

This document is intended to answer frequently asked questions (FAQs) from Participating Subdivisions/Local Governments about the California Opioid Settlement Expenditure Reporting Form. Additional questions about reporting can be directed to DHCS at OSF@dhcs.ca.gov.

Contact Information

Information about **opioid litigation** and **settlement or bankruptcy participation** can be found on the California Attorney General's Opioid Settlements [webpage](#). Questions can be directed to OpioidSettlement-LocalGovernment@doj.ca.gov.

Information about **opioid settlement allocations** can be found on the [webpage](#) for the National Settlement Administrator, BrownGreer PLC. Questions about the settlements, including the schedule of annual allocations and recipients, can be directed to DirectingAdministrator@NationalOpioidOfficialSettlement.com.

Information about the **Mallinckrodt Bankruptcy allocations** can be found on the NOAT II Fund [webpage](#). Questions about the Mallinckrodt Bankruptcy, including the schedule of allocations and recipients, can be directed to the NOAT II Trustees at info@NationalOpioidAbatementTrust.com.

If you are **representing a special district** and have questions about the opioid settlements and bankruptcies, please contact the Attorney General's Office directly at OpioidSettlement-LocalGovernment@doj.ca.gov.

Form Access

- » **Can multiple people access the online submission form and work on the same expenditure report?**

No, only one person should complete the reporting form. DHCS recommends using the PDF version of the reporting form and the Necessary Materials Checklist to gather all data before submission of the online report.

- » **Are there any guidelines for the type of staff who should complete the form?**

This will depend on the structure and organization of each Participating Subdivision/Local Government. Both financial and programmatic data will be necessary to complete the reporting form. DHCS defers to Participating Subdivisions/Local Governments to determine the appropriate staff for entering data.

- » **Will I get a copy of my data after I report it?**

Yes. After you submit the form, your response will be emailed to the contact email entered at the beginning of the survey. Please enter your email address carefully to ensure timely receipt of your report copy. You will also be given the opportunity to download your report immediately after submission.

Reporting Requirements

- » **What is the reporting schedule for the opioid settlements and bankruptcy?**

Participating Subdivisions/Local Governments will be asked to report on their expenditures at least once a year until the relevant funds are fully expended and one year thereafter.

Reporting periods for the next few years are anticipated to occur as follows:

Month/Year	Milestone
September 30, 2024	Expenditure reports for SFY 2023-2024 due
September 30, 2025	Expenditure reports for SFY 2024-2025 due
September 30, 2026	Expenditure reports for SFY 2025-2026 due

DHCS offers technical assistance to all Participating Subdivisions/Local Governments to ensure compliance with expenditure requirements. Interested individuals can visit the [California Opioid Settlements website](#) to request assistance.

» **Do Participating Subdivisions/Local Governments need to complete the reporting form if they have not spent or committed their allocations during a reporting period?**

Yes, Participating Subdivisions/Local Governments must indicate funds received and carried or rolled over year-to-year during reporting periods. Please write in 0 during the expenditure sections of the reporting form if no funds have been expended or encumbered.

» **If my Participating Subdivision/Local Government does not elect direct payment, is it still obligated to report on the use of the funds?**

Participating Subdivisions/Local Governments that have opted-out of direct payment do not need to report to DHCS during reporting periods.

Participating Subdivisions/Local Governments wishing to opt-out of direct payment for the opioid settlements must notify the National Settlement Administrator, BrownGreer PLC, at least 60 days before a payment date. Participating Subdivisions/Local Governments that have opted out of direct payment for the National Distributors Settlement will also be opted out of the Mallinckrodt Bankruptcy, pursuant to the Mallinckrodt Bankruptcy Distribution Plan. Participating Subdivisions/Local Governments should confirm this status with the National Opioid Abatement Trust (NOAT) II Trustees.

Participating Subdivisions/Local Governments that received direct payment and then chose to reallocate a portion or all their funds to another Participating Subdivision/Local Government must report on the amount reallocated during DHCS reporting periods.

