



# Guide for Community Advocates On the Opioid Settlement Pennsylvania



## Total Funds

**\$1.07 billion<sup>1</sup>**

## Allocation

**15% to the state and 85% to local governments**

## Mechanism

**Opioids trust and allocation agreement between the state and local governments; legislation**

## Background

### Key Takeaways

An agreement between the state and local governments established the Pennsylvania Opioid Misuse and Addiction Abatement Trust to receive opioid settlement funds and established a Board of Trustees to oversee the trust.

Legislation created a separate account for the state's share of opioid settlement money and requires the General Assembly to authorize the use of funds from the account. Local governments may use different processes for allocating local opioid settlement funds.

State and local settlement funds must be used for opioid abatement strategies, such as strategies related to prevention, harm reduction, treatment, and recovery.

Public meetings, annual reports, and right-to-know requests are ways that community members can engage in and monitor the process.

In Pennsylvania, the allocation and use of opioid settlement dollars are governed by both legislation and an agreement between the state and local governments. The [legislation](#), first adopted in 2021, established the Opioid Settlement Restricted Account (“State Account”), which holds the state’s share of opioid-related settlement money coming into Pennsylvania.<sup>2</sup> Funds in the State Account may be used only if appropriated by the General Assembly.<sup>3</sup>

The agreement between the state and local governments (“State-Local Agreement”) allocates 15% of opioid settlement funds to the state, 70% to counties, and 15% to litigating subdivisions.<sup>4</sup> The State-Local Agreement also established the Pennsylvania Opioid Misuse and Addiction Abatement Trust (“Trust”) to receive, disperse, and oversee settlement funds.<sup>5</sup> The Trust is governed by a 13-member Board of Trustees,<sup>6</sup> who are responsible for receiving and investing settlement money, reviewing local government certifications and annual reports, disbursing annual settlement shares to the state and local governments, and preparing a public annual report. The State-Local Agreement also requires the state and local governments to use settlement funds consistent with uses authorized in [Exhibit E](#) of the national settlement agreements,<sup>7</sup> such as to expand harm reduction and treatment services.<sup>8</sup>

# Pennsylvania

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## Decision-making Process

1. The Pennsylvania General Assembly must authorize the use of the state's share of opioid-related settlement money. This authorization (i.e., an act of appropriation) generally occurs through the state's budget process.<sup>9</sup>
2. The State-Local Agreement does not create specific decision-making processes for local governments to determine how to use settlement funds, such as an advisory committee or other mechanism. It does, however, specify that local governments will be notified about the amount of funding they will receive by September 1 each year and must submit a form by November 15 each year certifying that they will use funds for purposes consistent with the settlement agreement. Additionally, local governments must spend settlement funds within 18 months of receiving them unless the funds are being used for a multi-year capital project.
3. **Local Example:** In June 2022, the Dauphin County Board of Commissioners adopted a resolution establishing an Opioid Remediation Grant Program. The [Grant Program](#) will make annual awards to implement opioid remediation strategies outlined in [Exhibit E](#) of the national settlement agreements, with a preference for strategies listed in Schedule A such as naloxone distribution, medication treatment for opioid use disorder, and support for pregnant and postpartum women. Eligible entities include municipalities and non-municipal entities that are sponsored by a municipality or the county. The Dauphin County Opioid Remediation Advisory Board will advise the Dauphin County Board of Commissioners on funding decisions.

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## Engaging in the Process

1. Engage with state policymakers to inform how the General Assembly allocates the state's opioid-related settlement funds.
2. Attend Board of Trustee meetings for the Pennsylvania Opioid Misuse and Addiction Abatement Trust, which generally must hold public meetings in accordance with the Pennsylvania Sunshine Act.
3. Research and understand the process in your community, which may evolve over time. Attend meetings and provide feedback when local governments develop budgets or plans for allocation of the opioid settlement funds.

