

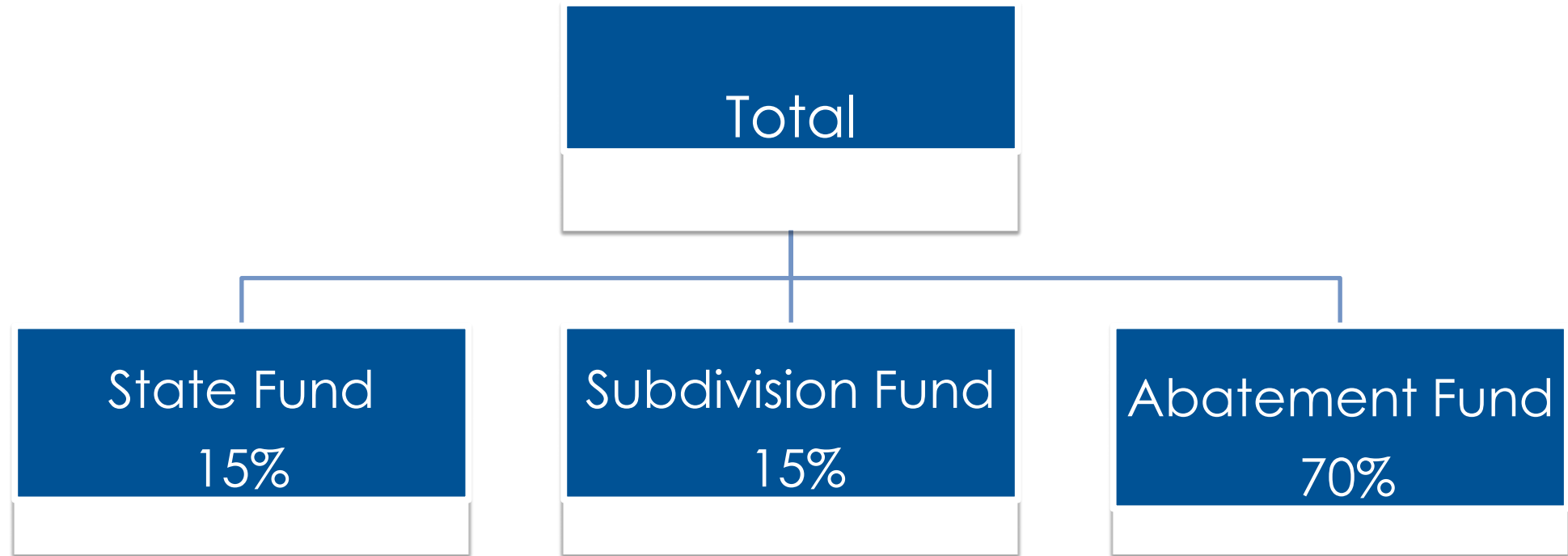
# Opioid Abatement Funds



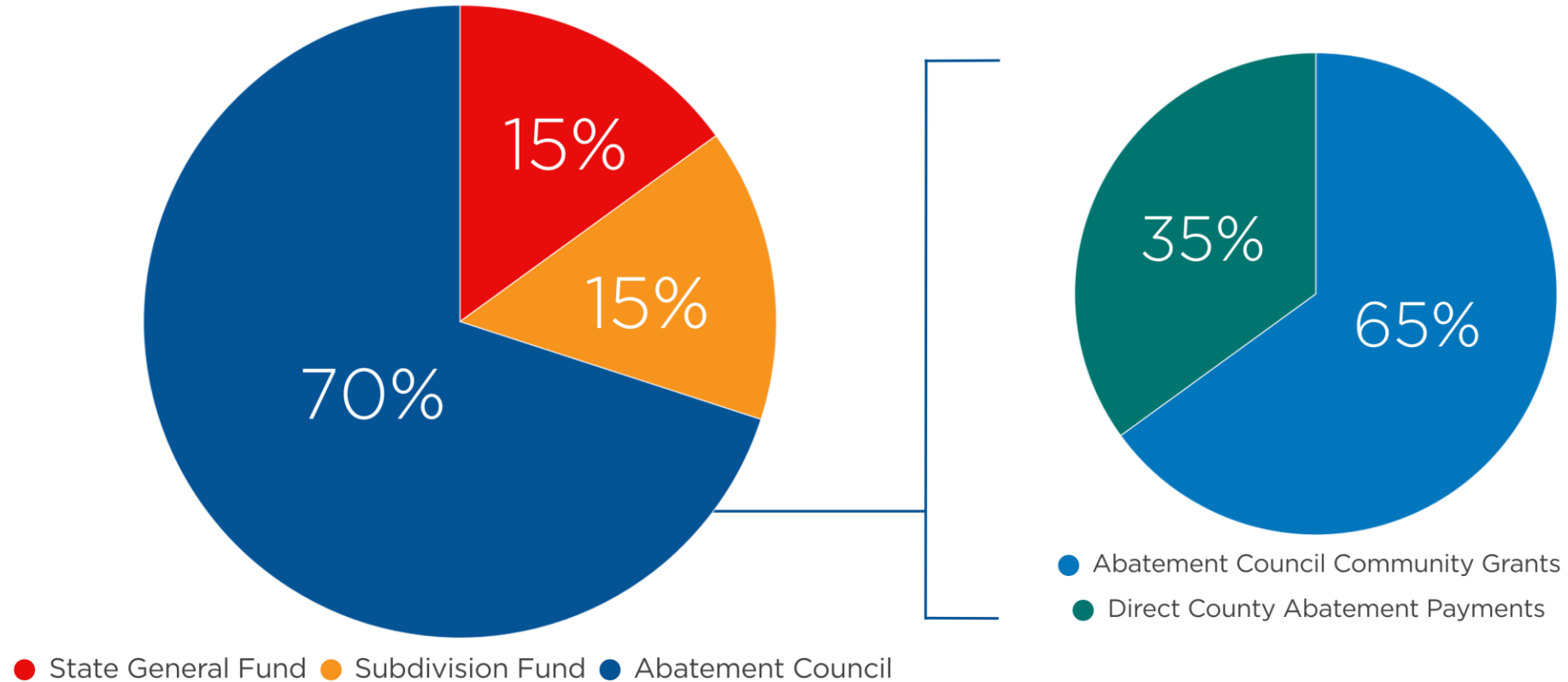
County Technical Assistance Service  
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# The “Three Buckets”

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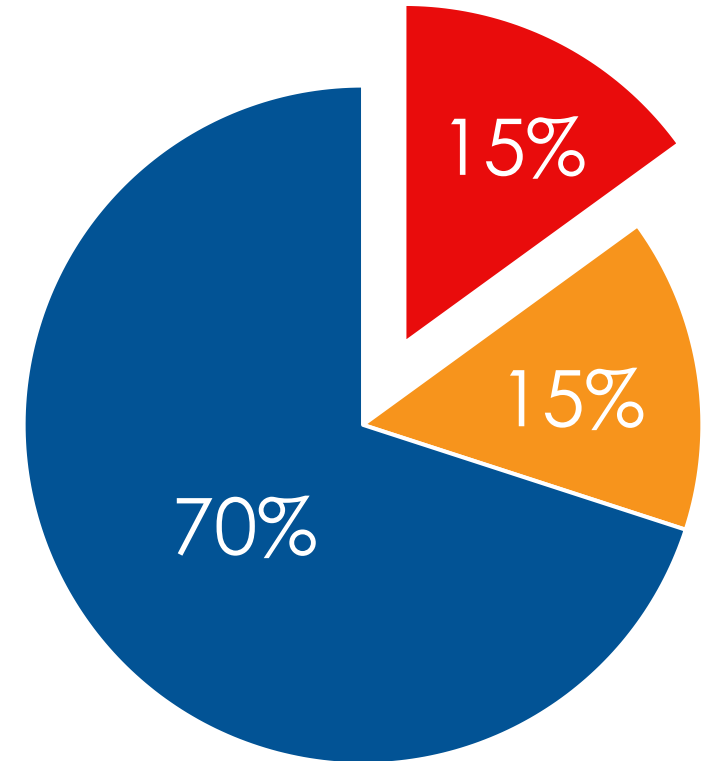
# Distribution of Opioid Settlement Funds