» **What happens if Participating Subdivisions/Local Governments do not complete their annual reporting?**

Participating Subdivisions/Local Governments receiving settlement and bankruptcy funds must prepare and file reports annually regarding the use of those funds. It is the responsibility of the Participating Subdivision/Local Government to ensure annual reports are provided to DHCS until all funds from the relevant settlement(s) and bankruptcy are fully expended and for one year thereafter. Failure to submit a timely report may result in a meet and confer with DHCS, an audit, or legal action. Participating Subdivisions/Local Governments who do not submit their reports by the prescribed deadlines will receive an electronic notice via email from DHCS

regarding the missing report. The electronic notice will be sent to the Participating Subdivision's/Local Government's primary contact. It is the responsibility of the Participating Subdivision/Local Government to ensure their primary contact's information is correctly listed with DHCS. A List of California City and County Primary Contacts is located on the [Payment Information tab](#) of the [California Opioid Settlements website](#).

Necessary Materials and Documentation

» What documentation is needed from Participating Subdivisions/Local Governments during reporting periods?

Please review the Necessary Materials Checklist for a complete list of the necessary data and materials needed to complete the Opioid Settlement Expenditure Reporting Form. Both financial and programmatic data will be required to complete the reporting form.

Information required to complete this form will include, but is not limited to:

Opioid Settlements

- Payments received from each settlement (e.g., Janssen Settlement or the Distributors Settlement) and the specific fund (e.g., California Abatement Accounts Fund or the California Subdivision Fund);
- Interest earned on the settlement fund allocations;
- Amounts reallocated to, or received from, other Participating Subdivisions, if applicable;
- Expenditures by program/activity for each settlement type and the specific fund;
- A narrative summary to provide background on the purpose of each program/activity;
- An indication of how each program/activity correlates to the priorities listed in the [California State-Subdivision Agreements](#) as well as [Exhibit E](#);
- An indication of how each program/activity correlates to a California High Impact Abatement Activity (HIAA), if applicable; and
- Administrative (indirect) costs by program/activity for each settlement type and the specific fund.

Mallinckrodt Bankruptcy

- Payments received from the Mallinckrodt Bankruptcy;
- Interest earned on funds received from the Mallinckrodt Bankruptcy;

- Amounts reallocated to, or received from, other Local Governments, if applicable;
- The amount of Mallinckrodt Bankruptcy funds expended, by allowable use categories (Exhibit 4 (Exhibit E)); and
- The amount of Mallinckrodt Bankruptcy funds spent on administrative (indirect) costs.

In the case that DHCS has questions or needs to verify the appropriate use of individual allocations, Participating Subdivisions/Local Governments should maintain books, records, documents, and other evidence, accounting procedures, and practices to properly reflect direct and indirect costs related to their opioid remediation activities funded by the CA Abatement Accounts Fund and/or National Opioid Abatement Trust (NOAT) II Fund. In addition, Participating Subdivisions/Local Governments should retain records relevant to their participation in the opioid agreements, including correspondence with the distributing entities (BrownGreer, PLC and NOAT II Trustees). Participating Subdivisions/Local Governments should preserve their records for a minimum of five (5) years after the expenditure is reported to DHCS.

DHCS recommends Participating Subdivisions that receive funds from the CA Subdivision Fund follow similar recording keeping practices as required for the CA Abatement Accounts Fund and NOAT II Fund.

Interest

» **How do Participating Subdivisions/Local Governments report interest?**

If funds are kept in an interest-bearing account, Participating Subdivisions/Local Governments will be responsible for reporting any interest earned on settlement and bankruptcy funds. Interest earned will need to be reported for each settlement/bankruptcy from which the Participating Subdivision/Local Government received funds. The Opioid Settlement Expenditure Reporting Form has specific areas where Participating Subdivisions/Local Governments can report interest earned.

» **How can interest earned from the opioid settlement funds be used?**

Interest earned from the opioid settlements and bankruptcies must also be used on opioid remediation.

Reallocations

» **If a reallocation occurs, which Participating Subdivision/Local Government needs to report the reallocation of funds?**

Both parties must report on the reallocation, including the amount sent or received, and the settlement/bankruptcy that the funds came from.

Funds redistributed to a county due to a city opting out of direct payment with the National Settlement Administrator (BrownGreer PLC) or NOAT II Trustees **should not** be reported in the reallocation section. These funds were included in the county's total allocation received from the National Settlement Administrator and/or NOAT II.

» **Do I report interest earned on reallocations in this section?**

All interest earned, should be reported in the interest-related questions in Section 5, Section 11, and Section 15 of the reporting form. If a Participating Subdivision/Local Government is reallocating funds to other Participating Subdivisions/Local Governments, they should report on interest earned from the total of their initial and reallocated amounts.

