# Ohio







**Total Funds** 

## \$1.01 billion<sup>1</sup>

Allocation

55% to the OneOhio Recovery Foundation, 30% to local governments, 15% to the state Mechanism

Allocation agreement between the state and local governments (<u>OneOhio</u> <u>Memorandum of Understanding</u>)<sup>2</sup>

#### **Key Takeaways**

**Foundation control.** Ohio, unlike most states,<sup>3</sup> created a private, non-profit foundation – the <u>OneOhio Recovery Foundation</u> – to house the majority (55%) of its settlement funds.<sup>4</sup> The Foundation's Board of Directors will decide how to distribute these funds through statewide programs or to Ohio's 19 predetermined regions (see in Exhibits C and D of the MOU).

Local and state share. Local governments will receive their 30% share directly,<sup>5</sup> and the remaining 15% state share is overseen by the Ohio Attorney General's office.<sup>6</sup>

Lack of transparency. The <u>OneOhio Recovery Foundation</u> was sued by Harm Reduction Ohio for allegedly violating the requirement that it operate in a transparent manner akin to a public entity.<sup>7</sup> The Supreme Court of Ohio ruled in Harm Reduction Ohio's favor in May 2023 regarding a separate suit similarly focused on the Foundation's lack of transparency.<sup>8</sup> However, Ohio's fiscal years <u>2024-2025 budget bill</u> overturned this decision by exempting OneOhio and its regional boards from multiple state transparency and anti-corruption laws, including the state's public records law.<sup>9</sup>

### Background

The <u>OneOhio Memorandum of Understanding</u> (MOU) establishes the state's opioid settlement allocations listed above. All opioid settlement funds, regardless of allocation, must be spent on "Approved Purposes"<sup>10</sup> such as expanding access to medications for opioid use disorder, increasing the availability and distribution of naloxone, regional treatment hubs, and stigma reduction training.<sup>11</sup>

This resource is current as of 4/6/2023. For the most up-to-date information, please visit <u>https://www.opioidsettlementtracker.</u> com/settlementspending.

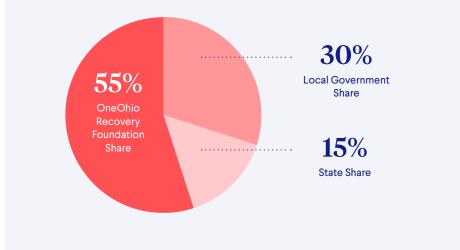
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### Decision-Making Process

**ALLOCATION OF SETTLEMENT FUNDS** 



#### **55% ONEOHIO RECOVERY FOUNDATION SHARE**

The OneOhio Recovery Foundation (OORF) is overseen by a 29-member Board and a Board-appointed Expert Panel. The Board must establish procedures for disbursing its 55% share across statewide programs, regional shares, and grants,12 and the Expert Panel is tasked to assist the Board with its decisionmaking<sup>13</sup> and advise Ohio's 19 predetermined regions on spending settlement funds.<sup>14</sup> (See Exhibit C of the MOU for a regional map.) The OORF Board includes representatives of the state (five selected by the Governor, one by the Attorney General), four members of the state legislature, and 19 members selected by the regions.<sup>15</sup> The Expert Panel provides spending recommendations to these 19 regions and is made up of local and state representatives appointed by the OORF Board, Governor, and Attorney General. Though Ohio's Expert Panel will use experts in addiction, pain management, public health, and "other opioid related fields" to inform its recommendations to the state's 19 regions, it is not required that panel members possess those expertises themselves.<sup>16</sup> Current Board and Expert Panel members are listed on the OORF's website.

#### **OORF BOARD**

The OORF Board, assisted by its investment advisors and Expert Panel, determines what percentage of the OORF's 55% of funds will be spent in Ohio's 19 regions as Regional Shares<sup>17</sup> and distributed according to the Regional Share Calculations.<sup>18</sup> Regional proposals for project funding are submitted to the OORF Board to ensure that projects fall within Approved Purposes,<sup>19</sup> but the regions are otherwise able to design their own governance structures.<sup>20</sup>

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### Decision-making

Process (Continued)

#### **EXAMPLE OF REGIONAL GOVERNANCE STRUCTURES**

<u>Region 2's board</u> includes county officials, city health commissioners, county drug court and sheriff representatives, people with lived experience, and a faith leader.