# State Funds – 1<sup>st</sup> Wave

## State Funds

- 15% of all settlements will go directly to the state
- Maximum total: **\$91.950 (first wave)**
  - Distributors - \$74.8 million over 18 years
  - J&J/Janssen - \$17.1 million over 10 years



# Subdivision Funds – 1<sup>st</sup> Wave

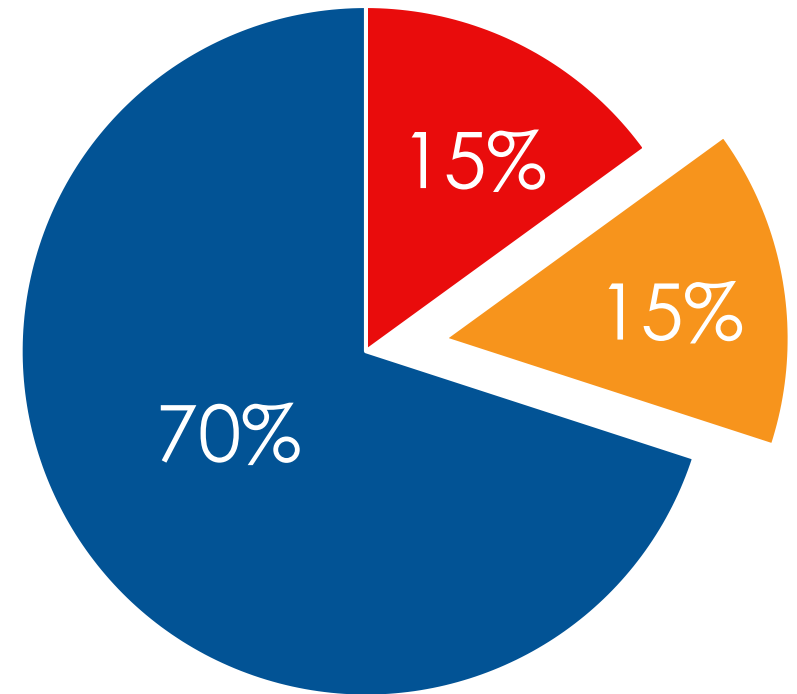
## Subdivision Funds

- 15% of all settlements will be distributed among all subdivisions that signed onto the litigations
- Must be used for:
  - Future opioid remediation
  - Reimbursement for past remediation expenditures
  - Reasonable related administrative expenditures
- Reporting – biannually to BrownGreer, only required if funds are spent on non-remediation purposes

Total maximum: **\$91.950 million (first wave)**

Distributors - \$74.8 million over 18 years

J&J Janssen - \$17.1 million over 10 years

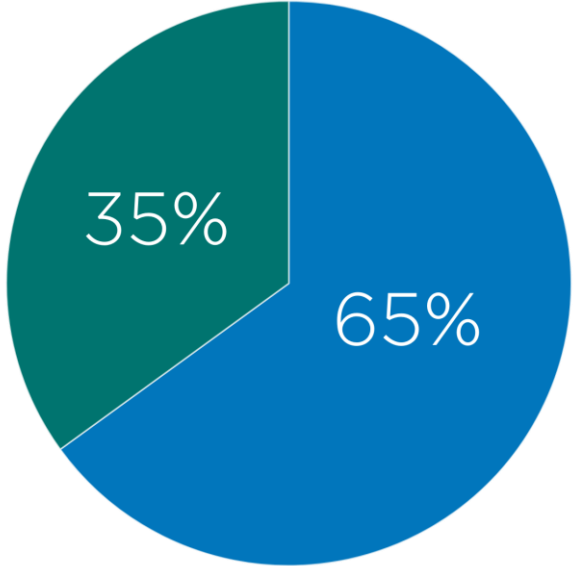


# Opioid Abatement Council Act – 2021

PC No. 491: To establish the fund and assemble the council

Funds
70% of all settlement monies
• 35% - directly to counties to be used for future opioid remediation
• 65% - distributed through competitive grants
• Less OAC expenses

