



Preparing your OAA grant application, Part 1:

Types of OAA grants, eligible projects,
availability of funds, and how to make your
application more competitive.

OAA ABATEMENT ACADEMY

SEPTEMBER 26, 2024



Today's Webinar

- Focuses on understanding background topics, types of grants, and strategies for using opioid settlement funds.
- Today is not about how to complete the forms.
- Part 2 will be held on October 10: “*Training on the new OAA Grants Portal Software.*”



Opioid Litigation Involving States & Subdivisions

In late 2017 a federal judicial panel consolidated all Federal opioid related litigation into single multi-district litigation (MDL).



Judge Dan Aaron Polster



**Carl B. Stokes United States Court House
Cleveland, Ohio**

*“the biggest and most complicated
civil case in U.S. history . . . “*
– Washington Post



Virginia's Approach

- Obtaining the participation of all 133 cities and counties in Virginia
- Creation of the Virginia Opioid Abatement Fund and the **Statewide Allocation MOU**
 - Negotiated by attorneys representing local governments, the Office of the Attorney General, with input from numerous interest groups
 - Establishes the methods and formulas for distribution of funds
 - Establishes the Opioid Abatement Authority and its composition/duties
 - Creates allowable uses and requirements for funds distributed by OAA
- General Assembly passed a statute in 2021 based on the key elements of the agreement. *Code of Virginia*, Article 12 (§ 2.2-2365 et seq.) of Chapter 22 of Title 2.2.
- Parties agree to file consent motions in Virginia court of record (Richmond Circuit Court) for each national settlement agreement



Documents

Screenshot from
www.voaa.us/media/documents

Settlements

- [National opioid settlements](#)
- [Settlement agreement with Distributors](#)
- [Settlement agreement with Janssen](#)
- [Virginia Judicial Order – Distributors](#)
- [Virginia Judicial Order – J&J/Janssen](#)

Allocation

- [Virginia's Allocation Agreement](#)
- [Christopher Ruhm - Recovery Virginia Allocation Model \(Measure of Harm per Capita\)](#)

Here is a copy of the Virginia
Opioid Abatement Fund and
Settlement Allocation
Agreement, AKA “The MOU.”

Guidance



National Opioid Settlements and Bankruptcies

Distributors

MCKESSON


AmerisourceBergen®


CardinalHealth™

janssen 



Walmart 
Save money. Live better.




Mallinckrodt



teva 

 endo.

 Allergan.

