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December 8, 2023

Committee on Appropriations and Financial Affairs
c/o Office of Fiscal and Program Review
5 State House Station
Augusta, ME 04333

Committee on Health and Human Services
c/o Legislative Information Office
100 State House Station
Augusta, ME 04333

Re: Opioid Litigation Settlements and the Maine Recovery Fund

Dear Committee Members,

This letter is to report to you about the status of the settlement funds in the Maine Recovery Fund to address statewide needs for abating the opioid crisis in Maine.

As you know, in 2022 I signed a Memorandum of Understanding (the "MOU") with certain counties, cities, and towns which had filed lawsuits against manufacturers and distributors of opioid pain medications. The MOU allocates within Maine settlement funds from various opioids-related investigations and litigation, with 50% of settlement funds going to the Maine Recovery Fund, 20% to the Attorney General, and 30% to 39 counties, cities, and towns, all for spending to abate the opioid crisis in Maine. The MOU, along with legislation passed by the 130th Legislature (L.D. 1722), created the Maine Recovery Fund and established the Maine Recovery Council "to direct the disbursement of recovery funds for recovery purposes on a statewide basis" for certain opioid abatement uses. The Senate President and the House Speaker each have the authority to appoint three members of the Council, resulting in six of the fifteen members having been appointed by the Legislature.

Section IV(E) of the MOU provides that "[t]he Attorney General shall report at least annually on or before the 2nd Friday in December" to your committees and the report "must summarize the activity in any funds or accounts directly related to this section".

This is my third report to the Legislature in the 12 months since the Council first met in November 2022¹. My most recent report which discusses the activities of the Recovery Council, dated September 29, 2023, is attached for your convenience.

Regarding the Recovery Fund, as of October 31, 2023, it has a balance of \$17.2 million. An overview of the settlement funds allocated in Maine, including to the Recovery Fund, may be found on my office's website, <https://www.maine.gov/ag/opioids/settlement-payments.html>.

The Council has made significant progress towards distributing funds and while it has not yet made distributions it has been working hard to clearly identify where funding is most needed as indicated by data. Administrative expenses charged to the Recovery Fund include notices in area newspapers for the Council's public meetings, and reimbursement of Council Member travel expenses. Two significant expenses of the Council are:

1. The Council retained a consultant to assist with analyzing the available data about Maine's opioid crisis, to identify the scope of the problem, the most challenged communities and localities, and what evidence-based programs and services are best calculated to address the problem. The Council brought in the consultant as part of its effort to diligently ensure the Recovery Funds are effectively targeted to identified needs in Maine. The Council's consultant has also been helping to guide its discussions about priorities for its initial investments, and to help develop a process for ongoing needs assessment to guide future funding decisions. The expense for the consultant, whose work will end at the end of the year, will be \$16,000.
2. The Council contracted with a full-time Coordinator who will help it as its administrative needs grow since it has established several committees which are meeting in addition to monthly Council meetings. The Coordinator is the Council's only dedicated full-time staff; the Attorney General's office provides limited additional administrative assistance as well as legal counsel. The Coordinator is working with the Council's consultant to research and compile data about Maine's opioid crisis; is working with the Council Chair to respond to information inquiries from Council members; is working with the Finance Committee to assist with developing the Council's budget; and is working with my office to help with organizing and scheduling the Council's increasing number of meetings and on other projects to help prepare for the Council's distributions. The Coordinator's one-year contract is for \$40/hour.

The next report about the Recovery Council to the Legislature is due on February 1st, as required by 5 M.R.S. § 203-C (5). The statute requires me to report to the Committee on Health

¹ Prior reports, videos of the Council's meetings, and substantial information about its work may be found on the Council's website, hosted by the Attorney General's Office at: <https://www.maine.gov/ag/recovery-council/>.


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and Human Services “describing the activities of the Council and the status of the Maine Recovery Fund and listing information on disbursements from the fund and information related to the outcomes of funded activities.”

I want to recognize the thoughtful due diligence in which the Council has been engaged to identify the current status of the opioid crisis in Maine. This work is critically important to create evidence-based strategies and systems for measuring impact. I encourage the Council to continue to work to apply its finite resources for maximum impact and limited duplication.

At this point, a new phase of the Council work begins, which is to create a disciplined approach linking its distributions to the data it has collected. The Council is tasked to make its decisions by consensus, and I am hopeful the Members, as they have gotten to know each other, can work together to hold each other to a high standard of targeting its funding to those investments which will have the greatest proven impact. As your Committees know, these are difficult decisions, and I am hopeful that the Council can constructively navigate them.

Sincerely,


Aaron M. Frey
Attorney General