Council
15 voting members and 1 nonvoting member
Appointments:
• Governor (4)
• Speaker of the house (4)
• Speaker of the senate (4)
• TCSA (2)
• TML (1)

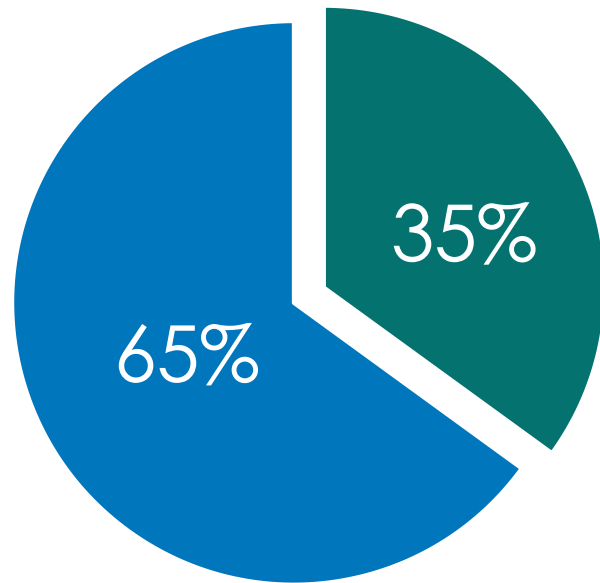


● Abatement Council Community Grants  
● Direct County Abatement Payments

Source: [PC No. 491](#)

# County Abatement Funds

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## Direct County Funds

- 35% of the Opioid Abatement Trust Funds will be paid directly to counties through Edison
- Per the annual Letter of Agreement with the OAC, these funds must be:
  - put into an interest-bearing account
  - allocated within two years
  - spent, granted an extension, or returned (with the accrued interest) within four years
  - used **ONLY** for *future* approved opioid remediation

# County Allocations

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## Recalculating

- Per the 2021 Opioid Abatement Council Act the allocation percentages will be **updated every 4 years** using the same data points.
- Next calculation prior to 2027 payment

## Holdback

Because it is possible that the data may not represent the scope of the problem in very small counties, 2% of the total county abatement funds will be held back for possible appeals.