Kroger

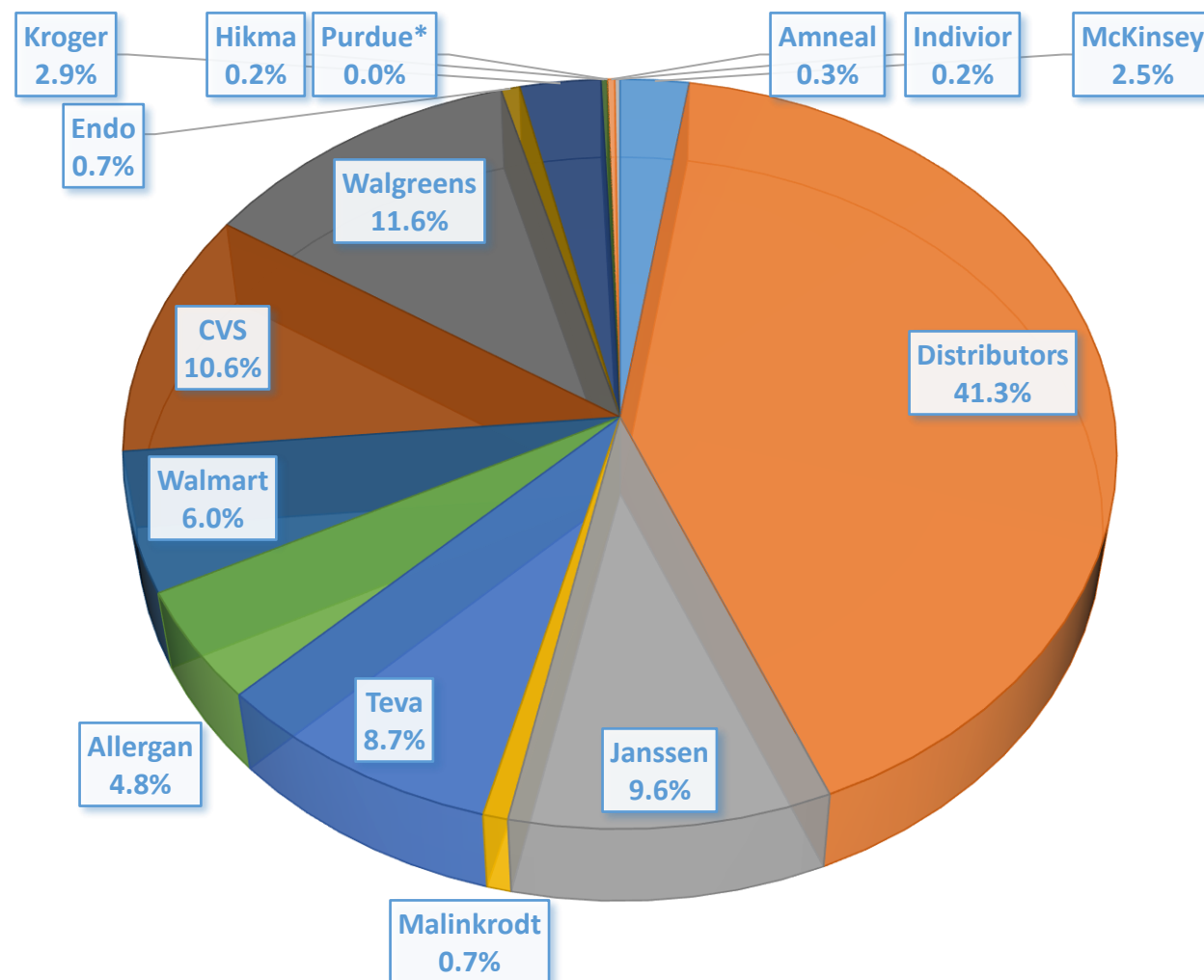
Virginia's Projected Total = \$1,000,000,000

(of which, 55% is directed to the OAA and deposited to the Opioid Abatement Fund)

Settlement Payments by Company

Estimated total settlement payments to the OAA through FY 2039: \$558.3 million.

