



Total Funds

\$641 million¹

Allocation

50% to the state and 50% to counties and municipalities

Mechanism

Allocation agreement between the state and local governments ([Memorandum of Agreement Between the State of New Jersey and Local Governments](#)), legislation ([N.J. Stat. § 26:2G-39 to 26:2G-43](#))²

Key Takeaways

State and local advisory councils. The state and each county must establish an advisory council to provide input, advice, and non-binding recommendations on the allocation and use of state and local opioid settlement funds.³ The state's Opioid Recovery and Remediation Advisory Council must include at least two individuals with lived experience,⁴ and each county advisory council must include at least one member with lived experience.⁵

No supplantation or reimbursement uses. New Jersey's allocation agreement prohibits the state and local governments from using settlement monies to reimburse past expenditures or supplant existing funding streams.⁶

100% public reporting. At least once each year, the state and local governments must publicly report the amount of settlement funds they received, the amount of funds disbursed for approved purposes and/or administrative expenses, and the allocation of any funding awards – listing the recipient, award amount, program to be funded, and disbursement terms.⁷ The state will publish these reports on its website.⁸

Background

This resource is current as of 6/2/2023. For the most up-to-date information, please visit <https://www.opioidsettlementtracker.com/settlementspending>.

The [Memorandum of Agreement Between the State of New Jersey and Local Governments](#) (Agreement) allocates 50% of settlement monies to the state and 50% of monies directly to participating local governments.⁹ New Jersey state law established the Opioid Recovery and Remediation Fund (Fund) to hold the state's share of settlement monies and the Opioid Recovery and Remediation Advisory Council (State Advisory Council) to provide information, advice, and general recommendations regarding the use of Fund monies.¹⁰ Each region of the state, which consists of a county and/or municipalities within a county,¹¹ also must establish a county advisory council to provide input, advice, and recommendations on the use of local settlement funds.¹² Except for attorneys' fees, litigation costs, and up to 5% for administrative expenses, all settlement monies, regardless of



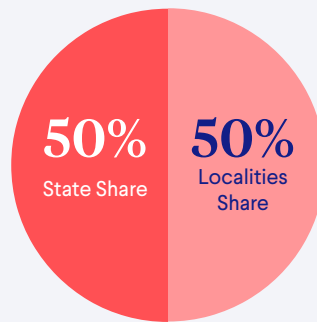
Background

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allocation, must be spent on “Approved Purposes,” which is defined as the list of opioid remediation uses in the Agreement’s [Exhibit A](#) and includes prevention, harm reduction, treatment, and recovery support services.¹³ State and local settlement monies also must supplement, not supplant, existing funding streams and may not be used as reimbursement for past expenditures.¹⁴

Decision-Making Process

ALLOCATION OF SETTLEMENT FUNDS



50% STATE SHARE

The state’s 50% share of opioid settlement funds is deposited into the Opioid Recovery and Remediation Fund (Fund) established by state law.¹⁵ Except for attorneys’ fees, litigation costs, and up to 5% for administrative expenses, all Fund monies must be used for approved purposes such as to expand prevention, harm reduction, treatment, and recovery support services.¹⁶ The state must use Fund monies to supplement, not supplant, existing funding streams and may not use Fund monies to reimburse past expenditures.¹⁷ The New Jersey Department of Human Services (DHS) directs the allocation and disbursement of the state’s share of settlement monies in consultation with the Opioid Recovery and Remediation Advisory Council (State Advisory Council).¹⁸ DHS’ funding allocations must “consider equitable access for underserved communities [s]tatewide” and emphasize evidence-based and evidence-informed programs and strategies.¹⁹

OPIOID RECOVERY AND REMEDIATION ADVISORY COUNCIL

The Opioid Recovery and Remediation Advisory Council (State Advisory Council) was established by state law to review proposals, engage with stakeholders and community members, and provide non-binding recommendations on expenditures of the state’s share of settlement funds.²⁰ The State Advisory Council is tasked with reviewing and evaluating spending recommendations submitted by the public via the state’s [online portal](#),²¹ as well



Decision- Making Process

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as soliciting feedback from a variety of stakeholders, including people with lived experience with opioid use disorder,²² among other duties.²³ The State Advisory Council is also empowered, but not required, to provide local governments with information and recommendations regarding the use of local opioid settlement monies, including by coordinating with county advisory councils.²⁴ The Governor must appoint at least 10 public members to the State Advisory Council who “reflect the diversity of New Jersey.”²⁵ The appointed public members must include public health and policy experts and at least two people with lived experience with opioid use disorders.²⁶ The Commissioner of Human Services, Commissioner of Health, Commissioner of Children and Families, and Attorney General or their designees serve as ex-officio members,²⁷ with the Commissioner of Human Services or their designee serving as the State Advisory Council’s chairperson.²⁸

50% LOCALITIES SHARE

Fifty percent (50%) of New Jersey’s opioid settlement funding is distributed directly to participating local governments according to the percentages in [Exhibit B](#) of the Agreement.²⁹ Except for attorneys’ fees, litigation costs, and up to 5% for administrative expenses, participating local governments must spend all opioid settlement monies on approved uses such as to expand prevention, harm reduction, treatment, and recovery support services.³⁰ Localities must use settlement monies to supplement, not supplant, existing funding streams and may not use the monies to reimburse past expenditures.³¹ Participating local governments will likely use their normal budgeting and decision-making processes to expend their share of settlement funds.

COUNTY ADVISORY COUNCILS

Each county that directly receives opioid settlement funds must establish an advisory council (County Advisory Council) to provide input, advice, and recommendations on the use of those funds.³² Municipalities within a county may also request input, advice, and recommendations from their County Advisory Council on the use of the municipality’s settlement funds.³³ Each County Advisory Council must include at least five members, including (1) a member possessing expertise in substance use disorder treatment or prevention; (2) a member representing a provider of behavioral health or substance use disorder treatment in the community; (3) a member with personal experience with substance use and substance use disorder issues; (4) the county prosecutor or the county prosecutor’s designee; and (5) an individual authorized to appropriate funds on behalf of the governing body of the county or such individual’s designee.³⁴ A County Advisory Council may add additional members as it deems appropriate.³⁵ The county department, division, or agency that includes the County Alcoholism and Drug Abuse Director serves as the lead agency responsible for consulting with the County Advisory Council, and the County Alcoholism and Drug Abuse Director may serve as a member of the County Advisory Council.³⁶

LOCAL SPENDING EXAMPLE

Camden County announced it will prioritize mobile access to medications for opioid use disorder (MOUD), naloxone access, and mental health services with its initial \$1.2 million in settlement funds.³⁷



Tracking Funds and Accountability

- The New Jersey Department of Human Services (DHS), in consultation with the State Advisory Council, must submit an annual report to the governor and legislature detailing the state's expenditure of settlement monies.³⁸ The state also must publish these reports on its website no later than October 1 of each year.³⁹
- Each region must at least annually provide to the state and make publicly available a report that details the receipt, allocation, and disbursement of opioid settlement monies by local governments within the region.⁴⁰ Regions must provide these reports to the state by September 1 of each year,⁴¹ and the state must post the reports on its website.⁴²
- The use of opioid settlement funds is subject to oversight by the New Jersey State Comptroller, an independent state agency that seeks to ensure the proper use of public funds.⁴³

Engaging in the Process

- Bookmark the Department of Human Services' [Opioid Settlements](#) page, which includes information about upcoming State Advisory Council events such as planned listening sessions.
- Submit input and recommendations each year on spending priorities for the state's share of settlement funds via the state's [Opioid Settlement Portal](#). Although the initial 60-day comment period has ended, the [press release](#) announcing the portal indicates it "will re-open annually to facilitate ongoing input on the State's opioid response and prevention efforts." Hold the state to this commitment!
- The State Advisory Council is required to solicit feedback from stakeholders, including individuals with lived experience. Watch for additional opportunities to provide such feedback.
- Monitor and advocate around membership of the State Advisory Council and county advisory councils (e.g., who are the public members with lived experience?). Form coalitions to support advisory council members that represent individuals with lived experience.
- The State Advisory Council and county advisory councils are not formally subject to the New Jersey Open Public Meetings Act (i.e., "The Sunshine Law").⁴⁴ Push for commitments from state and local officials to operate advisory councils openly, transparently, and in a manner that facilitates robust public participation.



