

MEMORANDUM

TO: Senator Jane Kitchel, Chair, Senate Appropriations Committee Representative
Diane Lanpher, Chair, House Appropriations Committee
Mark A. Levine, MD Commissioner

FROM: Vermont Opioid Settlement Advisory Committee

DATE: April 23, 2024

SUBJECT: Opioid Settlement Funding Recommendations for Fiscal Year 2025

Consistent with 18 V.S.A. § 4774 (a)(2), the purpose of this letter is to describe the appropriations recommended by the Opioid Settlement Committee to the Vermont General Assembly for Fiscal Year 2025. Although the decision to submit a letter separate from one submitted by Dr. Levine on behalf of the Vermont Department of Health and informed by the Opioid Settlement Committee recommendations, was not unanimous, the majority of the Committee voted to draft and submit its own letter of funding recommendations. This letter has been circulated to all Committee members with an opportunity to offer edits. The final letter was voted on and approved by a majority of the Committee membership.

The Committee acknowledges that these recommendations should have been transmitted to the General Assembly on or before December 2023, however, with some months ahead before the final appropriations bills are settled and sent to the Governor, the Committee hopes these recommendations for appropriations from the Opioid Abatement Special Fund will be considered.

The committee heard testimony on and/or directly discussed over 30 proposals, and strongly feels that these initiatives described below should be considered the highest priority for Vermont's use of settlement funds in fiscal year 2025.

The listed initiatives each received a Tier 1 ranking from at least 8 of the 12 committee members. One of the highest tier priority recommendations is for the funding of two overdose prevention centers and the committee strongly recommends that the legislature fund this innovative and important strategy from settlement funds. All these proposed initiatives will be evaluated for outcomes and effectiveness.

It should be noted that these recommended appropriations differ from those communicated separately by Dr. Mark Levine, on behalf of the Vermont Department of Health and informed by the Opioid Settlement Advisory Council, as required by Act 118 of 2022, on January 16, 2024, in the following ways:

- Includes \$2,600,000 for Overdose Prevention Centers
- Reduces the recommendation for Recovery Housing, as this item received only half of the committee's support (from 6 of 12 members).

Removes appropriations for Expansion of Student Assistance Professionals/Schools Based Services, Ongoing Support for Contingency Management, and Vermonters for Criminal Justice Reform (VCJR) which are valuable initiatives and were supported by many members but did not receive a majority of committee support but were identified as the next tier of supported recommendations in an individual ranking exercise undertaken by the full Committee.

The committee continues to adhere to the set of five principles for the use of funds from opioid litigation:

- Spend money to save lives; use the funds to supplement rather than replace existing spending.
- Use evidence to guide spending.
- Invest in youth prevention.
- Focus on all forms of equity, including geographic/rural.
- Develop a transparent, inclusive decision-making process guided by public health leaders with the active engagement of people and families with lived experience, clinicians, as well as other key groups.

Vermont has received \$13,099,962 in payments as of the end of 2023. Of this amount, \$8,196,000 was appropriated for our inaugural set of recommendations one year ago. This leaves \$4,903,962 available for appropriation in fiscal year 2025. There are a number of settlements that were originally scheduled to pay in the last quarter of 2023 but which we do not anticipate will be deposited into the Vermont treasury until the first or second quarters of 2024, hence none of those prospective monies are included in these recommendations.

Pursuant to 18 V.S.A. § 4774 (a)(2), the Department, having been informed by the recommendations of the Committee, hereby requests the authorization to spend \$4,903,962 from the Opioid Abatement Special Fund to support these initiatives in fiscal year 2025.

Activity	Description	Budget Detail	Budget Proposal
Overdose Prevention Centers	Budget submitted by the Vermont Overdose Prevention Network. The budget includes funding for staffing, facility, medical supplies, equipment, program, and miscellaneous costs.	One-year operating funds for two fixed-site centers.	\$2,600,000
Expanded Methadone Treatment Access	To expand access to Methadone Treatment at three existing Hubs by expanding hours of operation.	\$200,000 - \$400,000 per site. Burlington has submitted budgetary information. It is proposed two other sites will be identified via an RFP process.	\$900,000
Managed Medical Response Partnership	Johnson Health and VCJR jointly request funds to provide critical and life-saving medical care and wrap-around support to a very challenging to reach and serve population – a justice involved population often newly released from incarceration.	Funding would support general operating and staffing for 1 health care related FTE for each program. It is anticipated the program will serve at least 75 new people.	\$300,000
Stabilization Bed Program	Lack of housing is often a barrier to beginning residential or MOUD treatment, re-entering programs after separation, or transitioning to different levels of either mental health or substance use-related care. This program would offer an opportunity for individuals removed from recovery housing or inpatient SUD treatment (usually due to relapse) to stabilize and return to programs/services, rather than begin new intake processes and treatment episodes.	Expenses for this program may include cost of transportation services, staff (intake, night observations, transport), medications, etc.	\$1,000,000
Recovery Housing Supports	The funding is for stipend for rent support for a minimum of one month at a certified recovery residence.	This equates to \$25,000 per recovery residence and anticipates 4 certified locations in fiscal year 2025.	\$103,962

Furthermore, during the March 25, 2024 meeting testimony from several syringe service program (SSPs) operators revealed that OSAC members, VDH staff and SSP representatives did not have a shared understanding of whether or not special funds allocated to SSPs would be an OSAC recommendation across fiscal years, if SSP operators were required to present new funding requests to the OSAC during each recommendation cycle, and how legislative awards of OSAC-recommended funds would impact SSP eligibility for other funding awards (e.g., tobacco funds) in future fiscal years.

This lack of clarity may have jeopardized the ability of SSPs receiving awards from the Opioid Abatement Special Fund in FY24 to maintain the base operational budgets which OSAC recommendations sought to supplement. The testimony delivered to the OSAC highlighted the consequences of significant delays between submission of OSAC recommendations to legislative committees, with funds from the FY24 appropriations made in May 2023 being received from VDH in February 2024. The Advisory Committee recommends continued base funding for SSP's and seeks to increase clarity in our process regarding recommending one-time versus ongoing funding.

This extended timeline for disbursement is not unique to OSAC-recommended awards to SSPs and has complicated the OSAC recommendation process, as well as delayed on-the-ground impacts of these vital funds. This episode demonstrates a need for future OSAC recommendations to state clearly whether or not individual program awards should be considered as one-time or continuing funds, as well as for the OSAC to develop parameters by which it will assess awards identified as continuing across fiscal years and how programs awarded one-time funds may seek OSAC support in future budget cycles.

Relatedly, OSAC is concerned that VDH staff capacity has not been increased to implement the new programs created by the settlement funding, and that this is contributing to the slow pace of fund disbursement. Multiple committee members proposed increased implementation funding, and had the committee ever had the opportunity to deliberate about its recommendations it is possible that implementation capacity would have been prioritized. We urge the legislature to consider VDH's capacity when finalizing its FY25 appropriations.

Thank you.