



ATTORNEY GENERAL BONTA ISSUES GUIDANCE ON LOCAL GOVERNMENT USES OF OPIOID SETTLEMENT FUNDS TO FIGHT FENTANYL CRISIS

I. THE OPIOID EPIDEMIC AND THE ATTORNEY GENERAL SETTLEMENTS

The fentanyl crisis that is currently gripping the United States goes back three decades. In the 1990's, drug companies such as Purdue Pharma misled doctors and the public about the abuse and addiction potential of prescription opioid drugs such as OxyContin. In addition, some drug distributors and pharmacies were complicit in the over-prescribing and rapid spread of opioids or turned a blind eye to diversion. As a result, a prescription opioid epidemic swept the country.

In the 2010's, as prescription opioids became harder to obtain, heroin began to fill the void. However, heroin, while cheaper than diverted prescription opioids, still requires many levels of production, starting with the cultivation of opium poppies. Fentanyl, by contrast, can be made in a lab using cheap, synthetic chemicals. As a result, in the last five years, drug cartels have flooded the United States with illicit, cheaply-manufactured synthetic fentanyl.

The rise of fentanyl has been devastating to public health. It can be up to 50 times as strong as heroin, and up to 100 times as strong as morphine. As a result, even a small miscalculation can result in overdose. Exponentially increasing its danger, fentanyl is often "laced" into other, non-opioid drugs without the user's knowledge. This means that opioid-naïve users can inadvertently take high doses of fentanyl, greatly increasing the risk of overdose. In 2021, the most recent year for which we have reliable data, more than 10,000 Californians died from overdose. Nearly 6,000 of those overdoses were due to fentanyl.

Attorney General Bonta has dedicated the California Department of Justice to ensuring that the drug manufacturers, drug distributors, and pharmacies that contributed to the opioid epidemic pay for the harm they have caused. To date, the Office of the California Attorney General has, in partnership with other states, helped secure nearly \$50 billion in nationwide settlements and bankruptcies. California is expected to receive up to \$4.2 billion in opioid abatement funds under these settlements. The bulk of these funds will go to our local governments.

The Office of the California Attorney General's settlements have ensured a stream of opioid abatement funds for California's cities and counties far into the future. By design, the settlements ensure that the vast majority of funds will be used to abate the opioid crisis.

All eligible participating California cities and counties that receive funds from the Abatement Accounts Fund (as defined in the nationwide settlement agreements and State-Subdivision Agreements) must spend 100% of such funds on future Opioid Remediation in one or more of the areas described in the List of Opioid Remediation Uses under Exhibit E of each of the settlement agreements.¹

In addition to the List of Opioid Remediation Uses requirements set forth in Exhibit E of the settlement agreements, cities and counties must also ensure that they use at least 50% of their Abatement Accounts Fund receipts on one or more "High Impact Abatement Activities," which are summarized here: [CA OSF Allowable Expenditures](#).

¹ The national Settlement Agreements, including Exhibit E, can be found on the Attorney General's opioids webpage, <https://oag.ca.gov/opioids>.



II. LOCAL OPIOID ABATEMENT EFFORTS

Cities or counties may still be planning how to ensure that their use of settlement funds makes the biggest impact in their respective communities. In addition to drawing upon their own historical opioid abatement efforts, cities and counties may look to what other cities and counties have done to combat the opioid epidemic. Many of these efforts have focused on prevention, as the first step to ending the opioid epidemic is informing communities about the dangers of illicit fentanyl and other opioids. Cities and counties may also focus on recovery services. Recent advances in medication-assisted treatment (MAT) – including new studies regarding the efficacy of extended-release (28 day) shots of buprenorphine – mean that individuals suffering from opioid use disorder (OUD) can receive relief from cravings and withdrawal symptoms using buprenorphine or methadone. In addition, counties may focus on county jail inmate support, including providing MAT to incarcerated people and linking them with recovery support as they approach release. For example:

- **Kern County:**
 - Naloxone Distribution and Recovery: Kern County is ensuring that community members have access to Naloxone and information on how to access mental health and addiction treatment.
 - Harm Reduction Programs: Kern County is using settlement funds on its Harm Reduction Program, which will make sure that the community has access to clean and safe syringes to avoid blood-borne diseases, while also making sure used needles are safely disposed of. Through this program, information and referrals will be provided to mental health and substance use disorder treatment, as well as for sexually transmitted infection testing and treatment.
- **Los Angeles County:**
 - Prevention: LA County is investing in positive youth development programs and peer leadership to engage youth and prevent the use of opioids.
 - Recovery: LA County is supporting cost-sharing initiatives to prescribe MAT drugs like buprenorphine and methadone and to fund interim housing, including peer-supported housing, which can help improve retention in nonresidential opioid treatment programs.
- **Merced County:**
 - Prevention: Merced County is investing in early interventions for youth and other evidence-based opioid prevention programs.
 - Prevention: Merced County will engage in a “One Pill Will Kill” fentanyl awareness campaign, as well as household mailing campaign regard the proper disposal of prescription opioids.
 - Criminal Justice Involved Persons: Merced County is providing funding to support the needs of criminal justice involved persons, including MAT drugs and Naloxone overdose-prevention kits.
- **Orange County:**
 - Prevention: Orange County is investing settlement funds in prevention through its “[Fentanyl is Forever](#)” campaign. The campaign includes materials in English, Spanish, and Vietnamese and provides comprehensive information on the harms associated with illicit fentanyl use.
 - Naloxone Distribution: The Orange County Health Care Agency is conducting town hall sessions to educate the public on the dangers of fentanyl use, as well as distributing Naloxone to all attendees with instruction on the medication’s proper use.
- **Palm Springs:**
 - Recovery: The City of Palm Springs is investing funds to create and develop safe and supportive places designed to meet the needs of people with substance use disorders. Its Rehabilitation Re-Entry Program provides inpatient treatment and residential care, as well as intensive outpatient and housing support. The program ensures that community members who desire treatment are not turned away due to lack of funds.

- o Recovery: The City of Palm Springs has allocated settlement funds to its existing Tenant-Based Rental Assistance Program for those seeking shelter at a sober living facility but lacking financial means.
- o Naloxone Distribution: The City of Palm Springs is funding a harm reduction program that makes Naloxone available to health and social service providers, public safety staff, and opioid users.
- **San Diego County:**
 - o Prevention: San Diego County has invested in youth prevention strategies using multi-language and culturally appropriate messaging campaigns regarding the dangers of illicit drug use and how to avoid overdose. These campaigns use social media, streaming audio platforms, and video game streaming platforms, as well as more traditional media such as radio and billboards.
 - o Recovery: In an effort to better treat opioid users and bridge the gap to needed resources, San Diego County Emergency Medical Services (EMS) launched a pilot program authorizing paramedics in the field to utilize buprenorphine to treat patients in opioid withdrawal. These patients are also referred to medication-assisted treatment through a warm hand-off method with Substance Use Navigators. In addition, efforts are underway to explore how to support referral pathways for those patients who decline post-overdose transportation to a hospital “against medical advice.”
 - o Naloxone Distribution: San Diego County has expanded naloxone access through the County of San Diego Naloxone Distribution Program (NDP). Naloxone distribution efforts have included implementation of Naloxone vending machines; distribution at community overdose prevention and Naloxone training events; allocation of Naloxone to NDP network providers to support distribution across various populations; distribution by first responders; focused outreach to high-risk populations; and deployment of naloxone to locations and regions as part of overdose cluster response efforts.
 - o MAT in Jails: In January of 2023, San Diego County established its first designated MAT housing unit at Vista Detention Facility, which focused on cohorting individuals for the purpose of medication disbursement and individualized and group counseling.
- **San Francisco City and County:**
 - o Prevention: San Francisco used settlement funds alongside state Mental Health Services Act funds to award a \$2.25 million grant to the Homeless Children’s Network, a local San Francisco-based non-profit. This grant uses a local partner’s ties to the community to reduce racial disparities in drug overdose deaths through a combination of education, engagement, and prevention.
 - o Recovery & MAT in Jails: San Francisco County will use settlement funds to expand the availability and accessibility of substance use treatment services, including methadone services for people incarcerated at San Francisco County Jail. San Francisco County will also use settlement funds to pilot 72-hour methadone, where patients can be started on methadone outside of a licensed Opiate Treatment Program (OTP). These investments in the methadone system of care aim to both provide more access to methadone services and retain current patients.
- **San Joaquin County:**
 - o San Joaquin County has approved an abatement plan that features the development of the San Joaquin Be Well Campus. The first phase of the project will open by 2027 and feature a sobering center, medical detoxification and psychiatric health facility, and a crisis stabilization unit. The second phase of the plan will include transitional housing, perinatal programming, a youth substance use disorder residential treatment facility, and after-care outpatient programs targeted at youth.

- **San Mateo County:**
 - Recovery: San Mateo County will be bringing on two new case management/assessment specialists as well as a new psychiatric social worker to work with vulnerable populations, including those facing homelessness and incarceration through expanded MAT services. The county's Behavioral Health & Recovery Services Team has embedded one staff in county jails and the county's Navigation Center, which will provide private living spaces and intensive support services for those experiencing homelessness. Staff are providing outreach and education regarding MAT, opioid awareness, prevention, Naloxone distribution and harm reduction practices, as well as helping to ensure warm handoffs to services.
- **Santa Clara County:**
 - MAT in Jails: Santa Clara County has been providing medications for opioid use disorder in its county jails for almost twenty years, collaborating with Behavioral Health Services to ensure that those inmates being treated for OUD have access to reentry services as they approach release.
 - Recovery: Santa Clara County's Behavioral Health teams work closely with Public Health teams in order to ensure that the county's abatement activities target high-impact areas such as the distribution of Naloxone and preventing opioid use in youths.
 - Prevention: Santa Clara County also developed a new media campaign designed to raise awareness about fentanyl and other opioids, including public service announcements developed with the non-profit Song for Charlie, which encourages parents and guardians to talk to their kids about opioids, learn what they can say to engage with their kids, and what they can do to protect them.
- **Tuolumne County**
 - Tuolumne County purchased a Navigation Center and will create safe housing for clients with substance use disorders.

