

# Opioid Settlement Fund, Allocation of Moneys Bill

## Senate File 2395

*As amended by House amendment S-5189  
(Strike everything after the enacting clause)*

Last Action:

House Floor

April 18, 2024

**An Act relating to and making appropriations from the Opioid Settlement Fund.**

**Fiscal Services Division  
Legislative Services Agency**

### **NOTES ON BILLS AND AMENDMENTS (NOBA)**

Available online at [www.legis.iowa.gov/publications/information/appropriationBillAnalysis](http://www.legis.iowa.gov/publications/information/appropriationBillAnalysis)

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**NEW PROGRAMS, SERVICES, OR ACTIVITIES**

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Specifies that moneys in the Opioid Settlement Fund are only used pursuant to appropriation from the Fund to the Department of Health and Human Services (HHS) for the purposes of abating the opioid crisis in the State, which may include but are not limited to purposes specified in Iowa Code section [135.190A](#) for moneys in the Opioid Antagonist Medication Fund.

Page 1, Line 22

**FUNDING FOR PROJECTS AND PROGRAMS**

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Authorizes the following appropriations from the Opioid Settlement Fund to the HHS:

Page 4, Line 7

- \$3.0 million for a youth substance treatment and recovery campus.
- \$8.0 million for a nonprofit organization to be used for renovation and expansion of a nature-based recovery campus.
- \$1.5 million for the renewal, extension, and expansion of an opioid addiction prevention surgery support services agreement.

**STUDIES AND INTENT**

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***Intent***

Requires funds appropriated under Iowa Code section [12.51](#) to the HHS to be distributed through annual grants to recommended grant applicants. The grant application must emphasize that awarded grants provide one-time State funding.

Page 1, Line 31

***Nonreversion***

Allows any unexpended funds in the Opioid Settlement Fund to not revert at the close of the fiscal year. Notwithstanding Iowa Code section [12C.7\(2\)](#), interest or earnings on moneys in the Fund must be credited to the Fund.

Page 4, Line 2

***Required Report***

Requires that following the annual review of grant applications, the advisory council compile a report to submit to the General Assembly by December 15 each year.

Page 2, Line 26

***Studies***

Requires the Department of Health and Human Services (HHS) to establish an advisory council to annually

Page 2, Line 2

**EXECUTIVE SUMMARY**

**S5189**

**OPIOID SETTLEMENT FUND, ALLOCATION OF MONEYS BILL - AS AMENDED**

review grant applications and make recommendations to the General Assembly for the funding of grant applications.

Requires the Advisory Council to convene an initial meeting no later than September 1, 2024, and dissolve upon the expenditure of all moneys in the Opioid Settlement Fund.

Page 3, Line 33

S5189 provides for the following changes to the Code of Iowa.

<b>Page #</b>	<b>Line #</b>	<b>Bill Section</b>	<b>Action</b>	<b>Code Section</b>
1	4	1	Amend	12.51

S5189 House Amendment to

1 1 Amend Senate File 2395, as passed by the Senate, as follows:

1 2 #1. By striking everything after the enacting clause and

1 3 inserting:

1 4 #1. Section 12.51, Code 2024, is amended to read as

1 5 follows:

1 6 12.51 OPIOID SETTLEMENT FUND  — ADVISORY COUNCIL — GRANT

1 7 PROCESS .

1 8 1. An opioid settlement fund is created in the office of  
 1 9 the treasurer of state. The fund shall be separate from the  
 1 10 general fund of the state and the balance in the fund shall not  
 1 11 be considered part of the balance of the general fund of the  
 1 12 state. The state portion of any moneys paid to the state as  
 1 13 a result of a national settlement of litigation with entities  
 1 14 that manufactured, marketed, sold, distributed, dispensed,  
 1 15 or promoted opioids, made in connection with claims arising  
 1 16 from the manufacturing, marketing, selling, distributing,  
 1 17 dispensing, or promoting of opioids, shall be deposited in the  
 1 18 fund. This subsection does not apply to such moneys paid to  
 1 19 the state that are earmarked for or otherwise required to be  
 1 20 transferred or distributed to counties, cities, or other local  
 1 21 governmental entities.

1 22 2. Moneys in the fund shall not be transferred, used,  
 1 23 obligated, appropriated, or otherwise encumbered except as  
 1 24 provided in this section. Moneys in the fund shall only be  
 1 25 used pursuant to appropriations from the fund by the general  
 1 26 assembly to the department of health and human services for  
 1 27 purposes of abating the opioid crisis in this state, which  
 1 28 may include but are not limited to the purposes specified in  
 1 29 section 135.190A for moneys in the opioid antagonist medication  
 1 30 fund.

1 31 3. a. Funds appropriated under this section to the  
 1 32 department of health and human services shall be distributed  
 1 33 through the annual awarding of grants to recommended grant  
 1 34 applicants. The grant application process shall emphasize that  
 1 35 the grants awarded provide one-time, rather than ongoing, state  
 2 1 funding.