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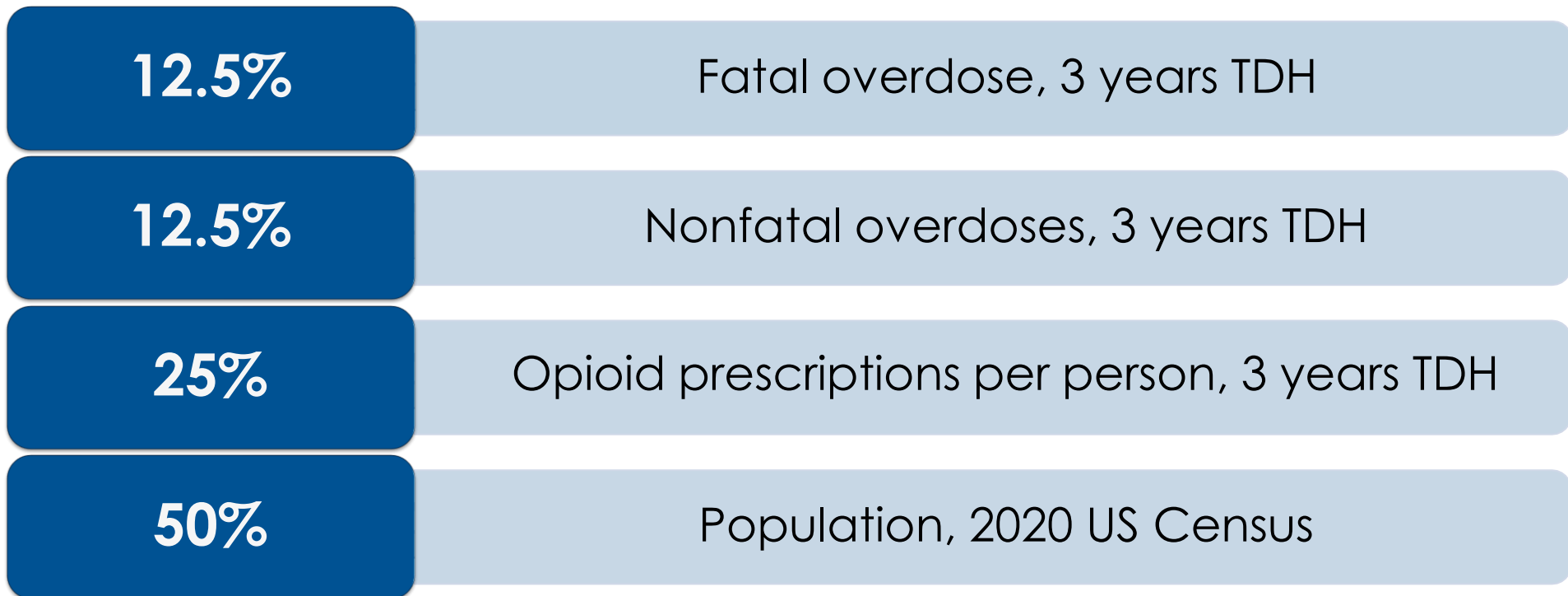
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Source: [Settlement FAQs for subdivisions](#)



# Abatement Funds - County Allocations

*In calculating the county allocation percentages, the data shall be weighted as follows:*

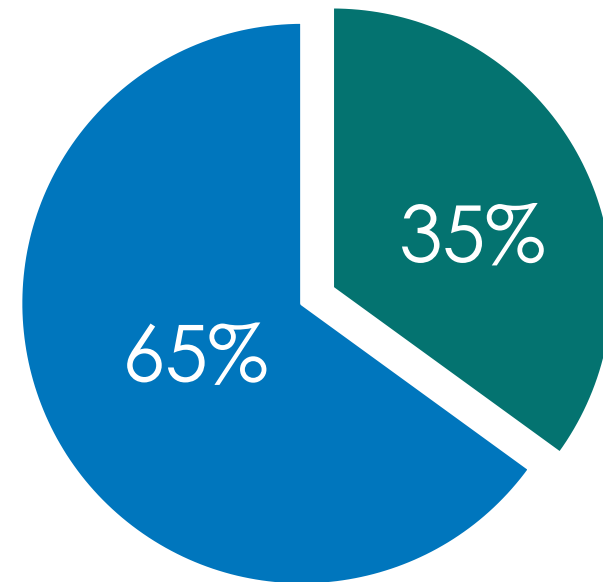


Source: [TN Attorney General's Guide for Local Government](#)

# Abatement Funds – Community Grants

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- Per the Abatement Act: The council shall disburse the remaining 65% of such proceeds for statewide, regional, or local opioid abatement and remediation purposes.
- Approved remediation uses the same as county
- Application is currently posted to OAC website
- Submissions accepted Sept 1-Oct 9, 2023
- Awards announced Feb 1, 2024
- Contract effective May 1, 2024



Source: [TN OAC Accouncement of Funding](#)

# Accounting for the Settlement Funds

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## **Subdivision Direct (from BrownGreer)**

48991 Opioid Settlement Funds – Past remediation

## **Opioid Abatement Trust Fund (from Edison)**

46845 is now Opioid Settlement Funds – TN Abatement Council

# Accounting for the Settlement Funds



- Can the interest be used outside of opioid abatement and remediation?
  - **Yes & No**
    - Direct subdivision money received from National Settlement Administrator (Brown Greer) - **Yes**
    - Received from the Opioid Abatement Trust Fund (MHSAS via Edison) - **No**

