



Total Funds

\$64 million¹

Allocation

70% to the Opioid Abatement Special Fund, 15% to participating subdivisions, and 15% to the state

Mechanism

Legislation ([18 V.S.A. §§ 4771-4774](#))

Key Takeaways

Default allocation. Vermont adopted the national settlement agreements' default allocation scheme, which allocates 70% of a state's funds to an abatement account devoted solely to future opioid remediation uses (i.e., Vermont's Opioid Abatement Special Fund) and splits the remaining 30% evenly between the state and local governments.²

No supplantation of Opioid Abatement Special Fund (Abatement Fund) monies. Monies in the Abatement Fund must be used only on prevention, intervention, treatment, recovery, and harm reduction services that supplement, not supplant, existing funding streams.³

Focus on harm reduction. Vermont's commitment to harm reduction appears throughout its state laws governing the Abatement Fund and Opioid Settlement Advisory Committee.⁴

Public reporting. Vermont has no public or intrastate reporting requirements for opioid settlement expenditures.⁵

Background

Vermont is one of few states to adopt the national settlement agreements' default allocation scheme.⁶ Seventy percent (70%) of Vermont's settlement funds are allocated to an abatement account devoted solely to future opioid remediation uses,⁷ with the remaining 30% split evenly between the state and local governments' shares.⁸ State law addresses the 70% share of funds, establishing the [Opioid Abatement Special Fund](#) (Abatement Fund) and the [Opioid Settlement Advisory Committee](#) (Advisory Committee).⁹

[Guidance](#) from the state Attorney General's office clarifies allocations from the Subdivision Fund,¹⁰ and refers to the national settlement agreement's [Exhibit E](#) as the state's list of approved purposes.¹¹ State law also outlines "activities" and "priorities" for spending monies in the Abatement Fund.¹² More specifically, state law requires Abatement Fund monies be used for "opioid prevention, intervention,

This resource is current as of 5/12/2023. For the most up-to-date information, please visit <https://www.opioidsettlementtracker.com/settlementspending>.



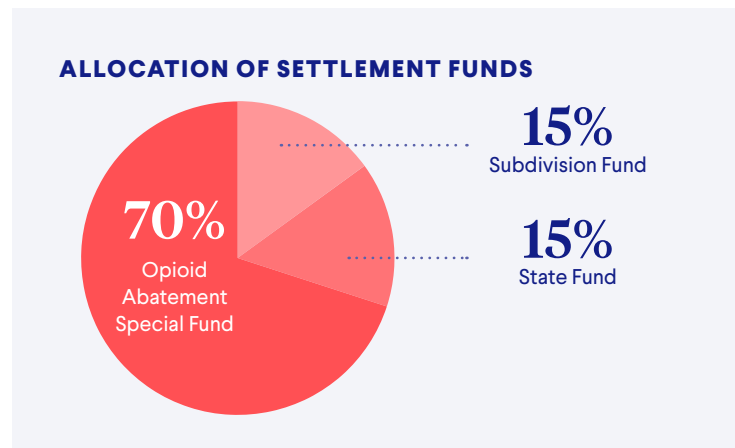
Vermont

Background

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treatment, recovery, harm reduction, and evaluation activities” that include, but are not limited to, preventing overdose and other harms, connecting people to care, preventing overprescribing and “misuse,” harm reduction strategies, and Advisory Committee administrative costs.¹³ The stated priorities, which are all aimed at reducing overdose deaths, include, but are not limited to, increasing access to naloxone, medications for opioid use disorder, and warm hand-off programs; treatment for people in detention settings; and expanding syringe services programs.¹⁴

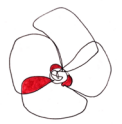
Decision-Making Process



70% OPIOID ABATEMENT SPECIAL FUND

State law establishes the Opioid Abatement Special Fund (Abatement Fund) as a special fund to house the state’s 70% abatement share,¹⁵ and its monies must be used only on prevention, intervention, treatment, recovery, and harm reduction services that supplement rather than supplant existing local, state, or federal funding.¹⁶ Monies in the Abatement Fund are administered by the [Department of Health](#),¹⁷ appropriated by the legislature, and disbursed upon approval of the Department’s spending plan.¹⁸ The plan must be informed by the Opioid Settlement Advisory Committee’s (Advisory Committee) recommendations and is submitted as part of the Department’s annual budget.¹⁹ Abatement Fund monies must be spent only on the activities and priorities in state law.²⁰