# Pennsylvania

## Tracking Funds and Accountability

1. The state and local governments must use settlement funds consistent with the uses authorized in the settlement agreement.<sup>10</sup>
2. By March 15 each year, counties must submit reports to the Board of Trustees documenting their use of opioid settlement funds and the amount of any unspent funds. The Trust must review these annual spending reports to ensure local governments are using funds for approved purposes.
3. The Board of Trustees may reduce or withhold payments from local governments that use settlement funds for non-approved purposes or fail to comply with annual reporting requirements.
4. You can file requests under the [Pennsylvania Right-To-Know Law](#) for information about how the state and local governments use settlement funds.<sup>11</sup>

## Additional Resources

### TRACKER

#### OpioidSettlement Tracker.com (national)

<https://www.opioidsettlementtracker.com/>

### TOOLKIT

#### Opioid Settlement Toolkit for Community- Based Organizations

<https://www.social-current.org/reports/opioid-settlement-toolkit-community-based-organizations/>

### YOUTUBE VIDEO

#### Office Hours: Accessing Opioid Settlement Funding for Harm Reduction Programs with Christine Minhee

<https://www.youtube.com/watch?v=X7cWmhThEDc>

### WEBSITE

#### Opioid Solutions Center (National Association of Counties)

<https://www.naco.org/resources/opioid-solutions-center>

### PRINCIPLES

#### Principles for the Use of Funds from the Opioid Litigation

<https://opioidprinciples.jhsph.edu/>

### TOOLKIT

#### Organizing for Effective Advocacy, Chapters 30-35 of the Community Tool Box

<https://ctb.ku.edu/en/table-of-contents>

# Pennsylvania

## References

1. This total is limited to funds received from settlements with McKesson, Cardinal Health, AmerisourceBergen, and Johnson & Johnson. Additional money may be available through other settlement agreements.
2. The legislation applies to money received in any settlement, litigation, or enforcement action related to opioids. 72 Pa. Stat. Ann. § 1792-A.1(b), available at <https://tinyurl.com/2p9vk9cf>.
3. 72 Pa. Stat. Ann. § 1792-A.1(c).
4. Litigating subdivisions include counties, county subdivisions (e.g., cities and townships), and district attorneys that had filed litigation against prescription opioid distributors as of July 21, 2021.
5. The Trust will receive, disperse, and oversee funds received from: (1) the national settlements with opioid distributors and Johnson & Johnson; (2) opioid-related bankruptcy proceedings (e.g., Purdue Pharma); and (3) any future settlement agreements entered into by the state and local governments that are related to the marketing, manufacturing, sale, promotion, distribution, prescribing, or dispensing of opioids.
6. Members of the Board of Trustees include a chairperson appointed by the governor; a secretary of one of the Commonwealth's health and human services agencies or their designee; four legislative member trustees appointed by leaders in the state House of Representatives and Senate; and seven regional trustees appointed by specified county or city officials.
7. Exhibit E is accessible at <https://www.attorneygeneral.gov/wp-content/uploads/2021/12/Exhibit-E-Final-Distributor-Settlement-Agreement-8-11-21.pdf>.
8. The state or a local government may use settlement funds for a purpose not specifically listed in Exhibit E if the court overseeing the State-Local Agreement determines that the spending will reduce the incidence or rate of opioid addiction and overdose deaths.
9. In the 2023 fiscal year budget, for example, the General Assembly appropriated \$22.545 million of opioid settlement funds to the Department of Drug and Alcohol Programs (DDAP) for opioid use disorder treatment and abatement programs. [Pennsylvania Act No. 1A of 2022](#). DDAP [announced](#) that \$9 million of these funds will be awarded to Single County Authorities to establish or expand crisis stabilization services.
10. A list of approved uses is available in Exhibit E of the settlement agreement, accessible at <https://www.attorneygeneral.gov/wp-content/uploads/2021/12/Exhibit-E-Final-Distributor-Settlement-Agreement-8-11-21.pdf>.
11. Additional information on Pennsylvania's Right-To-Know Law is available at <https://www.openrecords.pa.gov/RTKL/CitizensGuide.cfm>.