#).)
- Participating local governments may allocate funds to local partners for spending on approved uses in the community.⁵⁶ Watch for funding opportunities from them as well!

Additional Resources

MINNESOTA OFFICE OF THE ATTORNEY GENERAL

[Fighting the Opioid Epidemic in Minnesota](#)

[Minnesota Opioid Settlement Executive Summary](#)

[Legislative Response to the Crisis and the Opioid Epidemic Response Advisory Council](#)

MINNESOTA MANAGEMENT AND BUDGET

[The Use of Evidence in OERAC Grants](#)

MINNESOTA DEPARTMENT OF HEALTH

[Drug Overdose Dashboard](#)

[Differences in Rates of Drug Overdose Deaths by Race](#)

STATE OF MINNESOTA

[2018 Opioid Action Plan](#)

OTHER

[Opiate Epidemic Response Advisory Council](#)



References

Last updated April 19, 2023.

1. From settlements with distributors McKesson, AmerisourceBergen, Cardinal Health and manufacturer Johnson & Johnson only. Minnesota 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 "Minnesota" for state-specific participation information) and OpioidSettlementTracker.com's [Global Settlement Tracker](#) for more information.
2. Minnesota's MOA, [as amended in 2023](#), encompasses settlements with Janssen, AmerisourceBergen, Cardinal Health, McKesson, Teva, Allergan, CVS, Walgreens, Walmart, Purdue, Mallinckrodt, and Endo. MOU VII.A.1, I. The MOA "will also apply to future National Settlement Agreements and Bankruptcy Resolutions with Opioid Supply Chain Participants that include structural or payment provisions requiring or anticipating the participation of both the State and its political subdivisions, and allows for the allocation between the State and its political subdivisions to be set through a state-specific agreement." MOA VII.A.2. State law creating the Opiate Epidemic Response Fund also encompasses proceeds from "any money received by the state resulting from a settlement agreement or an assurance of discontinuance entered into by the attorney general of the state, or a court order in litigation brought by the attorney general of the state, on behalf of the state or a state agency, related to alleged violations of consumer fraud laws in the marketing, sale, or distribution of opioids in this state or other alleged illegal actions that contributed to the excessive use of opioids." See Minn. Stat. Sec. 256.043, subdiv. 1, paragraph (c). 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. "In December 2022, the Attorney General's Office joined five additional multistate settlements worth \$20.4 billion with major opioid manufacturers Teva Pharmaceuticals and Allergan, and three of the nation's largest retail pharmacy chains – Walmart, CVS, and Walgreens. Minnesota's share of these settlements could be around \$235 million. In 2023, the agreement with cities and counties was amended to apply to the five additional settlements above." AG's [Fighting the Opioid Epidemic in Minnesota](#). See also MOA VII.A.1-2.
4. MOU IV.A.
5. Minn. Stat. Sec. 256.042, subdiv. 5, paragraph (a). See, e.g., [Opioid Epidemic Response Advisory Council grantees for Fiscal Year 2023](#).
6. Reporting and Compliance Addendum I(a),(e).
7. MOA II.B.
8. Minn. Stat. Sec. 256.042, subdiv. 1, paragraph (a).
9. Minn. Stat. Sec. 256.043, subdiv. 1, paragraphs (a) and (c).
10. Sec. 256.043, subdiv. 1, paragraph (a)(2). In addition to housing opioid settlement funds (as previously defined by MOU VII.A.1, I, and VII.A.2), the Opiate Epidemic Response Fund also houses, in a separate account, the registration and license fees that opioid prescribers, drug manufacturers, and distributors pay to do business in the state – a scheme described in Minn. Stat. Sec 151.066 and 151.065, subdivision 7, paragraphs (b) and (c).
11. MOA IV.A. "Approved Uses" is defined in MOA I.
12. Minn. Stat. Sec. 256.042, subdiv. 1, paragraph (a)(1).
13. Minn. Stat. Sec. 256.042, subdiv. 1, paragraph (a)(2).
14. Minn. Stat. Sec. 256.042, subdiv. 1, paragraph (a)(3).
15. Minn. Stat. Sec. 256.042, subdiv. 1, paragraph (a)(4).
16. MOA IV.A.
17. MOA IV.A. Only monies in the Backstop Fund may be used for litigation costs or attorneys' fees.
18. MOA II.A,B,I.
19. MOA II.A,B,I.



