



# COUNTY of VENTURA

COUNTY EXECUTIVE OFFICE  
**SEVET JOHNSON, PsyD**  
County Executive Officer

**Mike Pettit**  
Assistant County Executive Officer

**Scott Powers**  
County Chief Financial Officer

July 23, 2024

Board of Supervisors  
County of Ventura  
800 South Victoria Avenue  
Ventura, CA 93009

**SUBJECT: Approval of the Updated Opioid Strategies Funding Plan for an Expanded Multi-Agency Strategy to Combat the Opioid Crisis in the County of Ventura, Increasing the Amount from \$3,703,341 to \$5,279,560 (an Increase of \$1,576,219) for Fiscal Year 2024-25; and Authorization for the County Executive Officer or Agency Directors of Respective Divisions to Sign Related Contracts and Agreements (Recommendation #2 Requires 4/5<sup>th</sup> Vote)**

## RECOMMENDATIONS:

1. Approve the County's updated opioid strategies funding plan, increasing the amount from \$3,703,341 to \$5,279,560 (an increase of \$1,576,219) for FY 2024-25, for an expanded multi-agency strategy to combat the opioid crisis in the County of Ventura, including an Opioid Settlement Fund spending plan. (Exhibit 1)
2. Authorization for the Auditor-Controller to process the necessary budgetary transactions to revise the following appropriations and revenue (this recommendation requires 4/5ths vote):

### **COUNTY EXECUTIVE OFFICE, Division #1010**

INCREASE	1010-1013	Services & Supplies	\$260,000
INCREASE	1010-1013	Miscellaneous Revenue	\$260,000

### **DISTRICT ATTORNEY, Division #2100\***

INCREASE	2100-2103	Salaries & Benefits	\$210,000
DECREASE	General Fund - Fund Balance-Assigned to Program Mitigation		\$210,000

### **PUBLIC DEFENDER, Division #2200**

INCREASE	2200-2202	Salaries & Benefits	\$130,000
INCREASE	2200-2202	Services & Supplies	\$70,000
INCREASE	2200-2202	Miscellaneous Revenue	\$200,000

**PROBATION AGENCY, Division #2600**

INCREASE	2600-2653	Services & Supplies	\$425,000
INCREASE	2600-2653	Miscellaneous Revenue	\$425,000

**SHERIFF - PATROL SERVICES, Division #2500\***

INCREASE	2500-2543	Salaries & Benefits	\$380,000
DECREASE	General Fund -Fund Balance-Assigned to Program Mitigation		\$380,000

**SHERIFF - DETENTION SERVICES, Division #2550**

INCREASE	2550-2551	Services & Supplies	\$101,848
INCREASE	2550-2551	Miscellaneous Revenue	\$101,848

**MEDICAL EXAMINER'S OFFICE, Division #2880**

INCREASE	2880	Salaries & Benefits	\$137,000
INCREASE	2880	Services & Supplies	\$50,000
INCREASE	2880	Miscellaneous Revenue	\$50,000
DECREASE	General Fund - Fund Balance –Assigned to Program Mitigation		\$137,000

**HCA-SUBSTANCE USE SERVICES, Division #3220\***

INCREASE	3220-3223	Salaries & Benefits	\$198,417
INCREASE	3220-3223	Services & Supplies	\$1,380,103
INCREASE	3220-3223	Miscellaneous Revenue	\$1,578,520

**HCA-VENTURA COUNTY MEDICAL SYSTEM, Division #3300**

INCREASE	3300-3301	Salaries & Benefits	\$189,400
INCREASE	3300-3301	Services & Supplies	\$253,600
INCREASE	3300-3301	Miscellaneous Revenue	\$443,000

\*Appropriations being requested exclude amounts already included in the FY 24-25 Adopted Budget and prior year unused amounts being rolled over and/or rebudgeted per the budget resolution for FY 24-25.

3. Authorization for the County Executive Officer or designee, or Agency Directors of respective Divisions, to sign related contracts and agreements, subject to review by County Counsel, make corrections, clarifications, technical changes, and other modifications to the spending plan, provided that the changes are consistent with the original purpose of the plan and Opioid Settlement guidelines as applicable, and do not result in additional cost to the County.

**FISCAL/MANDATES IMPACT:**

Mandatory: No [X] Yes [ ] Cite Authority:

Source of Funding: Opioid Settlement, General Fund – Fund Balance Assigned to Program Mitigation

Funding Match Required: No

Impact on Other Department(s): Health Care Agency, Sheriff, Probation, Public Defender, District Attorney, Medical Examiner's Office

	<u>FY 2024-25</u>	<u>FY 2025-26</u>
Summary of Revenue and Total Costs		
Revenue:	\$4,420,560	\$4,420,560
Costs:		
Direct Cost	\$5,279,560	\$5,279,560
Indirect - Dept.	\$0	\$0
Total Costs	<u>\$5,279,560</u>	<u>\$5,279,560</u>
Net County Costs	\$859,000	\$859,000

**STRATEGIC PLAN PRIORITY:**

The item presented in this Board letter aligns to the Healthy, Safe, and Resilient Communities strategic priority of the County Strategic Plan as it is designed to meet the goals of providing equitable and timely access to quality healthcare, mental health, and public health services and maintaining high-performing public safety services.