# Accounting for the Settlement Funds



- Can the county trustee take commission on opioid funds?
  - **Yes & No**
    - Direct subdivision money received from National Settlement Administrator (Brown Greer) - **Yes**
    - Received from the Opioid Abatement Trust Fund (MHSAS via Edison) - **No**

# Upcoming Activity

## Semiannual Reporting

- Required to receive funds
- Due September 30<sup>th</sup> & March 30<sup>th</sup> annually

## Letter of Agreement

- Stipulates how and by when funds are to be spent
- OAC reaching out in December/January timeframe

# Recap

Subdivision Funds paid directly to counties from Brown Greer (National Opioids Settlement Fund)

- Track Using 48991
- Trustee takes commission
- Interest earned does not need to be restricted

Opioid Abatement Council Funds paid via Edison labeled (MHSAS)

- Track using 46845
- No commission received
- Interest earned is restricted for use in opioid abatement

# Opioid Settlement Funds

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## Substance Misuse and Addiction Resource for Tennessee

An Initiative of the UT Institute for Public Service

**Dr. Jennifer Tourville, Executive Director**

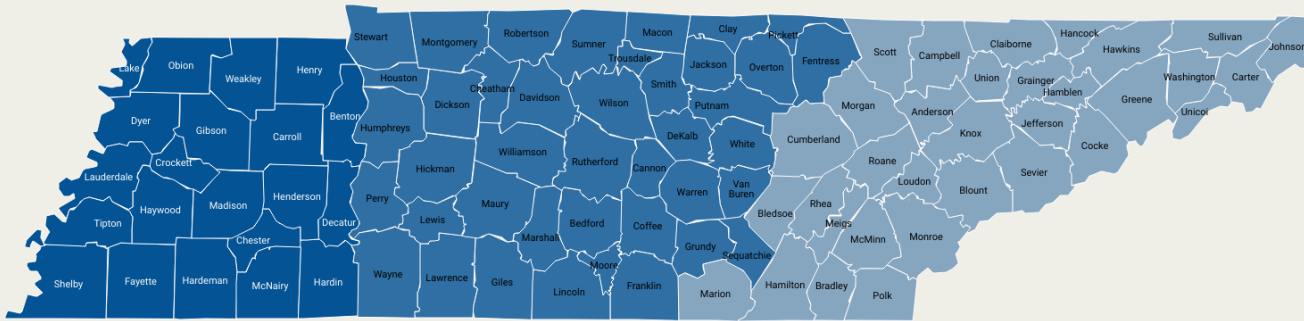


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# SMART Substance Use Consultants



## West

- TBA

## Middle

- Trevor Henderson
- [trevor.henderson@tennessee.edu](mailto:trevor.henderson@tennessee.edu)

## East

- Sarah McCall
- [sarah.mccall@tennessee.edu](mailto:sarah.mccall@tennessee.edu)

## Technical Assistance

SMART has employed one consultant in each TN grand division

TA will be provided at no cost to any city or county for:

- Developing opioid abatement plans
- Community or stakeholder education or workshops
- Grant writing and/or management
- Program implementation
- Program evaluation
- Anything else needed related to overcoming the opioid crisis



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# For Additional Questions or Assistance

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Contact Us:



**[smart@tennessee.edu](mailto:smart@tennessee.edu)**

**[smart.ips.tennessee.edu](http://smart.ips.tennessee.edu)**



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# SRO Grants

- \$75,000 Per School, Per Year
- First – Submission of Application and MOU
- Second – Safety Sends Grant Contract
  - County Legislative Body Approval Required
- Money Cannot be Pooled
- Required Reporting
- Chart of Accounts: 46240 – School Resource Officer Grants
- <https://www.tn.gov/safety/homeland-security/grants/sro.html>

# Restricted Funds

# Restricted Revenue Sources

- Limitations imposed by creditors, grantors, contributors, or laws and regulations of other governments.
  - Bond Proceeds
  - Grant Proceeds
  - Legal Settlements
  