Additional Resources

NEW JERSEY DEPARTMENT OF HUMAN SERVICES

[Opioid Settlements](#)

[Governor Murphy Announces Appointments to Opioid Recovery and Remediation Advisory Council](#)

[Opioid Recovery and Remediation Fund Advisory Council Virtual Public Listening Session - May 4, 2023](#)

NEW JERSEY DEPARTMENT OF PUBLIC HEALTH

[New Jersey Overdose Data Dashboard](#)



References

Last updated June 2, 2023.

1. From settlements with distributors McKesson, AmerisourceBergen, Cardinal Health and manufacturer Johnson & Johnson only. New Jersey 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 "New Jersey" for state-specific participation information) and OpioidSettlementTracker.com's [Global Settlement Tracker](#) for more information.
2. The New Jersey state law establishing the Opioid Recovery and Remediation Fund and the state's allocation agreement apply to any settlement or bankruptcy plan resolving claims against opioid manufacturers, distributors, or pharmacies related to the manufacture, marketing, distribution, or dispensing of opioids. N.J. Stat. § 26:2G-39(g); Agreement §§ B(6)-(8), (11)-(12). 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. N.J. Stat. §§ 26:2G-40(a), 26:2G-42; Agreement § C(3).
4. N.J. Stat. § 26:2G-40(b)(2) ("including one or more individuals who have or are in recovery from an opioid use disorder and one or more family members of a person with an opioid use disorder").
5. N.J. Stat. § 26:2G-42; Agreement § C(3).
6. N.J. Stat. § 26:2G-39(f) ("other than attorneys' fees, costs, and expenses related to litigation"); Agreement § D(7).
7. Agreement § F(4)-(5).
8. Agreement § F(5). See also N.J. Stat. § 26:2G-43(c).
9. Agreement § D(1). See also N.J. Stat. § 26:2G-41 ("The Attorney General, in consultation with the Commissioner of Human Services, shall be authorized to enter into agreements with counties and municipalities concerning the allocation and expenditure of moneys allocated to the State and its counties and municipalities in any national opioid litigation resolution.")
10. N.J. Stat. §§ 26:2G-39(a) (establishing the Opioid Recovery and Remediation Fund), 26:2G-39(b) (requiring the state's share of settlement monies be deposited into the Fund), 26:2G-40(a) (establishing the Opioid Recovery and Remediation Council within the Department of Human Services). The Opioid Recovery and Remediation Advisory Council was first established in August 2022 via an executive order ([NJ Exec. Order No. 305](#)) and subsequently codified into state law via legislation. See "[Governor Murphy Signs Legislation Establishing Opioid Recovery & Remediation Fund for Allocation of Settlement Funds to Address Opioid Crisis.](#)"
11. Agreement § C(1).
12. Agreement § C(3)-(4); N.J. Stat. § 26:2G-42.
13. Agreement §§ B(1), D(2); N.J. Stat. § 26:2G-39(c)(1), (e). The list of approved uses in the Agreement's Exhibit A is identical to the list of approved uses in [Exhibit E](#) of the Distributor and Janssen Settlement Agreements.
14. N.J. Stat. § 26:2G-39(f) ("other than attorneys' fees, costs, and expenses related to litigation"); Agreement § D(7).
15. N.J. Stat. § 26:2G-39(a)-(b); Agreement § D(1).
16. N.J. Stat. §§ 26:2G-39(c)(1), (c)(3), (e); Agreement §§ (B)(1), (D)(2)-(3).
17. N.J. Stat. § 26:2G-39(f) ("other than attorneys' fees, costs, and expenses related to litigation"); Agreement § D(7).
18. N.J. Stat. §§ 26:2G-39(c)(2)-(3), (d). See also N.J. Stat. §§ 26:2G-39(c)(4) ("Moneys from the fund may be transferred to other State departments as directed by the Commissioner of Human Services in support of the purposes provided for in this act, subject to the approval of the Director of Budget and Accounting.")