<u>Region 7's board</u> will meet monthly and anticipates a process in which it reviews local organizations' applications for funding and recommends recipients to the OORF's Board.<sup>21</sup>

#### **30% LOCAL GOVERNMENT SHARE**

Local governments will receive their "LG Share" of funds directly and independently decide how best to allocate the funds.<sup>22</sup> Local governments may spend these funds to reimburse past expenditures so long as the expenditures would qualify as an approved use and the local government follows specified procedures.<sup>23</sup> Localities will ultimately receive funds from the "LG Share" described here and from the OneOhio Recovery Foundation via Regional Disbursements highlighted above.<sup>24</sup>

#### **15% STATE SHARE**

The state share is allocated to the Attorney General's Office and must be used for Approved Purposes.<sup>25</sup>

## Tracking Funds and Accountability

- The <u>OneOhio MOU</u> and the <u>OneOhio Recovery Foundation's Code of</u> <u>Regulations (COR)</u> contain no explicit promises to publicly report opioid settlement expenditures.<sup>26</sup> This is despite the commitments to transparency outlined in the MOU and OneOhio Recovery Foundation's Code of Regulations.<sup>27</sup>
- The OneOhio Recovery Foundation was sued by a grassroots organization, <u>Harm</u> <u>Reduction Ohio</u>, for allegedly violating open meeting and public records laws. An early stage of the open meetings litigation was decided in Harm Reduction Ohio's favor. In May 2023, the Supreme Court of Ohio ruled in a separate lawsuit by Harm Reduction Ohio against the Foundation that the latter must comply with the state's public records laws.<sup>28,29</sup> However, Ohio's fiscal years <u>2024-2025 budget</u> <u>bill</u> overturned this decision by exempting OneOhio and its regional boards from multiple state transparency and anti-corruption laws, including the state's public records law.<sup>30</sup>

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Engaging in the Process	• <u>Sign up for email updates</u> from the OneOhio Recovery Foundation and keep an eye out for news about the OORF's competitive grants process, which it has promised to make open to non-profit organizations.
	• Attend and share what you learn from <u>OORF Board meetings</u> , which are held monthly and open to the public. Unlike the "Agenda" or "Meeting Recap" resources created for each OORF Board meeting, the " <u>Board Packets</u> " contain specific descriptions of Board member discussions. Reach out to the OORF and connect with your region <u>here</u> .
	<ul> <li>Encourage regions to incorporate the perspectives of people with lived experience and reference the OORF's <u>Code of Regulations</u> as explicit support to do so.<sup>31</sup></li> </ul>
	• Check out Community Education Group's <u>Appalachia Opioid Remediation (AOR)</u> <u>Local Opioid Settlement Spending Database</u> and sign up for their AOR email alerts <u>here</u> . CEG's AOR initiative provides opioid settlement spending updates from the 13 states of Appalachia. <sup>32</sup>
Additional Resources	ONEOHIO RECOVERY FOUNDATION Frequently Asked Questions
	OHIO ATTORNEY GENERAL'S OFFICE
	Easing the Opioid Addiction Crisis
	COMMUNITY EDUCATION GROUP
	Appalachia Opioid Remediation (AOR) Local Opioid
	<u>Settlement Spending Database</u> and <u>email list</u>
	OTHER
	Harm Reduction Ohio