The Advisory Committee was established to advise the Governor, Department of Health, and legislature on the Abatement Fund’s spending priorities.²¹ It must present its Abatement Fund expenditure recommendations annually to the Department of Health and submit those recommendations to the legislature via written report.²² When developing its recommendations, the Advisory Committee must consult people with lived experience,²³ the [Substance Misuse Prevention Oversight and Advisory Council](#),²⁴ frontline support professionals, and other stakeholders.²⁵



Vermont

Decision- Making Process

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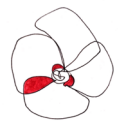
The Advisory Committee must also be guided by communities' needs and proposals; proposals from prevention coalitions, recovery centers, and treatment providers; and the needs of marginalized communities.²⁶ In a March 2023 [report](#) to the legislature's Appropriations Committees, the Advisory Committee and Department of Health requested authorization to spend \$7.3 million from the Abatement Fund to expand naloxone access and fund additional outreach staff at syringe services programs, contingency management for stimulant use disorder, and fentanyl test strips, among other strategies.²⁷

OPIOID SETTLEMENT ADVISORY COMMITTEE

The Opioid Settlement Advisory Committee's (Advisory Committee) [members](#) include:²⁸

- The Commissioner of Health, who serves as the nonvoting chair.
- The state's [Chief Prevention Officer](#).
- Two members of the legislature, appointed by the Speaker of the House and the state senate's Committee on Committees.²⁹
- A primary care doctor associated with the [Blueprint for Health](#) and who has experience providing medications for opioid use disorder, appointed by Blueprint for Health's executive director.
- An academic researcher appointed by the University of Vermont.
- An assistant judge appointed by the [Vermont Association of County Judges](#).
- Seven people employed by Vermont's cities and towns and reflecting their geographic and population diversity, appointed by the [Vermont League of Cities and Towns](#).
- Two people with lived experience of opioid use disorder, at least one of whom is in recovery, appointed by the [Howard Center's Safe Recovery](#) program and the [Vermont Association of Mental Health and Addiction Recovery](#).

Members must reflect Vermont's gender, race, age, ethnicity, sexual orientation, gender identity, disability status, and socioeconomic diversity, and "ensure the inclusion of individuals with lived experience of opioid use disorder and their families whenever possible."³⁰ A list of its members as of 2022 can be found [here](#). The Advisory Committee must meet at least quarterly but no more than six times per calendar year,³¹ may adopt its own governance procedures,³² and receives administrative and legal assistance from the Department of Health.³³ Term limits are four years, but members are eligible for reappointment.³⁴ Advisory Committee members may be removed by their appointing authorities for cause.³⁵



Vermont

Decision-Making Process

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15% SUBDIVISION FUND

The 15% Subdivision Fund share is allocated to participating subdivisions according to the percentages in [Exhibit G](#).³⁶ Guidance from the state Attorney General's office provides that subdivisions must spend their share of settlement funds on the opioid remediation uses described in [Exhibit E](#).³⁷ Non-participating subdivisions' amounts are reallocated to the Abatement Fund.³⁸ Participating subdivisions' allocations from the Distributor settlement are listed [here](#). Participating subdivisions' allocations from the Janssen settlement are listed [here](#). Localities likely will use their normal budgeting and decision-making processes to expend these funds.

LOCAL SPENDING EXAMPLES

Bellows Falls Village Trustees approved a grant for \$4,050 in settlement monies to pay for a part-time outreach worker at Turning Point South, a community recovery organization.³⁹ The Barre City Council recommended approving \$40,000 for the same group to renovate a building.⁴⁰

15% STATE FUND

The 15% State Fund share will be spent "to remediate for past expenses of the opioid crisis or for future abatement."⁴¹ Early guidance from the Attorney General's office refers generally to the national settlement agreement's [Exhibit E](#) as a list of permissible remediation expenditures.⁴²

Tracking Funds and Accountability

- The Advisory Committee is subject to the state's [open meetings law](#).⁴³
- Vermont's state laws governing opioid settlement funds include no requirements to publicly report opioid settlement expenditures or enforcement provisions to address misspent funds. There are also no intrastate reporting requirements.⁴⁴ This means that Vermont is merely subject to the national settlement agreements' requirement that non-opioid remediation spending (no more than 15%) be eventually reported to the public.⁴⁵



Engaging in the Process

- Watch for opportunities to engage with the Advisory Committee, which is required by state law to “demonstrate broad ongoing consultation” with people living with opioid use disorder about their experiences with treatment systems and state agencies.⁴⁶
- The Advisory Committee plans to receive testimony relating to overdose prevention sites in the spring and summer of 2023 to better understand the evidence and feasibility in Vermont.⁴⁷ Submit your comments and watch the sessions!
- Attend meetings of the Advisory Committee and take advantage of its dedicated public comment periods.⁴⁸ Information about how to join, agendas, and past meeting minutes can be found [here](#) (scroll to the “Meeting information, agendas and minutes” drop-down).
- The Department of Health’s [Substance Use Data & Reports](#) website includes briefs, assessments, reports, and other publications about substance use in Vermont. Look out for harm reduction evaluations!