» **Do reallocated funds have required periods of expenditure like funds directly allocated from the National Settlement Administrator and NOAT II Trustees?**

Yes, reallocated funds received will follow similar periods of expenditure as directly distributed funds. For example, if a Participating Subdivision/Local Government received reallocated CA Abatement Accounts funds that were initially distributed during SFY 22-23, the Participating Subdivision/Local Government must spend this reallocated amount within five years of the initial receipt (SFY 27-28), or seven years of the initial receipt (SFY 29-30) for capital outlay projects.

Expenditure Reporting

» **Do Participating Subdivisions/Local Governments need to report expenditures by each opioid settlement fund account?**

Yes, Participating Subdivisions/Local Governments need to report expenditures by each opioid settlement fund. Information on expenditures is captured in two ways on the Opioid Settlement Expenditure Reporting Form.

- First, Participating Subdivisions/Local Governments will be asked to list all settlement dollars expended from the California Abatement Accounts Fund and the California Subdivision Fund, by settlement.

- Second, Participating Subdivisions/Local Governments will need to report on how much was expended on opioid remediation activities or programs. For each activity or program, Participating Subdivisions/Local Governments will need to report on how much was expended from each settlement.
- Third, Participating Subdivisions/Local Governments will be asked to report on how much was expended on opioid remediation activities or programs from funds received from the NOAT II Fund.

» **How do I report funds combined to pay for one expense?**

Participating Subdivisions/Local Government who combined funds for purchases must report financial information for the expenditure by each settlement and bankruptcy during reporting periods. Participating Subdivisions/Local Governments should keep records of the amount of funds expended from each settlement and account type to complete these reporting requirements. Participating Subdivisions/Local Governments should also preserve these records for a minimum of five (5) years after the expenditure is reported to DHCS.

» **What High Impact Abatement Activity (HIAA) should my Participating Subdivision/Local Government select in Section 7: CA Abatement Accounts Fund – Allowable Expenses Reporting?**

No less than 50% of the funds received by a Participating Subdivision/Local Government from the CA Abatement Accounts Fund in each calendar year must be spent on a California HIAA. Participating Subdivisions/Local Governments who received and expended funds from the CA Abatement Accounts Fund may indicate which HIAA is most aligned to their pursued opioid remediation activity, if applicable. The current list of HIAA includes:

- High Impact Abatement Activity 1: Provision of matching funds or operating costs for substance use disorder facilities within the Behavioral Health Continuum Infrastructure Program (BHCIP).

Authorized in 2021, the Behavioral Health Continuum Infrastructure Program (BHCIP) allows entities to use funds to “construct, acquire, and rehabilitate real estate assets or invest in needed mobile crisis infrastructure to expand the community continuum of behavioral health treatment resources.” Funds received from the opioid settlements may be used for matching funds or operating costs for substance use disorder (SUD) facilities within the BHCIP.

- High Impact Abatement Activity 2: Create new or expanded substance use disorder (SUD) treatment infrastructure.

Infrastructure, in this case, is defined as the physical or programmatic costs to create new or expanded SUD treatment, including treatment that addresses co-occurring mental health disorders and SUD. Physical infrastructure may include, but is not limited to, the purchase of buildings or the renovation of facilities and related equipment. Programmatic infrastructure may include, but is not limited to, resources that expand access to and the availability of SUD treatment (for example, access to Medication for Addiction Treatment (MAT), personnel costs, telehealth costs, and/or Electronic Health Records systems).

- High Impact Abatement Activity 3: Addressing the needs of communities of color and vulnerable populations (including sheltered and unsheltered homeless populations) that are disproportionately impacted by SUD.

Opioid remediation activities specifically addressing the needs of those at risk of developing an SUD within communities of color, including racial and/or ethnic minorities, and vulnerable populations. Vulnerable populations include, but are not limited to, individuals with limited or no access to health care, individuals experiencing adversities related to socioeconomic status, gender, sexual orientation, and/or mental health conditions, unhoused individuals, pregnant and parenting individuals, and/or at-risk children and youth.

- High Impact Abatement Activity 4: Diversion of people with SUD from the justice system into treatment, including by providing training and resources to first and early responders (sworn and non-sworn) and implementing best practices for outreach, diversion and deflection, employability, restorative justice, and harm reduction.

