SUBSTANCE USE FUNDERS COLLABORATIVE

FUNDER BRIEF

Understanding the Power and Potential of Opioid Settlement Funds: Call to Action

Summary

More than $58 billion will flow into states and municipalities over the next two decades from legal settlements with opioid manufacturers, distributors, and pharmacies. The largest share of money—from a $26 billion national settlement—began going to states, counties, and municipalities in the summer of 2022. Decisions on spending these funds are made by a combination of state legislatures, advisory committees, county commissions, and city councils. Local governments have significant decision-making authority over opioid settlement funds, with approximately 50% of funding allocated at the local level. Each locality also determines how information about those spending decisions is shared with the public.

The allocation of funds from the opioid litigation settlements is a once in a lifetime funding opportunity for communities to invest in strategic approaches that address substance use. This investment provides an opportunity to combat the stigma related to drug use, integrate substance use care as a standard part of community-based public health responses, and advance equitable access to evidence-based and community informed approaches. Philanthropy has a key role to play in supporting the allocation of settlement funds to ensure that spending decisions are transparent, have equitable outcomes, and are driven by community-informed and evidence-based practices.

The Substance Use Funders Collaborative recently hosted a peer funder discussion to highlight how several funders are investing resources in grantmaking related to opioid settlement funding. The discussion provided examples of how foundations can support related grantmaking in their portfolios and served as a call to action for philanthropy to join in supporting the work, and to improve coordination across funders to maximize impact. The brief summarizes key 'take-aways' from the discussion and provides follow-up resources.

Bright Spots: What's Working

Establishing Community Engagement as Standard for Opioid Settlement Spending

For many jurisdictions, opioid settlements are a new funding stream that requires local coordination to be most effective. Developing an intentional and strategic plan for settlement spending can provide a jurisdiction with the opportunity to develop trusted relationships between different community-based organizations (CBOs), government agencies, plan administrators, and other stakeholders. While there is great urgency to allocate funds given the significant need in communities, taking the time to develop inclusive approaches that engage people with first-hand lived experience and community stakeholders in the process is critical to developing the most effective and efficient investment strategies. Engaging the community in planning can help governments understand local needs, dynamics, and priorities, helping to avoid duplication and direct funding to where it is needed most. Community-led strategies can also encourage transparency and accountability, while also potentially improving trust in local government institutions.

In addition to incorporating community voice into planning, many jurisdictions are adopting community-led processes to allocate funding. Under the leadership of the National Black Harm Reduction Network's (NBHRN), Community Accountability Boards (CABs) are emerging as one example. The approach is modeled after the Ryan White Councils that have been part of the program since its inception in the 1990s and which were formalized and funded by the Ryan White HIV/AIDS Treatment Extension Act. Widely accepted as best practice, this type of approach can help ensure that local constituents have a voice in the decision-making process.

- In North Carolina, Dogwood Health Trust invested heavily in planning grants for communities to prepare for and strategically leverage opioid settlement funds, helping ensure those resources could have the greatest possible impact in their communities. These investments reflect what Dogwood has since formalized through its 4 C's framework: Capacity, Collaboration, Connection, and Capital attraction. These grants supported activities like early listening sessions between community partners, regional planning across county lines, coordination with the state health agency, strategic planning, and needs assessments.

- Rockland Maine adopted a participatory budgeting model, which is led by The Ad Hoc Opioid Settlement Participatory Budget Committee. Through this approach, community members, organizations, and stakeholders actively participate in decision-making regarding the utilization of these critical resources. The committee

includes people with first-hand lived experience, and the public is invited to participate in all committee meetings. Its process starts with developing priorities which then translate into requests for proposals (RFPs) from community-based organizations. Voters select which organizations receive funds through a municipal ballot as part of the regular voting process.

- Kentucky developed a model ordinance for a County Opioid Abatement Advisory Council, see Model Kentucky Ordinance Establishing a County Opioid Abatement Advisory Council - Vital Strategies. This collaboratively developed model ordinance is intended as a tool for Kentucky counties to establish a county opioid abatement advisory council to advise and make recommendations on the allocation and use of local opioid abatement funds. The comprehensive model is aligned with identified best practices, including The Principles for the Use of Funds from the Opioid Settlements, and can be customized based on local needs and established practices. Other counties in North Carolina, New York, and New Jersey are also using planning councils to guide how counties are using funds.

Role for Funders:

- Serve as a convener and/or fund CBOs to serve in that role to support community-led planning efforts and partnership development.
- Provide support for CBOs to organize and advocate for the utilization of community planning councils and other community engagement strategies.
- Provide flexible planning and capacity building resources that allow jurisdictions and community partners to assess needs, establish priorities, and develop long-term spending strategies before funds are allocated.

Supporting Partnerships between Local and National Experts to Inform Decision-making

The structures for the opioid settlement funds are unique and complex. Funds are being allocated by thousands of administrators at the city and county level, each with various roles and backgrounds including county commissioners, city council members, and plan administrators. Most lack the expertise of people with first-hand lived experience, front-line providers, substance use agencies, or public health departments. This is the first time many jurisdictions have had resources to develop a strategic response to substance use in their community and there is significant need for education about the issue, the recommended use of funds, and how best to support implementation. Additionally, government agencies are often under scrutiny to allocate funds amid challenging political dynamics, and without significant staff or administrative resources. At the local level,

funding often gets directed towards policing and incarceration as a default without guidance from local and national experts.

Communities are allocating settlement funds in a landscape still rife with stigma towards substance use and addiction. In addition to funding CBOs to provide education, funders are providing resources for journalists and media outlets to provide accurate coverage of settlement spending and to increase coverage about evidence-based approaches, including the value of community-led strategies and harm-reduction approaches. Philanthropy can provide additional funding for media and CBOs to amplify and increase coverage about the positive examples of where things are working and what jurisdictions are getting right, to balance the emphasis on 'bad actors' that is often the focus. Specific audiences for the information should include newly elected officials who may be new to the issue area as well as program administrators and the public.

Fortunately, there is ample funding guidance available for jurisdictions to use, but advocates and government agencies need to be aware of it and to work together to determine how it can apply to local priorities. Both government and CBOs need funding to support local collaboration, technical assistance, and other capacity building resources, including consultation with national experts. Philanthropy can play a helpful role in providing grant funds to pair reputable and well-connected local organizers/organizations who can influence their community's decision making with technical assistance from national experts.

- In Ohio, Home | HEAL Ohio developed Deal Us In | A Deck of Solutions to Guide Opioid Settlement Spending to inform funding decisions. Each card offers a solution connected to research, successful programs, and leaders to learn from and was a result of information shared in the Ohio Harm Reduction Policy Table and the National Opioid Settlement Coalition, with support from the wider harm reduction community.
- Several funders are supporting government agencies to help them develop strategic plans for investing and leveraging these funds over the long term. For example, states indicate they want to improve regional coordination and explore how to leverage other funding opportunities like the Rural Health Transformation Fund but lack the capacity to do so. At the county level, needs include support for partnerships with county associations, funding for staff to develop dashboards, resources for technical assistance to county leadership, and supporting networks for peer learning.
- Philanthropy is providing funds to support convening and information sharing between the fund administrators and local and state leaders for peer learning and networking.

Role for Funders

- Fund local CBOs and national groups with expertise to lead education and advocacy efforts on effective use of settlement funds. This should include funds for partnerships to support local community organizing.
- Provide learning, capacity development, and infrastructure support for government agencies to encourage effective and efficient use of funds.
- Elevate the importance of the county's role and highlight effective models that can be replicated.
- Invest in communication strategies to combat misinformation and stigma and highlight positive examples of what is working well.
- Support peer learning and coordination across jurisdictions so communities can share effective approaches, troubleshoot shared challenges, and avoid duplicating efforts.