- Limitations imposed by law through constitutional provisions or enabling legislation.
  - Locally Assessed Taxes (Property Tax, Wheel Tax, etc.)
  - Fees Assessed by Private Acts
  - Various Statutory Provisions – See Following Examples

# Restricted Revenue Sources

County Clerk Data Processing Fees – TCA 67-4-723:

(d) An amount equal to three dollars (\$3.00) per minimal activity license shall be retained by the county clerk or city official that issues such license. In the case of a county clerk, such amount shall be earmarked for computer hardware purchases or replacement but may be used for other usual and necessary computer-related expenses at the discretion of the county clerk. The amount shall be preserved for these purposes and shall not revert to the general fund at the end of a budget year if unexpended. Notwithstanding § 8-21-701, no additional fee shall be charged to any person for the filing of the application or issuance of the license provided for in this section.

# Restricted Revenue Sources

Sheriff Data Processing Fees – TCA 8-21-901:

(5) DATA PROCESSING SERVICES.

(A) For data processing services ..... \$2.00

(B) The revenue from the two-dollar data processing fee levied by subdivision (a)(5)(A), shall be allocated by the sheriff's county for computerization, information systems and electronic records management costs of the sheriff's office. Such funds shall remain earmarked within the general fund and shall be reserved for the purposes authorized in this subdivision (a)(5)(B) at the end of each fiscal year.

# Restricted Revenue Sources

County Clerk Additional Title Fee – TCA 55-6-104:

(3) For receiving and forwarding to the division each application for certificates of title, including all acknowledgments of signatures thereunder, the sum of eight dollars and fifty cents (\$8.50); **provided, that three dollars (\$3.00) of the fee must be earmarked for the provision of services directly related to titling and registration and must not revert to the county general fund at the end of a budget year if unexpended;**



# Spending Prioritization/Fund Balance Policy

- GASB requires that governments disclose their policy about whether they first apply restricted or unrestricted resources when an expense is incurred for which both unrestricted and restricted net assets are available.
- Default County Policy:
  - It is the county's policy that restricted amounts would be reduced first followed by unrestricted amounts when expenditures are incurred for purposes for which both restricted and unrestricted fund balance is available. Also, it is the county's policy that committed amounts would be reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of these unrestricted fund balance classifications could be used.

# Spending Restricted Fund Balance

- Be Cognizant of Existing Reserves and Balances
- Ensure Expenditure Meets Legal Guidelines
- Obtain CLB Approval
  - ALL Expenditures Require CLB Approval:
    - All funds from whatever source derived, including, but not limited to, taxes, county aid funds, federal funds, and fines, that are to be used in the operation and respective programs of the various departments, commissions, institutions, boards, offices and agencies of county governments shall be appropriated to such use by the county legislative bodies. TCA 5-9-407
- Communicate with Impacted Parties

# Year-End Calculation of Restricted Amounts

Sample County, Tennessee

General Fund

Analysis of Other Reserves and Designations

For the Year Ended June 30, 2023

	Account Number	Audited Book Balance 7/1/22	State Revenue	Local Revenue	Account Numbers Revenue/Expenditures	Expenditures and Encumbrances	Calculated Balance 6/30/2023
<u>Reserve Analysis</u>							
Data Processing Register of Deeds	34510	227.25	-	6,794.00	#43392, 51600-399	8,728.65	(1,707.40)
State Shared Sports Gaming Privilege Tax	34510	-	18,341.87	-	#46855, 51800-335	692,558.76	(674,216.89)
Vehicle Certificate of Title Fees	34510	96,610.94	16,721.05	-	#46835, 52500-435	5,140.01	108,191.98
Restricted for General Government	34510	225.00	68,460.52	-	#46980, #51900-xxx	-	68,685.52
Data Processing County Clerk	34515	10,886.00	-	2,837.00	#43396, 52500-411, 709	7,664.00	6,059.00
Courtroom Security Fee	34520	12,845.28	-	-	#42291, 51800-334	3,987.66	8,857.62
Sexual Offender Registration Fee Sheriff	34525	30,288.00	-	3,450.00	#43395, 54160	-	33,738.00