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trategies

#### 1. From settlements with distributors McKesson, AmerisourceBergen, Cardinal Health and References manufacturer Johnson & Johnson only. Ohio 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 "Ohio" for statespecific participation information) and OpioidSettlementTracker.com's Global Settlement Tracker for more information. 2. The OneOhio Memorandum of Understanding applies to all settlements jointly entered by the state, local governments, and an entity that "engages in or has engaged in the manufacture, marketing, promotion, distribution, or dispensing of an opioid analgesic." MOU A.5. 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. But like West Virginia, which has also pursued the non-profit foundation route. 4. MOU D.3. 5. MOU B.7. 6. MOU B.1. The AGO may choose to direct some of its 15% state share monies to the Foundation. MOU D.11(b). 7. See, e.g., https://www.harmreductionohio.org/oneohio-opioid-settlement-board-continuespolicy-of-extreme-secrecy/ 8. State ex rel. Harm Reduction Ohio v. OneOhio Recovery Foundation, 2023 Ohio 1547, ¶ 34. You can read the opinion here: https://www.supremecourt.ohio.gov/rod/docs/pdf/0/2023/2023ohio-1547.pdf 9. 2023 Ohio House Bill 33 § 182.02 10. The MOU defines "Approved Purposes" to mean the list of uses set out in its Exhibit A. 11. MOU B.2. 12. "Any statewide programs funded from the Foundation Share would be only as directed by an affirmative vote of the Board as set forth in paragraph D(7) above." MOU D.11. "In all votes of the Board, a measure shall pass if a quorum is present, the measure receives the affirmative votes from a majority of those board members voting, and at least one member from each of the four classes of Board members votes in the affirmative." MOU D.7. 13 MOUD9 14. MOU D.2. 15. "The Board will consist of 29 members comprising representation from four classes: Six members selected by the State (five selected by the Governor and one selected by the Attorney General); Four members drawn from the Legislature" ("One representative selected by the President of the Ohio Senate," "One representative selected by the Ohio Senate Minority Leader," "One representative selected by the Speaker of the Ohio House of Representatives," and "One representative selected by the Ohio House Minority Leader"); "Eleven members with one member selected from each non-metropolitan Regions," and "[e]ight members, with one member selected from each metropolitan Regions." MOU D.4(a). 16. MOU D.9. 17. MOU D.11. 18. Regional Share Calculations are made by combining local government's individual shares within that region as set forth in Exhibit B. Regional Shares for each Region are provided in Exhibit D. MOU D.11. 19. MOU D.11(e). 20. MOU D.2.

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#### References

(Continued)

- 21. The article lists regional board members as well.
- 22. At least those set to receive \$500 or more. "If the LG Share is less than \$500, then that amount will instead be distributed to the county in which the Local Government lies to allow practical application of the abatement remedy." MOU B.5. Additionally, Cuyahoga County and Summit County will not receive Year 1 payments given their previous bellwether settlements with companies including McKesson, AmerisourceBergen, Cardinal Health, Johnson & Johnson, and Teva.
- 23. "Prior to using any portion of the LG Share as restitution for past expenditures, a Local Government shall pass a resolution or take equivalent governmental action that explains its determination that its prior expenditures for Approved Purposes are greater than or equal to the amount of the LG Share that the Local Government seeks to use for restitution." MOU B.2.
- 24. The list of participating local governments and their allocations may be found in <u>Exhibit B</u> of the MOU. Localities' Year 1 payments may be found <u>here</u>; their estimated potential settlement totals are available <u>here</u>. (The latter includes both the "LG Share" and anticipated regional disbursements from the "Foundation Share" because Localities will ultimately receive opioid settlement monies from two different sources: their directly allocated 30% LG Share, and OneOhio Foundation monies set aside as Regional Shares.)
- 25. MOU B.1.
- 26. See OpioidSettlementTracker.com's "<u>States' Initial Promises to Publicly Report Their Opioid</u> Settlement Expenditures."
- 27. See, e.g., Foundation Board's Code of Regulations.
- 28. See the case's history here: https://www.supremecourt.ohio.gov/Clerk/ecms/#/ caseinfo/2022/0966; State ex rel. Harm Reduction Ohio v. OneOhio Recovery Foundation, 2023 Ohio 1547, ¶ 34.
- 29. https://tinyurl.com/5n96h8w8
- 30. 2023 Ohio House Bill 33 § 182.02
- 31. "The Foundation has indicated to the regions that regional governance structures should be established to ensure that all Local Governments (counties, townships, cities, and villages) in the Region have input and equitable representation in making their appointment to the Foundation Board and that regions are encouraged to incorporate diverse private sector involvement, including participation by private sector stakeholders with treatment, prevention or abatement expertise, and individuals with lived or shared experience with substance use disorder." Foundation Board's Code of Regulations Sec. 3.02(d).
- 32. AL, GA, KY, MD, MS, NY, NC, OH, PA, SC, TN, VA, WV.