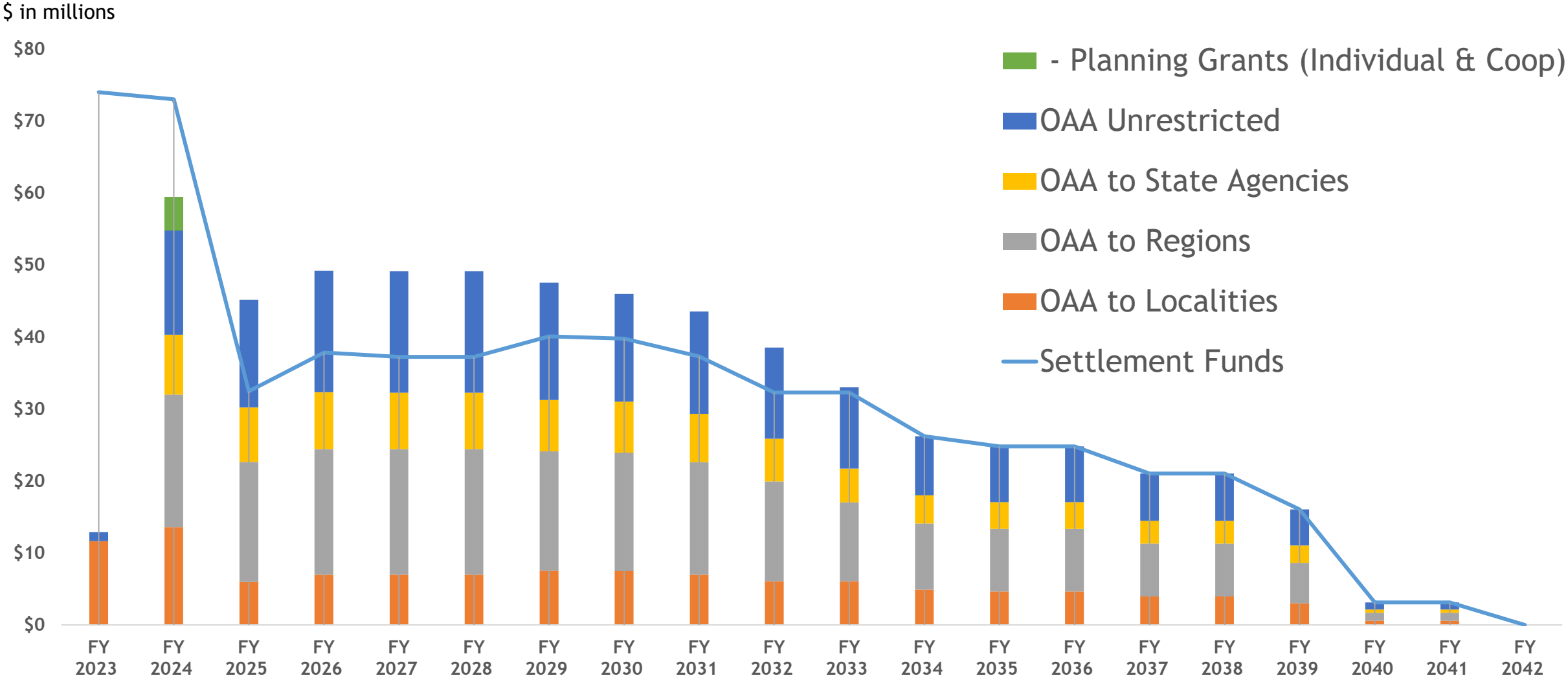
Pmt Duration	Status	Company	
4 years	Finalized	McKinsey	\$13,681,773
18 years	Finalized	Distributors	\$230,340,573
10 years	Finalized	Janssen	\$53,480,976
2 years	Finalized	Malinkrodt	\$4,176,031
13 years	Finalized	Teva	\$48,556,857
7 years	Finalized	Allergan	\$26,747,326
1 year	Finalized	Walmart	\$33,633,644
10 years	Finalized	CVS	\$59,393,544
15 years	Finalized	Walgreens	\$64,584,259
10 years	Finalized	Endo	\$3,740,000
11 years	Finalized	Kroger	\$16,174,809
TBD	Announced	Hikma	\$1,260,050
18 years	Announced	Purdue*	\$0
10 years	Announced	Amneal	\$1,464,132
TBD	Announced	Indivior	\$1,078,000
Total			\$558,311,975



**US Supreme Court vacated the bankruptcy court's approval of the reorganization plan and settlement. Mediation underway.*



Budgeted OAA Settlement Revenues & Expenses





Allowable Uses of Settlement Funds

- Each settlement is structured individually
 - Each is slightly different
 - ✓ Whether funds can be applied to previous expenses versus new efforts
 - ✓ Supplanting
 - ✓ Reporting requirements
- **All settlements incorporate the same list of allowable uses – known as Exhibit E.**

EXHIBIT E
List of Opioid Remediation Uses

Schedule A
Core Strategies

States and Qualifying Block Grantees shall choose from among the abatement strategies listed in Schedule B. However, priority shall be given to the following core abatement strategies ("Core Strategies").¹⁴

A.

NALOXONE OR OTHER FDA-APPROVED DRUG TO REVERSE OPIOID OVERDOSES

1. Expand training for first responders, schools, community support groups and families; and
2. Increase distribution to individuals who are uninsured or whose insurance does not cover the needed service.

B.

MEDICATION-ASSISTED TREATMENT ("MAT") DISTRIBUTION AND OTHER OPIOID-RELATED TREATMENT

1. Increase distribution of MAT to individuals who are uninsured or whose insurance does not cover the needed service;
2. