



# VIRGINIA OPIOID ABATEMENT AUTHORITY OVERVIEW OF INDIVIDUAL DISTRIBUTIONS AND “GOLD STANDARD” INCENTIVE AWARDS FOR CITIES AND COUNTIES AMENDMENTS AND RENEWEALS

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1. Beginning in 2022, opioid-related settlement funds are expected to be distributed to the Commonwealth of Virginia by the settlement administrator(s) each year until at least 2039. Each settlement is divided with 30% sent directly to cities & counties, 15% directly to the Commonwealth, and 55% to the Opioid Abatement Fund which is distributed by the Opioid Abatement Authority (OAA) in accordance with *Code of Virginia* §2.2-2374.
  - a. As these revenues are received each year and credited to the Opioid Abatement Fund, 15% of the Fund is allocated for use by cities and counties.
  - b. Within this 15%, the OAA allocates a specific distribution for each city and each county during each fiscal year based on the allocation model.
  - c. This amount is available for viewing on the [OAA website](#) and is updated periodically as new settlements are finalized or additional information is provided.
  - d. Each city or county is entitled to amend and/or renew their Individual Distribution, provided the city or county completes and submits an amendment and renewal application for an abatement project to the OAA that is approved by the OAA Board of Director's Grants Committee.
  - e. Once the amendment and/or renewal is approved, the city or county may continue that program for multiple years using the funds that are available each year, provided the city or county remains in compliance with the [terms and conditions](#) required by the OAA and continues to submit an annual renewal application for the project.
  - f. Cities and counties must be able to account for the use of their Individual Distribution from the Opioid Abatement Fund separately from their Direct Distribution from the settlement administrators.
  - g. Additionally, the OAA offers an optional “[Gold Standard](#)” Incentive program to all cities and counties. The incentive provides a 25% increase on a city or county's Individual Distribution allocation provided the city or county agrees to apply the “Gold Standard” to the usage of the Direct Distribution funds it receives directly from the settlement administrator. This includes 100% of the funds used for abatement, no supplanting, and no indirect costs. This process requires a separate [application](#). Participation in this program is voluntary. If a city or county participated in the incentive program in FY2023 or FY2024 the updated application will need to be submitted during this application cycle, however no additional “Gold Standard” applications are needed for future cycles.
2. The decision on how each city or county chooses to spend its Direct Distribution and Individual Distribution rests entirely with the governing body of the city or county, provided those uses comply with the terms of the settlement(s) and applicable state law (including specifically [§2.2-2370](#)). The OAA seeks to serve as a resource to help cities and counties remain in compliance with the settlement agreement(s) and with the *Code of Virginia*.



### Overview of the Application Processes for Amendments and Renewals for Individual Distribution and “Gold Standard” Incentive Awards for Cities and Counties (15% of OAA Funds)

There will be an annual grant process that governs awards for the amendment and renewal of Individual Distribution to cities and counties. The “Gold Standard” Incentive is also governed by this process; however, the application is only required once.

The OAA follows the Commonwealth’s fiscal year (July 1 through June 30).

1. The OAA will accept amendment and renewal applications for Individual Distribution and “Gold Standard” Incentive awards between October 1, 2023, and April 1, 2024, that accomplish the following:
  - a. Address the use and management of opioid-settlement related funds that will be available in the current fiscal year (FY2024) and the upcoming fiscal year:
    - i. Identify all Direct Distributions from the settlement administrator received by the city or county and/ or [projected](#) during FY2022, FY2023, FY2024, and FY2025;
    - ii. Identify the city or county’s appropriations, encumbrances, and expenditures (actual or projected) of its Direct Distributions in FY2022, FY2023, FY2024 and FY2025; and
    - iii. Propose how the city or county plans to use its Individual Distribution in FY2024 and/or FY2025. If seeking an amendment during the current fiscal year (FY2024) note the timetables below for the draft (optional) and final application must be submitted to the OAA for consideration at the subsequent Grants Committee meeting. Also, for current year awards, identify any potential funds city or county plans to carryover to FY2025.

For Funds Transmission in FY2024				For Funds Transmission in FY2025	
October 23, 2023	Optional Draft Review	January 12, 2024	Optional Draft Review	March 15, 2024	Optional Draft Review
November 3, 2023	Applications Due	January 26, 2024	Applications Due	April 1, 2024	Applications Due
December 4, 2023	Grants Committee Meeting	February 23, 2024	Grants Committee Meeting	May 23, 2024	Grants Committee Meeting

2. For all amendments:
  - a. At all times, regardless of any amendment, the city or county must remain in compliance with the OAA’s [terms and conditions](#).
  - b. A city or county may appropriate additional revenue that it receives for any approved project or may reduce its appropriated amount for a project without increasing the appropriation to another approved project. In either event the OAA shall be notified using forms approved by the OAA.
  - c. A city or county may initiate line-item budget transfers within a project without seeking OAA approval.
  - d. A city or county may transfer funds between approved projects as long as the total amount appropriated for all of its OAA-approved projects does not change.
  - e. If a city or county would like to propose a new project, there are two options:
    - i. Submit the new proposed project as part of the annual application period; or
    - ii. Request special consideration outside the normal grant cycle on forms approved by the OAA.



