



# **OPIOID SETTLEMENT FUND**

## Planning and Investment Recommendations

NOVEMBER 2025

# Table of Contents

House File 1038 Requirements & Planning.....	2
Information related to each disbursement from the fund.....	2
Input from Behavioral Health District Advisory Councils.....	5
Opioid related initiatives of counties, cities and local governments.....	6
Future State of the Opioid Settlement Fund/FY26 Recommendations.....	8

# OPIOID SETTLEMENT FUND

## House File 1038 & Planning

As outlined in House File 1038, the Iowa Department of Health and Human Services (Iowa HHS) and the Office of the Attorney General of Iowa (Iowa AG) are to submit an annual report on or before November 1st to the general assembly and the governor that contains all of the following for the immediately preceding fiscal year:

- Information related to each disbursement from the fund and if the intended outcomes of each disbursement were achieved.
- Input from each district behavioral health advisory council regarding disbursements from the fund, intended outcomes, and recommendations for future disbursements from the fund.
- A list of the current opioid-related initiatives within the behavioral health district that are funded by moneys from the national settlements that are earmarked for or otherwise required to be transferred or distributed to counties, cities, or other local governmental entities.

The following is a summary of activities conducted by Iowa HHS following Governor Reynolds approval of House File 1038. In order to address all of the requirements of Iowa HHS as part of the approved legislation, some of the activities included took place after the end of SFY2025.

### A. Information related to each disbursement from the fund, and if the intended outcomes of each disbursement were achieved.

Division II of HF1038 directed Iowa HHS to award opioid settlement funding dollars to the following recipients prior to the conclusion of FY25:

Award Recipient	Awardee Description
YSS	<p>To a youth-serving nonprofit organization that has been in existence for more than fifty years that provides crisis stabilization, emergency shelter, and residential addiction treatment, and that is located in a central Iowa county with a population between ninety-eight thousand and ninety-nine thousand based on the 2020 federal decennial census, to support the development of a recovery-focused high school and workforce training center that integrates education, job training, and therapeutic support to empower youth in recovery from substance use disorder to successfully transition into the workforce upon graduation:</p> <p style="text-align: right;">Award Amount: \$3,000,000</p>

UCS Healthcare	<p>To an opioid treatment program incorporated as a nonprofit organization in 1997, that operates fourteen locations and offers behavioral and medical health care to patients, and that is licensed in the state to provide medication-assisted treatment, mental health therapy, counseling, and primary health care, to expand access to medication-assisted treatment in rural and underserved areas of the state through co-located and mobile recovery units and to collaborate with jail-based screening, assessment, diagnosis, and treatment service providers to extend support to incarcerated individuals and individuals who are no longer incarcerated, and sustain established infrastructure for dispensing medications for opioid use disorder services in rural and underserved areas:</p> <p style="text-align: right;">Award Amount: \$5,000,000</p>
Flowstate Health	<p>To contract with a collaborative mental health services organization that operates in Iowa to provide jail-based screening, assessment, diagnosis, and treatment service providers and system navigation to all county jails, to ensure inmates receive necessary mental health and substance use care, regardless of the mental health and substance use resources available in the county in which the inmate is incarcerated:</p> <p style="text-align: right;">Award Amount: \$1,500,000</p>
Agape Community Services	<p>To a nonprofit organization headquartered in a western Iowa county with a population between one hundred thousand and one hundred six thousand based on the 2020 federal decennial census, for a recovery project that involves recovery housing and post-treatment support based on a recovery cafe model, for individuals in addiction recovery including those experiencing homelessness and transitioning from incarceration, and the nonprofit organization provides an appropriate physical location and a dollar-for-dollar match for each dollar disbursed to the nonprofit organization:</p> <p style="text-align: right;">Award Amount: \$2,000,000</p>
SIEDA Pathways Behavioral Health New Opportunities ADDS	<p>To contract with local peer-recovery specialists in four rural locations in the state to provide post-overdose response services through emergency departments that connect individuals and families to post-overdose treatment and recovery support, and to train peer recovery coaches using the linkage to outreach referrals and engagement model:</p> <p style="text-align: right;">Award Amount: \$2,000,000 (\$500,000 per entity)</p>
Full Circle Recovery Center of Attention CRUSH Rise Recovery	<p>To provide grants to nonprofit organizations for each nonprofit organization to establish recovery community centers, including for the purchase or lease of physical space and programming, in behavioral health districts</p>