Promoting Transparency, Accountability, and Accessibility

In many jurisdictions, considerable portions of settlement funds have not been spent several years into the process. While planning is essential, most communities face obvious gaps in care that funding can close immediately as additional planning and processes establish longer-term priorities. CBOs have started to play a transparency and accountability role in many communities, tracking spending and sharing information with state, county, and city government agencies about what each jurisdiction is funding. These efforts are increasing the connectivity across stakeholders and fund administrators, increasing transparency, and reducing the risk of funds being directed towards approaches without an evidence base or misaligned with community priorities.

CBOs acting as 'watchdogs' can be especially useful in counties and cities where information about how funding is being allocated may not be readily available or accessible. Investing in tracking tools can also help communities and administrators balance the urgency and need to spend with the necessary planning to develop a framework to distribute funds and measure impact. There is early indication that this approach is working to increase transparency and accountability as several community groups have successfully advocated for better reporting requirements.

States are increasingly passing legislation or regulations to require regular, publicly accessible spending reports from counties and cities. Examples include New York and Maine. States are also thinking through how best to coordinate needs across regions, conduct due diligence reviews to make sure they are funding the most impactful organizations, and how best to monitor and evaluate the work.

Accessibility of funds is another area of concern funders are beginning to address based on feedback from CBOs. Many small nonprofits report it is challenging to respond to RFPs to apply for the grants because the process is too difficult to complete, putting funds out of their reach. To address this challenge, advocates in one jurisdiction were successful in getting a simplified RFP process adopted (see https://www.themosscenter.org/resources). Other states are working through intermediaries to distribute funds. For example, California works with The Center at Sierra Health Foundation to manage settlement funds, in part because of its experience supporting smaller organizations.

Additionally, lack of transparency about how to access funds is also creating challenges for community groups in areas like criminal justice or child welfare reform who may not be tracking the funding closely.

- Dashboards are one way that states and counties are promoting transparency and accountability.
    - Colorado: Regional Funds | Settlement Distributions
    - Maine: The MOSS Center
    - Massachusetts: Massachusetts Opioid Settlement Funds | Mass.gov
    - North Carolina: https://ncopioidsettlement.org/
- Advocacy groups have started to create dashboards as well.
    - ME-RAP | Opioid Settlement Transparency.
    - Legal Action Center | NYS Opioid Settlement Watch
- North Carolina and Wisconsin are using a 'matching grants strategy' to incentivize counties to start spending the money and to direct funds to gaps in funding related to harm reduction strategies, e.g., syringe service programs and naloxone distribution.
- Six states, California, Indiana, Kansas, South Carolina, Virginia, and Michigan have released lists of ways opioid settlement money cannot be spent, OPI Unallowable Opioid Settlement Spending

Role for Funders

- Provide resources to CBOs and government agencies to track the timeline for spending and publicly report where funds are being allocated.
- Invest in spreading awareness about availability of and access to the funds, particularly for adjacent funding areas like criminal justice and child welfare reform.
- Support advocacy to improve accessibility of funds by simplifying the RFP process and grant reporting requirements.

Offering Philanthropic Expertise and Peer Learning

Funders have expertise in grantmaking, strategy development, and evaluating the impact of funding investments that they could share with government agencies. Many jurisdictions are not familiar with grant administration and may not be connected to the local philanthropic community if there is one. Developing partnerships between local community foundations, other local or state funders, and grant makers is another way to create connection between different funders and share learning related to grantmaking. Funders often find significant power and value in talking with one another about various investments and challenges, particularly when entering a new funding area like opioids and substance use with implications across multiple systems (e.g., criminal justice, education, health, and child welfare).