CODE: Specifies that moneys in the Opioid Settlement Fund are only used pursuant to appropriation from the Fund to the Department of Health and Human Services (HHS) for the purposes of abating the opioid crisis in the State, which may include but are not limited to purposes specified in Iowa Code section [135.190A](#) for moneys in the Opioid Antagonist Medication Fund.

FISCAL IMPACT: As of April 15, 2024, there is \$45,700,508 in the Opioid Settlement Fund. It is unknown whether any additional moneys will be deposited into the Fund by the enactment date.

CODE: Requires funds appropriated under Iowa Code section [12.51](#) to the HHS to be distributed through annual grants to recommended grant applicants. The grant application must emphasize that awarded grants provide one-time State funding.

2 2 b. (1) The department of health and human services shall  
 2 3 establish an advisory council to annually review, and make  
 2 4 recommendations to the general assembly for the funding of,  
 2 5 grant applications.

Requires the HHS to establish an advisory council to annually review grant applications and make recommendations to the General Assembly for the funding of grant applications.

2 6 (2) (a) In annually selecting grant applications for  
 2 7 recommendation to the general assembly, the advisory council  
 2 8 shall prioritize grant application proposals that focus on both  
 2 9 prevention and treatment, shall consider the amount of opioid  
 2 10 settlement funding received by a participating local government  
 2 11 as a direct distribution, and shall optimize statewide access  
 2 12 to care by ensuring geographic diversity among the grant  
 2 13 applications selected.

CODE: Requires the advisory council to prioritize grant applications that focus on prevention and treatment, consider the amount of moneys from the Opioid Settlement Fund that a participating local government has received as a direct distribution, and optimize Statewide access to care by ensuring geographic diversity among grant applicants that are selected.

2 14 (b) In carrying out its duties, the advisory council shall  
 2 15 utilize opioid data provided by the department of health  
 2 16 and human services. The department may issue a request for  
 2 17 proposals to engage an expert to assist the advisory council in  
 2 18 analyzing the data. The advisory council shall also consult  
 2 19 with the department to develop specified grant outcomes to be  
 2 20 used in evaluating the effectiveness of the grants awarded.

CODE: Requires the advisory council to use opioid data provided by the HHS in carrying out its duties as a council. The HHS may issue a request for proposals to engage an expert to assist the council in analyzing the data. The Bill also requires the advisory council to consult with the HHS to develop specified grant outcomes to be used to evaluate the effectiveness of grants awarded.

2 21 (c) The advisory council shall request that all  
 2 22 participating local governments receiving a direct distribution  
 2 23 of opioid settlement funding report annually the amount  
 2 24 received and the amount and purpose for which the moneys were  
 2 25 expended.

CODE: Provides that the advisory council must request that all participating local governments that receive a direct distribution of opioid settlement moneys annually report the amount received, and the amount and purpose for which the moneys were expended.

2 26 (3) Following the annual review of grant applications,  
 2 27 the advisory council shall compile and submit to the general  
 2 28 assembly no later than December 15 a report that includes all  
 2 29 of the following:

CODE: Requires that following the annual review of grant applications, the advisory council compile a report to submit to the General Assembly by December 15 each year.

2 30 (a) A list of the grant applications recommended for the  
 2 31 awarding of grant funding in the subsequent fiscal year.

DETAIL: The report must include the following:

2 32 (b) The department's evaluation of the effectiveness of  
 2 33 the grants awarded in the prior year based on the outcomes  
 2 34 specified by the advisory council.

- A list of the grant applications recommended for the awarding of grant funding in the subsequent fiscal year.
- An evaluation by the HHS of the effectiveness of grants awarded in the prior year based on the outcomes specified by the advisory council.

2 35 c. The general assembly shall annually appropriate from the  
 3 1 opioid settlement fund to the department of health and human

CODE: Requires the General Assembly to annually appropriate a sufficient amount of moneys from the Opioid Settlement Fund to the

3 2 services an amount sufficient to fund the annually recommended  
 3 3 grants.

HHS to fund recommended grants.

3 4 d. (1) The advisory council shall consist of all of the  
 3 5 following voting members:

CODE: Requires the Advisory Council to include the following members:

3 6 (a) The director of the department of health and human  
 3 7 services, or the director's designee.

3 8 (b) The attorney general, or the attorney general's  
 3 9 designee.

3 10 (c) One individual representing the judicial branch,  
 3 11 selected by the state court administrator.

3 12 (d) One individual representing the department of  
 3 13 corrections, selected by the department of corrections.

3 14 (e) One county sheriff, selected by the Iowa state sheriffs'  
 3 15 and deputies' association.

3 16 (f) One individual who is a member of the board of pharmacy,  
 3 17 selected by the board of pharmacy.

3 18 (g) Two individuals, selected by the Iowa behavioral health  
 3 19 association.

3 20 (h) One individual who is an opioid addiction specialist.

3 21 (i) One individual selected by the Iowa hospital  
 3 22 association.

3 23 (j) One individual selected by the national alliance on  
 3 24 mental illness Iowa.

