

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 Directing 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 form. 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 funds received and 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, 2025	Expenditure reports for SFY 2024-2025 due
September 30, 2026	Expenditure reports for SFY 2025-2026 due
September 30, 2027	Expenditure reports for SFY 2026-2027 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 Directing 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 of 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.

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 programs/activities funded by the CA Abatement Accounts Fund and/or funds received from the National Opioid Abatement Trust (NOAT) II Fund (Mallinckrodt Bankruptcy). 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 (Mallinckrodt Bankruptcy).

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 is reported as a lump sum for all settlement and bankruptcy allocations. 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 Directing 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 Directing Administrator and/or NOAT II.

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

No, interest earned should be included in the total amount of interest earned in Section 2: Payments. If a Participating Subdivision/Local Government is reallocating their interest-earned to other Participating Subdivisions/Local Governments, they should report the reallocated amount in Section 3: Reallocations. The expenditure reporting form has a separate table to indicate earned interest reallocations between Participating Subdivisions/Local Governments.

» **Do reallocated funds have required periods of expenditure?**

CA Abatement Account reallocations follow the same 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. CA Subdivision Funds and funds for the Mallinckrodt Bankruptcy do not have a timeframe for expenditure.

Expenditure Reporting

» **Do Participating Subdivisions/Local Governments need to report expenditures by each allocation type?**

Yes, Participating Subdivisions/Local Governments need to report expenditures by each allocation type. 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 CA Abatement Accounts Fund, CA Subdivision Fund, and NOAT II Funds (Mallinckrodt Bankruptcy) allocations.
- Second, Participating Subdivisions/Local Governments will need to report on how much was expended on opioid remediation activities/programs, by allocation type.

» **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 allocation type (CA Abatement Fund, CA Subdivision Fund, NOAT II Funds (Mallinckrodt Bankruptcy) during reporting periods. Participating Subdivisions/Local Governments should keep records of the amount of funds expended from each allocation 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 4: CA Abatement Accounts Fund – Allowable Expenses Reporting?**

No less than 50% of the funds received by a Participating Subdivision in each calendar year from the CA Abatement Accounts Fund must be used for one or more 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: The provision of matching funds or operating costs for substance use disorder (SUD) facilities within the Behavioral Health Continuum Infrastructure Program (BHCIP).
 - Authorized in 2021, the BHCIP awards competitive grants 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 SUD facilities within the BHCIP. No later than at the time of reporting expenditures, Participating Subdivisions must submit relevant DHCS BHCIP award letter(s) to validate that funds were used for an approved BHCIP SUD facility.

- High Impact Abatement Activity 2: Creating new or expanded SUD treatment infrastructure.
 - Infrastructure, in this case, is defined as the physical or programmatic costs to expand or create new SUD treatment, including treatment that addresses SUD and co-occurring mental health disorders. 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 the availability of SUD treatment (for example, access to Medication for Addiction Treatment, availability of telehealth services, and related personnel costs). Physical and programmatic infrastructure must directly result in increased client capacity and availability of SUD treatment.
- 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.
 - Eligible Exhibit E opioid remediation uses specifically addressing the needs, such as housing, job placement, and other related supports, of those at risk of developing an SUD within communities of color, including racial and/or ethnic minorities, and other 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, children and youth in foster care, and/or justice-involved individuals.
- 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 an SUD away from formal processing in

criminal justice settings and instead are diverted into treatment, recovery, and/or other support services. Diversion activities 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 or that may result in interdiction or criminal investigation, apprehension, and processing are not considered diversion.

- High Impact Abatement Activity 5: Interventions to prevent drug addiction in vulnerable youth.
 - Interventions, in this case, are specific and evidence-based or evidence informed programs or activities that target youth who are at risk of transitioning from substance misuse to developing a substance use disorder. Vulnerable youth are individuals between childhood and adult age who are deemed at risk of developing a substance use disorder because of known or suspected substance misuse. Examples of these activities may include, but are not limited to, conducting assessments to determine the severity of a youth’s substance use and referral to SUD treatment, if indicated, and activities or programs focused on increasing insight and awareness regarding substance use and motivation toward change.
- High Impact Abatement Activity 6: The purchase of naloxone 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. Funds may be used to support evidence-based or evidence-informed programs that enhance access to naloxone for local distribution. This includes staff time to support navigation and access to naloxone.5 Activities/programs 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 opioid remediation use should my Participating Subdivision/Local Government select in Section 5: CA Subdivision Fund – Future Opioid-Related Expenses?**

Section 5 covers expenditures from the CA Subdivision Fund for opioid remediation activities pursued during the state fiscal year. 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 opioid remediation use is most aligned to their pursued opioid remediation activity. The CA Subdivision Fund expenditures will only be classified under the above three opioid remediation options, and not by Exhibit E.

» **What are CA Subdivision Fund Reimbursements for Post Opioid-Related Expenses in Section 6?**

Participating Subdivisions/Local Governments that used Plaintiff Subdivision Funds to reimburse themselves for past opioid-related expenses (not legal fees and expenses) will need to report the number of past opioid-related activities they are reimbursing themselves for. Each activity will need to be separately reported, including the amount expended, and choose one of the three expenditure uses (the same as the Future Opioid-Related Expense options).

Participating Subdivisions/Local Governments that used Plaintiff Subdivision Funds for past legal expenses related to litigation against any Opioid Defendant prior to October 1, 2020, and paid during the SFY, will need to be reported in this section.

» **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)

» **How should I report administrative expenses for each allocation type?**

Section 4 (CA Abatement Account), Section 5 (CA Subdivision Fund), and Section 7 (Mallinckrodt Bankruptcy) contain fields that should capture your total amount of administrative expenses (indirect costs) during the state fiscal year for that allocation type.

Attestations

- » **The form contains several questions requesting 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 1 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.