Additional Resources

VERMONT DEPARTMENT OF HEALTH

[Opioid Settlement Advisory Committee \(includes meeting dates\)](#)

OPIOID SETTLEMENT ADVISORY COMMITTEE

[Funding Recommendations for Fiscal Year 2024](#)

OFFICE OF THE VERMONT ATTORNEY GENERAL

[Opioid Settlement](#)

[Executive Summary of Opioid Distributors and J&J Settlements](#)

VERMONT STATE HOUSE

[Recorded discussions of H.711, creating the Opioid Settlement Advisory Committee and the Opioid Abatement Special Fund \(2022\)](#)

VERMONT DEPARTMENT OF HEALTH

[Substance Use Data and Reports](#)

[Strategies to Reduce Opioid Use Disorder & Overdose – Presentation to the Opioid Settlement Advisory Committee \(October 2022\)](#)

VERMONT DEPARTMENT OF HEALTH, DIVISION OF SUBSTANCE USE

[Annual Overview 2022](#)



References

Last updated May 1, 2023.

1. From settlements with distributors McKesson, AmerisourceBergen, Cardinal Health and manufacturer Johnson & Johnson only. Vermont 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 "Vermont" for state-specific participation information) and OpioidSettlementTracker.com's [Global Settlement Tracker](#) for more information.
2. See, e.g., [Distributor Settlement Agreement Allocation Notice I](#) ("As provided under Section V.C of the Distributor Settlement Agreement, Vermont has instructed the Directing Administrator to calculate the intrastate allocations pursuant to the national default. Using the default provisions, the Directing Administrator has allocated the Annual Payment as follows: (i) 15% to the State Fund, (ii) 70% to the Abatement Accounts Fund, and (iii) 15% to the Subdivision Fund, to be paid directly to the Subdivisions per the allocation percentages provided in Exhibit G of the Distributor Settlement Agreement. The intrastate allocations are included as Attachment 1 to this Allocation Notice").
3. 18 V.S.A. § 4774(a)(3).
4. See, e.g., 18 V.S.A. §§ 4772(c), 4774(a)(1)-(2), (b), (b)(12). See also [Funding Recommendations for Fiscal Year 2024](#).
5. See OpioidSettlementTracker.com's "[States' Initial Promises to Publicly Report Their Opioid Settlement Expenditures](#)."
6. See, e.g., [Distributor Settlement Agreement Allocation Notice I](#) ("As provided under Section V.C of the Distributor Settlement Agreement, Vermont has instructed the Directing Administrator to calculate the intrastate allocations pursuant to the national default. Using the default provisions, the Directing Administrator has allocated the Annual Payment as follows: (i) 15% to the State Fund, (ii) 70% to the Abatement Accounts Fund, and (iii) 15% to the Subdivision Fund, to be paid directly to the Subdivisions per the allocation percentages provided in Exhibit G of the Distributor Settlement Agreement. The intrastate allocations are included as Attachment 1 to this Allocation Notice").
7. 18 V.S.A. Sec. 4771 and Executive Summary I. See also [Distributor Settlement Agreement Allocation Notice](#), [Janssen Settlement Agreement Allocation Notice](#). Under the national settlement agreements, 70% of a state's total settlement funds must be spent on prospective or "future" opioid remediation uses. *Distributor Settlement Agreement Sec. V.D(1)-(2), I.SS. See also Sec. V.C.*
8. 18 V.S.A. § 4771 and [Executive Summary I](#).
9. 18 V.S.A. §§ 4774(a)(1), 4772(a). See also 18 V.S.A. § 4771 ("While an opioid litigation settlement may designate a portion of the monies for local or State use, this subchapter applies to only monies from abatement accounts funds.")
10. See, e.g., Executive Summary III.A(2).
11. See Executive Summary III.A(2). ("subdivision will use any monies received for Opioid Remediation Uses (listed in Exhibit E ...)") and IV ("The default mechanism requires the State to designate an agency that will request the monies for approved purposes. Those approved purposes can be found at Exhibit E to the SAs").
12. 18 V.S.A. § 4774(b)-(c).
13. 18 V.S.A. § 4774(b).
14. 18 V.S.A. § 4774(c).
15. 18 V.S.A. § 4774(a)(1). See also [32 V.S.A. § 585\(a\)\(2\)](#) (defining a special fund).
16. 18 V.S.A. §§ 4774(a)(1), (a)(3).
17. 18 V.S.A. § 4774(a)(1).
18. 18 V.S.A. § 4774(a)(2). See also [32 V.S.A. chapter 7, subchapter 3](#) (requiring the appropriation of public monies).
19. 18 V.S.A. § 4774(a)(2).
20. 18 V.S.A. § 4774(b)-(c).
21. 18 V.S.A. § 4772(c).
22. 18 V.S.A. § 4772(e).
23. Specifically, the Advisory Committee must "demonstrate broad ongoing consultation with individuals living with opioid use disorder about their direct experience with related systems, including medication-assisted treatment, residential treatment, recovery services, harm reduction services, overdose, supervision by the Department of Corrections, and involvement with the Department for Children and Families' Family Services Division." 18 V.S.A. § 4772(c).