Funders can support education for administrators and others about how opioid and substance use affect different systems and help peer funders in adjacent issue areas understand how investing in opioid settlement responses can also advance their goals. The Redlich Horwitz Foundation (RHF) provides an example of a foundation utilizing its focus on child welfare system reform as a framework for funding opioid-related pilots in two counties in New York. Through its work in Monroe and Westchester Counties, RHF is exploring how to leverage settlement funds towards increasing supports for families impacted by opioid use and supporting partnerships between local advocates and the National Black Harm Reduction Network (NBHRN) to develop community accountability committees to guide the counties.

- Several states are using a foundation structure or partnering with one to allocate funds, including Kansas, and Ohio. West Virginia initially set up the West Virginia First Foundation to receive and disburse opioid funds, but the Attorney General recently announced the foundation will no longer receive funds from the state's opioid settlements. Those funds will now be sent directly to the state's general revenue fund to be used by the Legislature and disbursed among localities.
- The Foundation for Opioid Response Efforts (FORE) funded the National Academy for State Health Policy (NASHP) to create a toolkit for state opioid settlement administrators and other grant-making agencies to address common barriers in the grant process, build meaningful partnerships, and strengthen community overdose prevention infrastructure.
- A group of substance use funders in Maine are helping to serve a "connector" role by facilitating conversations with the state about where there are funding limitations and gaps that need addressed from a philanthropic perspective.

Role for Funders:

- Offer expertise related to grantmaking including sourcing of organizations, conducting due diligence, and measuring progress and outcomes.

- Organize as funders to share foundation priorities, coordinate, and leverage philanthropic funding responses and share learning and grantmaking strategies with the state, plan administrators, and others.

Call to Action

Many foundations are stepping up to support organizations at the local, state, and national levels to help ensure opioid settlement funds are used strategically and effectively. The approaches most often funded by philanthropy include strategic planning and capacity building, technical assistance to government agencies and plan administrators, community organizing support, and convenings for policymakers and practitioners to support learning. However, a broader base of funders is needed to contribute to effective utilization of settlement funds and address ongoing funding needs that exceed what the settlements will provide, particularly considering recent federal budget cuts. Investing in activities to inform opioid settlement spending provides funders a unique, time-bound opportunity to help communities access and leverage funding that may be larger than their budget alone.

Additional Resources

Funding Tracking

The Everything Table — Opioid Settlement Spending by State — Opioid Settlement Tracker
The Everything Table is the updated version combining several datasets scattered across the old Opioid Settlement Tracker into one table. It includes a companion dashboard to visualize how states' and localities' individual opioid settlement governance behaviors fare against the national picture of spend. It collects and summarizes key data from Christine Minhee's previously published datasets and resources.

How Are Opioid Settlement Funds Being Spent So Far? | Health Affairs

Payback: Tracking the Opioid Settlement Cash - KFF Health News

Priorities for Spending

Guides for Community Advocates on the Opioid Settlements | Guide for Opioid Settlement *(includes state guides)*

Opioid settlement funds and supplantation – Criteria to consider - logos 2 line.pdf - Google Drive

A National Roadmap for Spending Opioid Settlement Funds in 2026: Supporting Communities & Ending the Overdose Crisis | Popular Democracy in Action

Stretching small opioid settlement allocations helps funding do more | National Association of Counties *(includes small allocation suggestions)*

Impactful ways to spend small opioid settlement allocations | Opioid Principles

Call to Action on Opioid Settlement Funds | Open Society Action Fund

State and Local

North Carolina Opioid Settlements

Deal Us In | A Deck of Solutions to Guide Opioid Settlement Spending

ME-RAP | Opioid Settlement Transparency.

Legal Action Center | NYS Opioid Settlement Watch

Opioid Settlement Resource Center - The Michigan Association of Counties

How States Can Better Partner with Community-Based Organizations to Reduce Overdoses - NASHP

Strengthening Partnerships to Prevent Overdose: Key Actions in a Multi-State Learning Collaborative | ASTHO

Addressing Overdose Through Collaboration and Opioid Settlement Funds | ASTHO

Overdose Measures Matter Overdose Measures Matter was developed by the CDC Foundation through collaboration with a subject matter expert and a diverse set of organizations. It aims to promote the widespread adoption of indicators that are feasible to collect and reflective of current overdose prevention practices.