## Overview of Individual Distributions and “Gold Standard” Incentive Awards Amendments and Renewal for Cities and Counties

- f. Current fiscal year (FY2024) amendments confirm the use of all opioid-settlement related funds in the current fiscal year:
  - i. Confirm the approved project is being implemented or active;
  - ii. Provide updates regarding the revenues received, appropriated, encumbered, and projected;
  - iii. Provide updated actual and projected performance measures; and
  - iv. Identify any amendments that may be needed to the current year plan.
- g. Upcoming fiscal year (FY2025) amendments and/or renewal address the proposed management and usage of opioid funds in the upcoming fiscal year:
  - i. Identify projected Direct Distributions to the city or county for the upcoming fiscal year;
  - ii. Identify any opioid-related funds the city or county plans to carry over from prior years for appropriation in the upcoming year;
    1. The OAA understands that the exact amount available for carryforward may not be known until the end of the fiscal year. Provide a best estimate for this renewal/amendment application. The exact amount will be due to the OAA on July 15, 2024. The OAA will then determine if a subsequent amendment to any approved renewed and/or amended award will be needed.
  - iii. Request renewal and/or amendment(s) for the upcoming fiscal year including proposing how the city or county plans to use all of its opioid-related revenues, including the Direct Distribution, Individual Distribution, and “Gold Standard” Incentive during the upcoming fiscal year; and
  - iv. The proposal must confirm the city or county will comply with the OAA’s [terms and conditions](#).

### General Considerations

1. Once a city or county has amended and/or renewed a project(s), the city or county may continue to appropriate its Individual Distribution and “Gold Standard” Incentive for the same project(s) each subsequent year, as long as the city or county remains in compliance with the [terms and conditions](#) required by the OAA. This allows for long-term plans for considerations such as staffing and ongoing operational costs. Yearly amendment and renewal applications must be approved by the Grants Committee.
2. It is possible, especially during the early years of a project, that a city or county intends to utilize its procurement process and needs to complete that process in order to provide budget projections as part of the application process. In that event, the city or county may submit an amendment and/or renewal request with the expected total amount for the project, and if the actual cost of the service requires a subsequent budget amendment, the OAA will work with the city or county to make that amendment.
3. Beginning in FY2025, the OAA will require cities and counties repay any unencumbered balances by September 1 of the following fiscal year, unless a submitted carryover request meets the following:
  - a. The carry-over was planned and submitted as part of the approved project budget; or
  - b. The city or county is making reasonable and measurable progress to implement its project(s) as described in the approved proposal; and
    - i. The Project Timeline Workbook will be used to document reasonable and measurable progress.
  - c. The city or county remains in compliance with the [terms and conditions](#) of the OAA.



## Overview of Individual Distributions and “Gold Standard” Incentive Awards Amendments and Renewal for Cities and Counties

4. After the first two fiscal years (FY2023 & FY2024), if a city or county fails to apply for all of its Individual Distribution and/or “Gold Standard” Incentive funds, or if a project(s) is not approved, the Individual Distribution and “Gold Standard” allocations will remain available to be awarded to the city or county upon the receipt of an acceptable application, until the end of the following fiscal year’s grant application period. For example, if a city or county has an amount of funding allocated for its use by the OAA in FY2025, the city or county has until April 1, 2025, to submit a successful proposal for the use of those funds.
5. The OAA no longer requires cities and counties’ governing bodies to complete resolutions to apply for, amend, or renew Individual Distribution and “Gold Standard” Incentive awards. However, if a city or county prefers to use a resolution and would like a sample from the OAA, email [info@voaa.us](mailto:info@voaa.us) to request one.

### Renewal of OAA Individual Distribution and/or “Gold Standard” Incentive for Cooperative Partnership Projects with Multiple Cities and/or Counties

Cities and counties have the option to renew appropriated portions of their Individual Distribution and/or “Gold Standard” Incentive to a Cooperative Partnership project. Cities and counties do not have to submit an Individual Distribution renewal application to appropriate the Individual Distribution to a Cooperative Project. The Cooperative Partnership Renewal application should document the commitment and amount for any cities and or counties that elect to renew the Individual Distribution and/or “Gold Standard” Incentive commitment to the cooperative project. If applying to use the “Gold Standard” Incentive in both an Individual Distribution and a Cooperative Partnership project(s), only one “Gold Standard” Incentive application is needed. If a city or county participated in the incentive program in FY2023 or FY2024 the updated application will need to be submitted during this application cycle, however no additional “Gold Standard” applications are needed for future cycles.

### Creating, Amending or Renewing a Reserve with the Direct Distribution

Over the life of the settlements, the Individual Distributions from the OAA will begin to decline in the out years. For this reason, cities and counties have the option of creating, amending, or renewing a reserve with their Direct Distributions (30% of the total) to help fund projects in future years when payments are lower. If the city or county elects to implement, amend, or renew this option, they will need to:

1. Ensure those future projects meet the OAA [terms and conditions](#);
2. Separately account for the direct distribution, the OAA distribution, and the reserved amount;
3. Publicly publish the projected financial strategy for this reserve fund; and
4. If the city or county is participating in the “Gold Standard” Incentive program, the reserved funds may only be used in accordance with the “Gold Standard” as described in the [OAA’s Incentive Policy](#).

### Evaluation Criteria

Amendment and renewal applications will be evaluated on how they meet criteria in the following documents:

1. The terms and conditions of this funding opportunity
2. The conditions and restrictions under *Code of Virginia §2.2-2370*
3. The allowable uses under each settlement agreement
  - a. Example: [Exhibit E from Distributors and Janssen Settlements](#)

For any applications the OAA determines do not meet the established requirements, the OAA will assist the applicant to revise the application to facilitate compliance. For any applications where the OAA Grants Committee recommends denial, the applicant will have the opportunity to present its appeal to the OAA Board before a final decision is made.