June 1, 2022

Dear Budget Committee Members;

On behalf of Shatterproof, a national nonprofit dedicated to ending the addiction crisis, we and the organizations above urge California state policymakers to enact policies ensuring that all of the State’s portion of the opioid settlement funds be used to address the opioid crisis and save lives.

While California has fared better than some other states in meeting the CDC recommended spending from the tobacco master settlement funds from 1998[[1]](#footnote-1), it has not yet enacted legislation to direct opioid settlement funds over the long term. Almost 30 states have done this to date – creating separate opioid settlement fund accounts, creating advisory committees to guide allocation decisions, clarifying allowable uses of the fund, &/or ensuring transparency in the distribution processes and decision-making.

We are aware that California has established State Subdivision Agreements for the Distributors and Janssen, and that language has been introduced in various forms this legislative session. Despite these efforts, to date California has not comprehensively addressed the necessary components to ensure that all funds are spent to save lives in an equitable, transparent, and evidence-based fashion.

Over 60 organizations have endorsed the [Principles for the Use of Funds From the Opioid Litigation](https://nam02.safelinks.protection.outlook.com/?url=https%3A%2F%2Fopioidprinciples.jhsph.edu%2F&data=04%7C01%7Ckpendergrass%40Shatterproof.org%7Ce1c2529a74a74ba91f5208d9f16aa3dc%7C733885b2ca174cb19f7e882d57aaf0e7%7C1%7C0%7C637806262581807385%7CUnknown%7CTWFpbGZsb3d8eyJWIjoiMC4wLjAwMDAiLCJQIjoiV2luMzIiLCJBTiI6Ik1haWwiLCJXVCI6Mn0%3D%7C3000&sdata=Wo32UQwYAc9ACBdwltzLuDKg3s0mhJXXppCXMVXP82s%3D&reserved=0) developed at Johns Hopkins University which urge state policymakers to spend opioid settlement funds in accordance with best practices:

* Spend money to save lives
* Use evidence to guide spending
* Invest in youth prevention
* Focus on racial equity
* Develop a fair and transparent process for deciding where to spend the funding

Furthermore, any legislative proposals relating to the opioid settlement funds should:

* Establish a separate fund for the settlement dollars, independent from the state’s general fund, and ensure that funds supplement rather than supplant existing funding;
* Create an advisory board of diverse stakeholders to make transparent decisions on appropriations;
* Prioritize allowable uses of funds to evidence-based programs to prevent and treat substance use disorder and to resources for harm reduction and recovery support services; and
* Create a timely and transparent reporting mechanism on how dollars are spent and their impact.

While we are confident that states have learned valuable lessons from the struggles of tobacco settlement funds and are dedicated to using opioid settlement dollars to save lives, it is important that California enact policies to establish safeguards to ensure that this intent is followed.

We look forward to working with California state policymakers to create such policies and would be happy to provide further resources, guidance, or examples at your request.

Thank you,



Kristen Pendergras

Vice President, State Policy

Shatterproof

1. https://www.tobaccofreekids.org/what-we-do/us/statereport/california [↑](#footnote-ref-1)