Training and Technical Assistance Organizations

Broken No More - Broken No More The mission is to provide support and guidance to those who have lost a loved one due to substance use, and to advance the effective treatment for addiction/substance use disorder including increased access to Medications for Opioid Use Disorder (methadone and buprenorphine). Broken No More supports the implementation of drug policies based on public health, Harm Reduction, and science, while opposing the punitive policies of the failed war on drugs.

NASHP - The National Academy for State Health Policy NASHP elevates and facilitates the exchange of best practices across states to reduce overdoses, connect people with Opioid Use Disorder (OUD) or Substance Use Disorders (SUD) to care, and integrate services and supports across systems. Supporting state officials on key priorities for addressing the opioid crisis is a primary focus.

National Black Harm Reduction Network (NBHRN) The National Black Harm Reduction Network is dedicated to advancing harm reduction principles that optimize health and wellness for Black people who are disproportionately harmed by public health initiatives, the criminal legal system, and drug policies.

Popular Democracy in Action CPD Action, along with its sister organization Center for Popular Democracy, works to create equity, opportunity, and a dynamic democracy in partnership with high-impact base-building organizations, organizing alliances, and progressive unions. We work on campaigns that promote a pro-worker, pro-immigrant, racial and economic justice agenda, and win victories to improve people's lives.

Contributors

We'd like to thank the following individuals for contributing to the discussion and brief: April Bragg, Dogwood Health Trust; Imogen Carr, Redlich Horwitz Foundation; Daliah Heller, Vital Strategies; Roxanne Saucier, a consultant with Open Society Foundation; and Ken Shatzkes, Foundation for Opioid Response Efforts.

About Us

The Substance Use Funders Collaborative (SUFC) is a network of funders that are developing and investing in an equitable system of care for substance use that spans the full continuum of prevention, treatment, recovery, and harm reduction. The SUFC provides a platform to help inform grantmaking strategies and support funder networking and learning. We host conversations, exchange strategies and learning, and share news, resources, and partner events. The SUFC is not a funding organization, nor do we channel philanthropic capital directly to discrete individuals, investment opportunities, or funds.

To learn more contact: Alexa Eggleston, SUFC Facilitator, alexa@audaciaconsultingllc.com

ROLE FOR FUNDERS: SUMMARY

- Serve as a convener and/or fund CBOs to serve in that role to support community-led planning efforts and partnership development.
- Provide support for CBOs to organize and advocate for the utilization of community planning councils and other community engagement strategies.
- Provide flexible planning and capacity building resources that allow jurisdictions and community partners to assess needs, establish priorities, and develop long-term spending strategies before funds are allocated.
- Fund local CBOs and national groups with expertise to lead education and advocacy efforts on effective use of settlement funds. This should include funds for partnerships to support local community organizing.
- Provide learning, capacity development, and infrastructure support for government agencies to encourage effective and efficient use of funds.
- Elevate the importance of the county's role and highlight effective models that can be replicated.
- Invest in communication strategies to combat misinformation and stigma and highlight positive examples of what is working well.
- Support peer learning and coordination across jurisdictions so communities can share effective approaches, troubleshoot shared challenges, and avoid duplicating efforts.
- Provide resources to CBOs and government agencies to track the timeline for spending and publicly report where funds are being allocated.
- Invest in spreading awareness about availability of and access to the funds, particularly for adjacent funding areas like criminal justice and child welfare reform.
- Support advocacy to improve accessibility of funds by simplifying the RFP process and grant reporting requirements.
- Offer expertise related to grantmaking including sourcing of organizations, conducting due diligence, and measuring progress and outcomes.
- Organize as funders to share foundation priorities, coordinate, and leverage philanthropic funding responses and share learning and grantmaking strategies with the state, plan administrators, and others.