Diversion is a term used to describe intervention approaches that redirect individuals with a SUD away from formal processing in criminal justice settings and into treatment, recovery, and/or other support services. Diversion strategies include pre-arrest, pre-arraignment, and pre-trial activities aimed at directing an individual towards a treatment or care program as an alternative to imprisonment. Activities related to interdiction or criminal investigation, apprehension, and processing are **not** considered diversion.

- High Impact Abatement Activity 5: Interventions to prevent drug addiction in vulnerable youth.

Intervention is a term used to define activities that reduce the risk of vulnerable youth developing a SUD. Vulnerable youth include but are not limited to youth in foster care, juvenile justice-impacted youth, youth from communities of color, and/or experiencing adversities related to

socioeconomic status, gender, sexual orientation, mental health conditions, pregnant and parenting youth, and unhoused youth.

- High Impact Abatement Activity 6 (New): The purchase of naloxone for local entities including for distribution and efforts to expand access to naloxone for opioid overdose reversals.

Naloxone is a life-saving medication that reverses an opioid overdose while having little to no effect on an individual if opioids are not present in their system. Naloxone works by blocking the opioid receptor sites and reversing the toxic effects of the overdose. It has few known adverse effects and no potential for abuse. Naloxone comes in injectable and prepackaged nasal spray formulations.

Funds can be used to purchase naloxone for local entities, including, but not limited to:

- Harm reduction organizations, such as Syringe Service Programs;
- Community organizations, such as local opioid coalitions, youth substance use prevention organizations, or homeless service organizations;
- First responders, including fire, EMS, and police; and
- Schools, including K-12, local colleges and universities, or other educational institutions.

Funds may also be used to support evidence-based or evidence-informed programs that enhance access to naloxone for local distribution. This includes staff time for supporting navigation and access to naloxone. Strategies employed should focus on increasing availability and distribution of naloxone to first responders, overdose patients, individuals with SUD and their friends and family members, schools, community navigators and outreach workers, persons being released from incarceration, or other members of the general public.

» **What expenses are included in references to “Future Opioid-Related Expenses”?**

The California State-Subdivision Agreements dictate that the CA Subdivision Fund may be used to fund future opioid remediation and reimburse past opioid-related expenses, including fees and expenses related to litigation. Current efforts to remediate the opioid crisis are referred to as “Future Opioid-Related Expenses” in the California Opioid Settlement Expenditure Reporting Form. This includes any opioid remediation activities funded during the past fiscal year (SFY 23-24).

» **What opioid remediation activity category should my Participating Subdivision/Local Government select in Section 13: CA Subdivision Fund – Future Opioid-Related Expenses?**

Section 13 covers expenditures from the CA Subdivision Fund for opioid remediation activities pursued during SFY 23-24. Pursuant to the National Opioid Settlement Agreements, opioid remediation is defined as the care, treatment, and other program expenditures designed to:

1. Address the misuse and abuse of opioid products;
2. Treat or mitigate opioid use or related disorders; and/or
3. Mitigate the other alleged effects of, including on those injured as a result of, the opioid epidemic.

Participating Subdivisions/Local Governments who received and expended funds from the CA Subdivision Fund must indicate which category is most aligned to their pursued opioid remediation activity.

» **Who do I contact for questions about allowable uses or reporting requirements for the opioid settlements and bankruptcy?**

Individuals seeking clarification on allowable uses or reporting requirements for the settlements can contact DHCS at OSF@dhcs.ca.gov.

Administrative Expenses (Indirect Costs)

» **Should administrative expenses be included in total expenditure calculations?**

Yes, please include all expenditures in these sections, including administrative expenses (indirect costs). Section 7 (CA Abatement Account), Section 13 (CA Subdivision Fund), and Section 17 (NOAT II Fund) contain fields that should capture your total amount of expenditures during the state fiscal year for that fund type.

Attestations

» **The form contains several areas to certify and attest to information. Who should sign these attestations?**

It is up to the Participating Subdivision/Local Government to determine who provides the certification and attestation that funds have been used in compliance with the requirements of the opioid settlement and bankruptcy agreements and DHCS policies. The person completing the form whose information was submitted in Section 2 should be the person who certifies and attests throughout the report that

the information on the Opioid Settlement Expenditure Reporting Form is true and correct to their knowledge.