Vermont

References

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24. The [Substance Misuse Prevention Oversight and Advisory Council](#) advises the Governor and the General Assembly on improvements to Vermont's substance use prevention policies and programs. View the Council's 2023 [legislative report](#) and [membership](#) as of July 2022.
25. 18 V.S.A. § 4772(c).
26. 18 V.S.A. § 4772(c)(1)–(3).
27. [Funding Recommendations for Fiscal Year 2024](#). See also [“Panel urges Vt. lawmakers to spend opioid settlement money on outreach workers, naloxone”](#) (reporting that the Advisory Committee is waiting to learn more about overdose prevention centers and has not ruled out recommending them in the future).
28. 18 V.S.A. § 4772(b)(1)(A)–(I).
29. The Committee on Committees includes the Senate President, the President Pro Tempore, and one senator elected by the Senate. [Permanent Rules of the Vermont Senate 2023](#), I.4.
30. 18 V.S.A. § 4772(b)(1).
31. 18 V.S.A. § 4772(f)(2).
32. 18 V.S.A. § 4772(f)(3).
33. 18 V.S.A. § 4772(d).
34. “Of the members first appointed, eight shall be appointed for a term of three years and eight shall be appointed for a term of four years.” 18 V.S.A. § 4772(b)(2)(A).
35. “[F]or cause ... includes only neglect of duty, gross misconduct, conviction of a crime, or inability to perform the responsibilities of the office.” 18 V.S.A. § 4772(b)(2)(B).
36. Executive Summary I (“Both Settlements”), 18 V.S.A. § 4771 (“While an opioid litigation settlement may designate a portion of the monies for local or State use, this subchapter applies to only monies from abatement accounts funds”).
37. Executive Summary III.A(2), IV.
38. [Distributor Settlement Agreement Sec. IV.C, VII.E,H](#). See also [Distributor Settlement Agreement Allocation Notice](#) (“Pursuant to ... the ... Agreement, the identified Non-Participating Subdivisions are ineligible to receive their allocated shares for the current Payment Year. The Directing Administrator has added the amounts allocated to these ineligible Subdivisions to the Abatement Accounts Fund”).
39. [“Bellows Falls Trustees discuss opioid settlement”](#)
40. [Barre City Regular Council Meeting Agenda \(February 2023\)](#).
41. Executive Summary I (“Both Settlements”).
42. Executive Summary IV (“Other Mechanics for Distribution of Monies”) (“various Vermont agencies and departments provided substantial input into the list of approved abatement purposes. These include the Vermont Department of Health, Vermont Department of Public Safety, and Blueprint for Health”).
43. 18 V.S.A. § 4772(f)(4).
44. See OpioidSettlementTracker.com’s [“States’ Initial Promises to Publicly Report Their Opioid Settlement Expenditures.”](#)
45. Section V.B.2 of the [Distributor](#) and [Janssen](#) settlement agreements. See also OpioidSettlementTracker.com’s [“Most Settlement Agreements Do Not Require Public Reporting of Opioid Remediation Expenditures.”](#)
46. “...including medication-assisted treatment, residential treatment, recovery services, harm reduction services, overdose, supervision by the Department of Corrections, and involvement with the Department for Children and Families’ Family Services Division.” 18 V.S.A. § 4772(c).
47. [Funding Recommendations for Fiscal Year 2024](#). See also [“Overdose Prevention Sites Will Save Lives. What is Vermont Waiting For?”](#)
48. See, e.g., [Opioid Settlement Advisory Committee Agenda \(February 2023\)](#).