



Guide for Community Advocates On the Opioid Settlement Wisconsin



Total Funds

Over
\$400 million¹

Allocation

30% to the Wisconsin
Department of Health Services
(DHS) and 70% to local
governments participating in the
settlement²

Mechanism

Wisconsin Legislation on the Use
of Opioid Settlement Funds

Background

Key Takeaways

Legislation establishes the parameters for the use of opioid settlement funds in Wisconsin, including the allocation of funds between the state and local governments.

The Department of Health Services must develop an annual plan for the use of state opioid settlement money. Local governments may use different processes for allocating local opioid settlement funds.

The state and local governments must use settlement funds for opioid abatement strategies, such as strategies related to prevention, harm reduction, treatment, and recovery.

Public hearings and annual reports are ways that stakeholders can engage in and monitor the process.

In June 2021, Governor Evers signed [legislation](#) on Wisconsin's opioid settlement funds.³ The legislation established the 30%-70% funding split between the state and local governments,⁴ and designates the Department of Health Services (DHS) as the recipient of the state's share.⁵ DHS must develop an annual plan for spending the state's share of opioid settlement funds, which may be reviewed and modified by the state legislature's Joint Committee on Finance.⁶

Local governments must keep opioid settlement funds in a segregated account separate from any other local government funds.⁷ They also must include the segregated account in their standard audit process and submit an annual report on their use of settlement funds and the amount of money remaining in the segregated account.⁸ Both DHS and local governments must use settlement funds consistent with the uses authorized in the settlement agreement,⁹ and local governments may not use settlement funds to substitute for previously budgeted funds from other sources.¹⁰

Wisconsin

Decision-making Process

A The state's portion of the settlement funds is managed by the Wisconsin Department of Health Services.

By April 1 each year, DHS must submit its proposal for how to spend the state's share of settlement funds for the next fiscal year to the state legislature's Joint Committee on Finance. If the Joint Committee on Finance schedules a meeting to review the DHS spending proposal, DHS may not spend any settlement funds until the committee approves the spending.¹⁰ The same process applies if DHS seeks to modify its spending plan during the year.¹¹

B Local variation

1. A local government may give their settlement funds to another local government so long as the local government receiving the funds is required to use the money for authorized purposes.¹²
2. Local governments may sell their right to receive settlement funds so long as the sale is approved by a majority vote of the local government's governing body (e.g., city council) and the proceeds from the sale are deposited in a segregated account.¹³ For example, a local government could sell the right to funds it is entitled to receive over the 18-year settlement period in exchange for a smaller amount of money that is paid immediately.
3. **Example:** Rock County, Wisconsin formed an Opioid Settlement Workgroup, comprised of members from public health, human services, county administration, and law enforcement. The working group administered an opioid settlement survey, held public listening sessions, and conducted key informant interviews to inform the development of recommendations for the use of opioid settlement funds. The [recommendations and an accompanying report](#) were presented to the Rock County Board of Supervisors, who will ultimately decide how to allocate settlement funds.

Engaging in the Process

1. Engage with the Wisconsin Department of Health Services and state legislators – especially members of the Joint Committee on Finance – to inform how the state allocates its share of opioid-related settlement funds.
2. Engage with local policymakers (e.g., county boards of supervisors and city councils) to inform how local governments allocate their opioid settlement funds.
3. This engagement could include attending meetings and writing letters about funding proposals you support or oppose. Consider having multiple organizations and individuals sign your advocacy materials to demonstrate broad support.

Wisconsin

Tracking Funds and Accountability

1. DHS and local governments must use settlement funds for approved “opioid abatement” strategies, such as those related to prevention, harm reduction, treatment, and recovery.¹⁴
2. By May 1 each year, local governments are required to submit a report documenting the amount of money in the local government’s designated opioid settlement fund and an accounting of the uses of settlement funds in the previous year.¹⁵
3. Monitor how opioid settlement funds are spent by reviewing annual spending proposals from DHS, the Joint Committee on Finance’s review of DHS spending proposals, and annual reports on local governments’ use of settlement funds.

Additional Resources

STATE-SPECIFIC RESOURCES

Dose of Reality - Opioid Settlement Funds

<https://www.dhs.wisconsin.gov/opioids/settlement-funds.htm>

TRACKER

OpioidSettlement Tracker.com (national)

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

PRINCIPLES

Principles for the Use of Funds from the Opioid Litigation

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

YOUTUBE VIDEO

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

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

TOOLKIT

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

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

TOOLKIT

Opioid Settlement Toolkit for Community-Based Organizations

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

WEBSITE

Opioid Solutions Center (National Association of Counties)

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

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. Attorneys’ fees may be deducted from local governments share of opioid-related settlement funds, reducing the percentage of funds available for local governments to allocate for approved uses. See Wis. Stat. Ann. § 165.12(6). See also Wisconsin Local Government Memorandum of Understanding (providing that escrow agreement shall allocate 30% to the state, 56% to local governments, and 14% to the Attorney Fees Account), available at <https://nationalopioidsettlement.com/wp-content/uploads/2022/03/WI-Local-Government-Allocation-Resolution.pdf>.
3. 2021 Wisconsin Assembly Bill 374, <https://docs.legis.wisconsin.gov/2021/proposals/ab374>.
4. Wis. Stat. Ann. § 165.12(2)(b)-(c).
5. Wis. Stat. Ann. § 165.12(3).
6. Wis. Stat. Ann. § 165.12(3).
7. Wis. Stat. Ann. § 165.12(4)(b)(1).
8. Wis. Stat. Ann. §§ 165.12 (4)(b)(6), (4)(c).
9. Wis. Stat. Ann. §§ 165.12(3)(a), (4)(b)(2). 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>.
10. Wis. Stat. Ann. § 165.12(4)(b)(3).
11. Wis. Stat. Ann. § 165.12(3)(a). The Joint Committee on Finance must notify DHS whether it has scheduled a meeting to review the DHS spending proposal within 14 working days after DHS submits the proposal to the committee.
12. Wis. Stat. Ann. § 165.12(3)(b).
13. Wis. Stat. Ann. § 165.12(4)(b)(4).
14. Wis. Stat. Ann. §§ 165.12(5)(a), (5)(c).
15. Wis. Stat. Ann. §§ 165.12(3)(a), (4)(b)(2).
16. Wis. Stat. Ann. § 165.12(4)(c).