References

(Continued)

20. MOA III.A-B.
21. MOA IV.B.
22. MOA IV.B.
23. [Wright County Opioid Settlement Advisory Council Meeting Minutes \(March 2023\)](#). Wright County's advisory body also has a [website](#) with past meeting minutes and information about attending future meetings.
24. MOA III.C.1. "The budget or resolution must (i) indicate that it is an authorization for expenditures of opioid settlement funds; (ii) state the specific strategy or strategies the county or city intends to fund, using the item letter and/or number in Exhibit A to identify each funded strategy, if applicable; and (iii) state the amount dedicated to each strategy for a stated period of time." MOA III.C.2.
25. MOA II.L.
26. "Two or more Participating Local Governments may at their discretion form a new group or utilize an existing group ("Region") to pool their respective shares of settlement funds and make joint spending decisions. Participating Local Governments may choose to create a Region or utilize an existing Region under a joint exercise of powers under [Minn. Stat. Sec. 471.59 \[describing joint exercise of powers between two or more governmental units\]](#)." MOA IV.D.
27. MOA III.D.
28. MOA IV.E.3.
29. MOA IV.E.1.
30. MOA IV.E.2.
31. MOA IV.F.
32. MOA IV.C.
33. MOA II.A and II.B.
34. Minn. Stat. Sec. 256.043, subdiv. 1, paragraphs (a) and (c). In addition to the opioid settlement account, the Opiate Epidemic Response Fund also houses a registration and license fee account to hold monies opioid prescribers, drug manufacturers, and distributors pay to do business in the state — a scheme described in Minn. Stat. Sec 151.066 and 151.065, subdivision 7, paragraphs (b) and (c).
35. The Commissioner of Management and Budget is tasked with depositing settlement monies into this settlement account. Minn. Stat. Sec. 256.043, subdiv. 1, paragraph (c).
36. Minn. Stat. Sec. 256.042, subdiv. 1, paragraph (a); subdiv. 1, paragraph (b)(6).
37. Minn. Stat. Sec. 256.043, subdiv. 3a., paragraph (a).
38. Minn. Stat. Sec. 256.043, subdiv. 3a., paragraph (b).
39. Minn. Stat. Sec. 256.043, subdiv. 3a., paragraph (c).
40. Minn. Stat. Sec. 256.043, subdiv. 3a., paragraph (d).
41. Minn. Stat. Sec. 256.043, subdiv. 3a., paragraph (e).
42. Minn. Stat. Sec. 256.042, subdiv. 1, paragraph (a),(b)(3).
43. Minn. Stat. Sec. 256.042, subdiv. 1, paragraph (a)(1)-(4).
44. Minn. Stat. Sec. 256.042, subdiv. 1, paragraph (c).
45. Minn. Stat. Sec. 256.042, subdiv. 4, paragraph (a).
46. Minn. Stat. Sec. 256.042, subdiv. 4, paragraph (b).
47. Minn. Stat. Sec. 256.042, subdiv. 2, paragraph (a),(a)(1)-(17).
48. Minn. Stat. Sec. 256.042, subdiv. 2, paragraph (b).
49. Minn. Stat. Sec. 256.042, subdiv. 5, paragraph (a).
50. See, e.g., [Opioid Epidemic Response Advisory Council grantees for Fiscal Year 2023](#).
51. Reporting and Compliance Addendum I(a),(e).
52. Reporting and Compliance Addendum I(a),(e); V(a)-(b).
53. MOA VII.C.1-2.
54. MOA IV.F.
55. "Submit questions about the public comment period to MN.DHS.OpioidResponse@state.mn." [Opioid Epidemic Response Advisory Council](#).
56. MOA IV.E.3.