References

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19. N.J. Stat. § 26:2G-39(d).
20. N.J. Stat. § 26:2G-40(a). The Opioid Recovery and Remediation Advisory Council was first established in August 2022 via an executive order ([NJ Exec. Order No. 305](#)) and subsequently codified into state law via legislation. See [“Governor Murphy Signs Legislation Establishing Opioid Recovery & Remediation Fund for Allocation of Settlement Funds to Address Opioid Crisis.”](#)
21. N.J. Stat. § 26:2G-40(a)(3).
22. N.J. Stat. § 26:2G-40(a)(2).
23. N.J. Stat. § 26:2G-40(a)(1)-(6).
24. N.J. Stat. § 26:2G-40(f)(2).
25. N.J. Stat. § 26:2G-40(b)(2). The Governor may also appoint additional ex officio and public members as they deem appropriate. N.J. Stat. § 26:2G-40(b)(3).
26. N.J. Stat. § 26:2G-40(b)(2) (the two individuals with lived experience with opioid use disorders must include “one or more individuals who have or are in recovery from an opioid use disorder and one or more family members of a person with an opioid use disorder.”)
27. N.J. Stat. § 26:2G-40(b)(1).
28. N.J. Stat. § 26:2G-40(c).
29. Agreement §§ B(9), C(2), D(1). See also Agreement § D(4) (a “Participating Local Government may provide notice [that it no longer wishes to directly receive any opioid settlement monies] to the Trustee. If that Participating Local Government is a municipality, that municipality’s funds shall be reallocated to the Participating County in which it is located. If the county in which such municipality is located is not a Participating County, then that municipality’s funds shall be reallocated proportionally among the Participating Counties. If that Participating Local Government is a county, then that county’s funds shall be reallocated proportionally among the Participating Counties, and the Region shall thereafter be treated as if the county had not previously participated.”)
30. Agreement §§ B(1), B(7), D(2)-(3); N.J. Stat. § 26:2G-39(e).
31. N.J. Stat. § 26:2G-39(f) (“other than attorneys’ fees, costs, and expenses related to litigation”); Agreement § D(7).
32. N.J. Stat. § 26:2G-42; Agreement § C(3). Although the Agreement also provides for regional advisory councils for participating municipalities in a non-participating county, Agreement § C(4), all New Jersey counties have opted to participate in the settlements.
33. N.J. Stat. § 26:2G-42; Agreement § C(3).
34. N.J. Stat. § 26:2G-42; Agreement § C(3).
35. N.J. Stat. § 26:2G-42; Agreement § C(3).
36. Agreement § C(3).
37. [“Mobile addiction treatment and naloxone expansion part of Camden County’s plans for opioid settlement funds”](#)
38. N.J. Stat. § 26:2G-43(a) (“The information shall include the allocation amount, program description, involved community providers, goals of the program, and outcome measures to be used to determine program efficacy.”) The Department of Human Services must also publish a final report within 180 days after all opioid settlement monies have been expended. N.J. Stat. § 26:2G-43(b) (the final report must include “the amounts allocated; descriptions of the programs funded using the proceeds; community providers involved in programs receiving allocations from the proceeds; outcomes from programs receiving allocations from the proceeds; overall outcomes resulting from the expenditure of the proceeds, including changes in substance use disorder rates, overdose deaths, participation in substance use disorder treatment and recovery programs, successful treatment outcomes, outcomes involving dual diagnoses involving substance use disorders in combination with other behavioral health conditions, and expansions in substance use disorder and other behavioral health care provider and treatment capacity; and such other information and data as the department deems necessary to fully evaluate the use of opioid litigation resolution funds...”)
39. Agreement § F(5); N.J. Stat. § 26:2G-43(c).



References

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40. Agreement § F(4) (the reports must specify “(1) the amount of the Local Government Share received by each Participating Local Government within the Region, (2) the allocation of any awards approved (listing the recipient, the amount awarded, the program to be funded, and disbursement terms), (3) the amounts disbursed on Approved Purposes, and (4) the amounts spent on administrative expenses. Each Participating Local Government within a Region shall prepare its own report detailing the information required ... [and] provide its report to one or more delegate(s) selected by the Region to compile all of the reports for the Region and make them available publicly and to the State.”)
41. Agreement § F(4).
42. Agreement § F(5).
43. Agreement § F(6).
44. See N.J. Stat. § 10:4-7 (providing that “informal or purely advisory bodies with no effective authority are not covered” by the state Open Public Meetings Act).