Rediscover Recovery	four, five, and seven to connect members of the recovery community to support, education, resources, and advocacy: Award Amount: \$4,500,000 (\$900,000 per entity)
Barikiwa One City United	To provide grants to nonprofit organizations to establish recovery cafes in behavioral health districts five and seven to support members of the recovery community, focusing on health maintenance and opioid addiction prevention by providing a safe environment to cultivate meaningful connections, compassionate understanding, and a culture of affirmation that enhances well-being and self-worth: Award Amount: \$1,500,000 (\$750,000 per entity)
House of Mercy ASAC Rosecrance Jackson Centers Heartland Family Services	To provide grants to nonprofit organizations in behavioral health districts one, four, five, and seven for recovery respite that focuses on women, and women with children, who are in substance use disorder treatment or recovery to provide the women appropriate resources to enhance their recovery efforts and transition to independent living: Award Amount: \$1,500,000 (\$375,000 per entity)
Community and Family Resources	To provide a grant to a nonprofit organization headquartered in a city with a population between twenty-four thousand five hundred and twenty-five thousand based on the 2020 federal decennial census, that is a member of the Iowa substance use and problem gambling services integrated provider network and that specializes in treatment and prevention services, including outpatient, residential treatment, and detoxification for adolescents and adults who are experiencing mental health and substance use disorders: Award Amount: \$3,000,000
Vera French Community Mental Health Center	To provide a grant to a nonprofit organization headquartered in a city with a population between one hundred seventy-four thousand and one hundred seventy-five thousand based on the 2020 federal decennial census, that is a community mental health center under chapter 230A, and that maintains or conducts a program licensed under chapter 125 the primary purpose of which is the treatment and rehabilitation of persons with a substance use disorder, including outpatient care, residential care, habilitation homes, crisis stabilization residential services, assertive community treatment, multisystemic therapy, and integrated home health and supportive and affordable housing for adolescents and adults experiencing substance use or mental health disorders: Award Amount: \$2,000,000

Award recipients were assigned specific performance measure outcomes as part of their contract. With implementation of the current contracts occurring at the end of SFY 2025, these performance measures will be reported on in the SFY 2026 report to legislature.

In addition to the above referenced award recipients, one additional funding opportunity was identified as part of Division II of the approved legislation. Specifically:

Notwithstanding any provision of law to the contrary, of the moneys appropriated to the department of health and human services under subsection 1, \$3,000,000 shall be disbursed as grants to nonprofit organizations that submit a proposal to the department of health and human services for development of recovery housing in behavioral health districts that do not have established recovery housing capacity.

Iowa HHS announced availability of the Recovery Housing funding opportunity on September 24, 2025. Applications were due on October 23, 2025, with award announcements to be made on November 14, 2025.

**B. Input from each district behavioral health advisory council regarding disbursements from the fund, intended outcomes, and recommendations for future disbursements from the fund.**

In collaboration with the Iowa Primary Care Association, Iowa HHS staff participated in the Behavioral Health District Advisory Council meetings. Conducted over a four-day period (August 25-28), Iowa HHS presented on a variety of opioid-related topics, which included the current opioid funding landscape, the Opioid Settlement Fund, and the opioid settlement fund history and framework. In addition, Iowa HHS presented district-level data briefs of opioid-related metrics and solicited feedback from Advisory Council Members. Using the following questions, bulleted items represent feedback received from advisory council members:

1. Does the information we've reviewed capture what you see as priority needs in your district? If not, what's missing?
  - Prevention
  - Provider map of medication for opioid use disorder (MOUD)
  - Stigma
  - Mobile Crisis gap
  - Training more on Naloxone
  - Transportation
  - Statewide housing
  - More data for overdose and emergency department visits to see where the problems are (county-based data)
  - Connection between treatment and recovery services and help with keeping them on track
  - Medication Assisted Treatment (MAT) treatment for jail
  
2. What do you think is the highest priority opioid-related need(s) in your community?
  - MOUD
  - Prevention for all ages

- Peer support (treatment/recovery)
  - Breaking down stigma
  - Treatment facilities and 24/7 access
  - Jail-based services
  - Transportation
  - Education in rural areas
3. Where do you see opportunities for coordination and/or collaboration between the state, counties and cities?
- Make sure we are not duplicating services
  - Shelters and facilities
  - Transportation
  - Intensive and Extended Outpatient Treatment
  - Opioid Settlement Funding and information on how they can spend it
  - Diversion programs
  - Training statewide
4. What outcomes should Iowa focus on and what information would you like to receive as a district advisory council member?
- Data (county/district)
  - Resources/grants
  - Centralized resources for each district
  - Peer recovery services
  - Education in schools (prevention)