- The Director of the HHS or the Director's designee.
- The Attorney General of the Attorney General's designee.
- An individual representing the Judicial Branch who has been selected by the State Court Administrator.
- An individual representing the Department of Corrections (DOC) who has been selected by the DOC.
- A county sheriff who has been selected by the Iowa Sheriffs' and Deputies' Association.
- An individual who is a member of the Board of Pharmacy who has been selected by the Board of Pharmacy.
- Two individuals who have been selected by the Iowa Behavioral Health Association.
- An individual who is an opioid addiction specialist.
- An individual selected by the Iowa Hospital Association.
- An individual selected by the National Alliance on Mental Illness Iowa.

3 25 (2) In addition, the membership of the advisory council  
 3 26 shall include one senator appointed by the president of the  
 3 27 senate after consultation with the majority leader of the  
 3 28 senate, one senator appointed by the minority leader of the  
 3 29 senate, one representative appointed by the speaker of the  
 3 30 house of representatives, and one representative appointed by  
 3 31 the minority leader of the house of representatives, as ex  
 3 32 officio, nonvoting members.

CODE: Requires the advisory council to include the following ex-officio nonvoting members:

- One Senator appointed by the President of the Senate after consultation with the majority leader of the Senate.
- One Senator appointed by the minority leader of the Senate.
- One Representative appointed by the Speaker of the House of Representatives.
- One Representative appointed by the minority leader of the House of Representatives.

3 33 e. The advisory council shall convene an initial meeting  
 3 34 no later than September 1, 2024. The advisory council shall  
 3 35 be dissolved upon expenditure of all moneys in the opioid  
 4 1 settlement fund.

CODE: Requires the advisory council to convene an initial meeting no later than September 1, 2024, and dissolve upon the expenditure of all moneys in the Opioid Settlement Fund.

4 2 ~~3.~~ 4. Notwithstanding section 8.33, moneys in the fund

CODE: Allows any unexpended funds in the Opioid Settlement Fund

4 3 that remain unencumbered or unobligated at the close of a  
4 4 fiscal year shall not revert. Notwithstanding section 12C.7,  
4 5 subsection 2, interest or earnings on moneys in the fund shall  
4 6 be credited to the fund.

to not revert at the close of the fiscal year. Notwithstanding Iowa Code section 12C.7(2), interest or earnings on moneys in the Fund must be credited to the Fund.

4 7 #2. OPIOID SETTLEMENT FUND — APPROPRIATIONS — FY  
4 8 2024-2025. There is appropriated from the opioid settlement  
4 9 fund created in section 12.51 to the department of health and  
4 10 human services for the fiscal year beginning July 1, 2024, and  
4 11 ending June 30, 2025, the following amounts, or so much thereof  
4 12 as is necessary, for the purposes designated:

Opioid Settlement Fund appropriation to the HHS for a youth substance use treatment and recovery campus in a central Iowa county with a population between 98,000 and 99,000 based on the 2020 federal decennial census.

4 13 1. For a youth substance use treatment and recovery campus  
4 14 in a central Iowa county with a population between 98,000 and  
4 15 99,000 based on the 2020 federal decennial census:

4 16 ..... \$ 3,000,000

4 17 2. For a nonprofit organization headquartered in a city  
4 18 with a population between 24,500 and 25,000 as determined by  
4 19 the 2020 federal decennial census, that is a member of the Iowa  
4 20 substance use and problem gambling services integrated provider  
4 21 network and specializes in the treatment and prevention of  
4 22 co-occurring mental health and substance use disorders for  
4 23 adolescents and adults, to be used for renovation and expansion  
4 24 of a nature-based recovery campus to provide co-occurring  
4 25 assessment, treatment, and prevention services for both  
4 26 adolescents and adults who are suffering from mental health  
4 27 and substance use disorders, including outpatient, residential  
4 28 treatment, and detoxification:

Opioid Settlement Fund appropriation to the HHS for a nonprofit organization headquartered in a city with a population between 24,500 and 25,000, as determined by the 2020 federal decennial census, to be used for renovation and expansion of a nature-based recovery campus. The organization will provide co-occurring assessment, treatment, and prevention services for both adolescents and adults who are suffering from mental health and substance use disorders, including outpatient, residential treatment, and detoxification.

4 29 ..... \$ 8,000,000

4 30 3. To provide funding for the renewal, extension, and  
4 31 expansion of an opioid addiction prevention surgery support  
4 32 services agreement entered into by the Iowa attorney general's  
4 33 office that became effective October 1, 2022, to provide  
4 34 surgery care management services to facilitate the reduction  
4 35 of post-surgery opioid use and to optimize therapeutic,  
5 1 humanistic, and economic results from surgery and surgical  
5 2 recovery:

Opioid Settlement Fund appropriation to the HHS for the renewal, extension, and expansion of an opioid addiction prevention surgery support services agreement entered into by the Iowa Office of the Attorney General that became effective October 1, 2022.

5 3 ..... \$ 1,541,700

5 4 #2. Title page, by striking lines 1 through 3 and inserting  
5 5 An Act relating to the opioid settlement fund, and making

Titles this Bill as "An Act relating to the Opioid Settlement Fund."



5 6 appropriations.