III. THE STATE'S OPIOID ABATEMENT EFFORTS

The State's opioid abatement efforts can be instructive to cities and counties. Among other programs, the California Department of Health Care Services (DHCS) and the California Department of Public Health (CDPH) have used the settlements to fund the following:

- The [Naloxone Distribution Project](#) has reduced opioid overdose deaths across the state through the provision of free Naloxone to:
 - Fire, EMS, and first responders,
 - Schools and universities,
 - Tribal entities;
 - County public health and behavioral health departments;
 - Community organizations, including harm-reduction organizations or community opioid coalitions; and
 - Law enforcement, including police departments, county jails, and probation.
- The [Youth Opioid Education and Awareness and Fentanyl Education and Awareness Campaign](#) has worked on media programs to:
 - Prevent substance use and raise awareness of fentanyl contamination among youth and young adults; and
 - Prevent overdose and overdose death among youth adults using a harm reduction lens.
- The [ATLAS Treatment Locator](#). In partnership with [Shatterproof](#), a national nonprofit organization, DHCS has helped to create [ATLAS](#). ATLAS is a free, easy-to-use online directory to locate statewide Substance Use Disorder (SUD) treatment facilities.

Beyond its use of settlement funds, the State has a long history of combatting the opioids and fentanyl epidemic. Those efforts include:

- Providing funding to [Song for Charlie](#), a national family-run nonprofit charity dedicated to raising awareness about fake pills made from fentanyl, the state has helped to create [The New Drug Talk](#), which has helped California families adapt how we talk to kids about drugs and, in particular, fentanyl;
- Providing [funding to syringe exchange programs](#) to integrate opioid treatment and other harm reduction services in order to expand access to treatment services; and
- Providing funding to the [California Substance Use Line](#), a collaboration between the National Clinician Consultation Center and the California Poison Control System at the University of California at San Francisco. The California Substance Use Line provides 24/7 help to practitioners managing patients with acute substance issues, including providing consultations on medications to treat opioid use disorder and advice on opioid overdose/withdrawal, as well as its aftercare.

IV. ADDITIONAL RESOURCES REGARDING OPIOIDS AND FENTANYL STRATEGIES

There are a number of resources for cities and counties related to the opioids and fentanyl crisis, including:

- DHCS [maintains information regarding the State's opioids response](#), and many of the State-led programs could be adapted for the local level.
- The federal Substance Abuse and Mental Health Services Administration published its [Opioid-Overdose Reduction Continuum of Care Approach \(ORCCA\) Practice Guide](#), which offers evidence-based approaches to reducing opioid deaths, as well as tips for implementing these practices.
- The National Association of Counties maintains an [Opioid Solutions Center](#). The website contains helpful information regarding resources for effective opioid harm reduction strategies. They also offer strategies to help local leaders invest opioid settlement resources effectively.

V. ADDITIONAL SETTLEMENT-RELATED RESOURCES

DHCS provides cities and counties additional information regarding [permissible uses of settlement funds](#), including its [Guiding Principles for Participating Subdivisions and California Opioid Settlements: Allowable Expenditures](#) documents. It also provides information regarding [reporting requirements](#), [payment information](#), and [other resources](#). In addition, DHCS offers webinars on topics such as reporting and allowable expenses and offers technical assistance to cities and counties with specific questions about opioid remediation activities, expense tracking, and reporting requirements. Questions about the applicability of strategies to expend funds received from the CA Abatement Accounts Fund can be directed to DHCS at OSF@dhcs.ca.gov

The [Attorney General's website](#) maintains California-specific settlement documents for the Cardinal Health, McKesson, and Cencora (Distributors), J&J, Teva, Allergan, Walgreens, Walmart and CVS Settlements, along with the associated subdivision agreements for those settlements, as well as information regarding opioid-related bankruptcies. The Attorney General has also provided FAQ's regarding [allocation and the use of funds](#) and [opioid-related bankruptcies](#).

In addition, [nationalopioidsettlement.com](#) provides non-California specific versions of the settlement documents and an executive summary of the settlements, as well as FAQ's and information related the breakdown of payments made by defendants.

Cities and counties may consult any one of these resources; however, the settlement agreements themselves and associated subdivision agreements ultimately control the use of settlement funds.