As previously mentioned, district-level data briefs of opioid-related metrics were developed for each district. This data was utilized as a part of the implementation plan with gathering input from each district behavioral health advisory council. The district-level data briefs included assessment information in line with the allowable use and principles of investment, which was guided by [Exhibit E. The List of Opioid Remediation Uses](#) **A list of the current opioid-related initiatives within the behavioral health district that are funded by moneys from the national settlements that are earmarked for or otherwise required to be transferred or distributed to counties, cities, or other local governmental entities.**

Following completion of mediation in 2021 between the Office of the Attorney General of Iowa (Iowa AG) and representation for the Iowa counties (Iowa State Association of Counties), the decision was made to evenly divide national opioid settlement funding awarded to Iowa (50-50) between the state and the counties. The portion of funding reserved for the counties was utilized, beginning in SFY2023.

With oversight provided to the counties by Iowa AG, annual reports outlining expenditures for each previous state fiscal year were required to be submitted by December 1<sup>st</sup> of that year. The following is a summary of funding expended by the counties, as well as a list of some of the expenditures.

- In SFY2023, the total amount of funding awarded to Iowa counties was \$15.9M. Of that amount, the total spend reported by counties for SFY2023 was \$695k. Some of the expenditures include:

- Naloxone distribution
  - Prevention programs
  - Treating opioid use disorder
  - Supporting people in treatment and recovery
  - Preventing misuse of opioids
  - Addressing the needs of those involved in the criminal justice system
  - Preventing overdose deaths
  - First responders
  - Leadership planning
  - Travel expenses
  - Hiring a peer support specialist
  - Administration
  - Safety equipment
- In SFY2024, the total amount of funding awarded to Iowa counties (cumulative) was \$36.6M. Of that amount, the total spend reported by counties through SFY2024 was \$1.7M. Some of the expenditures include:
    - Naloxone distribution
    - Prevention programs
    - Addressing the needs of those involved in the criminal justice system
    - Training
    - Expansion of warm hand-off programs and recovery services
    - Prevent overdose deaths and other harms
    - Addressing the needs of pregnant or parenting women
    - DARE
    - Prevention coalitions
    - TruNarc
    - Discovery House
    - New Opportunities
    - Travel expenses
    - Talbot House
    - Media
    - Locking pill bottles
    - Drug court
    - Administration
    - Data collection and research analysis
    - Drug disposal bags

With the current reporting structure, counties are required to submit reports on opioid settlement funding utilization by December 1<sup>st</sup> of each year, for the previous state fiscal year. This means that the information submitted is provided to Iowa AG after the due date for the required annual report to legislature each year (November 1<sup>st</sup>). For example: the reporting for state fiscal year 2025, beginning July 1, 2024 and ending June 30, 2025 is due on December 1, 2025. Thus, a complete report of expenditures for SFY2025 will be included in next year's version of this report to the legislature which is due November 1, 2026, 17 months after the end of the period being reported. To address this, Iowa AG will explore implementing a shorter preparation window and have year-end reports submitted by October 1<sup>st</sup> to allow more recent and relevant reporting to legislature by November 1<sup>st</sup>.

## **C. FY26 State Opioid Settlement Fund Recommendations Background**

As outlined in Division I of House File 1038:

*For each fiscal year for the period beginning July 1, 2025, and ending June 30, 2030, of the total amount of the state portion of the moneys paid to the state as described in paragraph “b” and deposited in the fund, plus any interest and earnings on moneys in the fund, seventy-five percent is appropriated to the department and twenty-five percent is appropriated to the office of the attorney general for purposes of abating the opioid crisis in this state.*

### **Future State of the Opioid Settlement Fund – Recommendations for FY 2026**

Iowa HHS proposes the following recommendations for FY 2026 Opioid Settlement Funding.

- Iowa HHS will release two rounds of funding opportunities—one in the fall and one in the spring—totaling up to \$7 million each. Applicants may receive up to \$1,000,000 in total for their proposed project(s). Applications will be scored based on how well the proposed project(s) align with statewide and local needs, demonstrate measurable outcomes, and show collaboration.
- Iowa HHS recommends strengthening the Opioid Antagonist Fund, first created in 2022, by setting aside \$1 million annually from opioid settlement funds. It is recommended that this fund be expanded beyond naloxone access for first responders, to include schools, healthcare providers, local health departments, and community groups.
- Additionally, HHS will use part of its administrative reserve to provide oversight and ensure compliance with opioid settlement-funded projects. Moving forward, HHS will work with advisory councils to assess district needs, plan future funding cycles, and create an annual process of reviewing data, gathering feedback, and forecasting funding opportunities.