**BACKGROUND:**

Opioid Settlement Funds

In August 2019, the County filed a federal lawsuit against several opioid manufacturers, distributors, and pharmacies seeking damages for the harm caused to the County as a result of the opioid crisis. Thousands of other state and local governments filed similar lawsuits. As a result, multiple nationwide settlements, including ones against the three largest pharmaceutical distributors McKesson, Cardinal Health, and AmerisourceBergen (collectively, the "Distributors") and manufacturer Janssen Pharmaceuticals, Inc. and its parent company Johnson & Johnson (collectively, "Janssen"), have been reached in the last three years, resulting in tens of billions of dollars now being distributed nationwide to state and local governments to help abate the opioid crisis.

The settlement funds are being paid out in annual installments over a period of years that vary with each individual settlement. Use of such funds is mostly restricted, however, to a pre-approved list of opioid abatement uses. Generally, these funds must be used for opioid remediation activities and expenditures geared toward prevention, treatment, recovery, and/or harm reduction. More detail on the allowable uses of the Opioid Settlement Funds is provided in Exhibits 3 and 4 attached hereto, which are representative excerpts from one of the nationwide settlement agreements and the

accompanying California-specific allocation agreement.<sup>1</sup> These allowable use restrictions are generally consistent across the various settlement agreements.

Funds must be expended or encumbered within five (5) years of receipt, or seven (7) years if used toward capital projects. The County may roll over funds from the previous year and/or encumber funds for future eligible purchases.

The County must provide annual reports to the State accounting for its use of the funds and demonstrating its compliance with the authorized uses in the settlement agreements. The Department of Health Care Services (DHCS) oversees this annual reporting, with the next report due September 30, 2024. The County is required to report on funds spent to date through June 30, 2024 and planned activities over the next three years as of FY 24-25.

The County began receiving payments on November 15, 2022, and has received \$9.4M to date from the Distributors and Janssen settlements, as well as from the bankruptcy of opioid defendant Mallinckrodt.

#### Pharmacies Settlement Funds

Additional proposed nationwide settlements are currently pending with opioid manufacturers Teva and Allergan and pharmacies Walmart, Walgreens, and CVS (collectively, the “Pharmacies”). California stands to receive up to \$1.8 billion in abatement funding from these settlements, to be distributed amongst the state and local governments, and which will be similarly restricted.

#### County Expanded Multi-Agency Plan

On September 26, 2023, your Board approved an expanded and comprehensive multi-agency plan (Exhibit 1) to augment evidence-based strategies and resources to combat the opioid crisis and reduce illicit opioid supplies, decrease opioid demand, and save lives by leveraging the County’s Opioid Settlement Funds and other local funding streams for Fiscal Year 2023-24. Since the Board’s approval, we are projecting approximately \$1.9M in expenditures through June 30, 2024.

### **DISCUSSION:**

#### Recommendation # 1:

In addition to the activities previously included as part of the plan approved by your Board on September 26, 2023, Probation and Behavioral Health have identified additional proposed activities for the County’s Opioid Settlement Funds in compliance with the Settlement guidelines (Exhibits 2 & 3) and adjusted amounts to previously approved expenditures to reflect projected expenditures for FY 2024-25. We recommend the

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<sup>1</sup> Further information, including links to full copies of the settlement agreements, is available at the following two links: 1) <https://nationalopioidsettlement.com/>; 2) <https://www.dhcs.ca.gov/provgovpart/Pages/California-Opioid-Settlements.aspx>

additional allocation of County Opioid Settlement Funds to these activities as well as appropriations for the continuation of those previously approved activities with the updated amounts for FY 2024-25. We present to your Board for approval an updated comprehensive plan to expand the County's strategy to combat the opioid crisis that maximizes the use of both County resources and the County's Opioid Settlement Funds as outlined in Exhibit 1, an increase of \$1,593,020 in use of Opioid Settlement Funds and a decrease of \$16,801 in Program Mitigation for FY 2024-25 (a net increase of \$1,576,219).

Each recommended action is tied to its specific funding source as shown in Exhibit 1. The approved activities for use of the Opioid Settlement Funds will be included in the annual DHCS report as FY 24-25 planned expenditures.

For the remaining balance of the County's Opioid Settlement Funds, the County Executive Office will continue evaluating the impacts of CalAIM payment reform and Proposition 1 on our substance use disorder services, evaluate the availability of other funding streams to leverage with the Opioid Settlement Funds for eligible infrastructure projects, and will return to your Board with additional proposals.

The departments will periodically evaluate progress and outcomes and recommend modifications accordingly in updates to your Board. We will incorporate ongoing maintenance of a data dashboard for use by key public agencies, for proactive and predictive purposes, as well as key indicator tracking by jurisdiction for coordinated public information and messaging across County agencies. Working with EvalCorp, we will also use a Results-Based Accountability (RBA) model to identify key metrics to track opioid abatement strategies over the course of funding.

Recommendation #'s 2 & 3

In connection with the activities included in Exhibit 1, the requested appropriations will support the County's expanded plan by augmenting those programs and services.

This Board letter has been reviewed by the County Executive Office, Auditor-Controller's Office, and County Counsel. If you have any questions regarding this item, please contact Assistant County Executive Officer, Mike Pettit at (805) 654-2864 or VCBH Director Loretta Denering at (805) 981-2214.

Respectfully,



Sevet Johnson, Psy. D  
County Executive Officer

**Attachments:**

Exhibit 1 – Updated FY 24-25 Multi-Year Expansion of County Opioid Strategies

Exhibit 2 – “Exhibit E” to National Opioid Settlement with Distributors - List of Opioid Remediation Uses

Exhibit 3 - Excerpt from California State-Subdivision Agreement Regarding Distribution and Use of Settlement Funds – Distributor Settlement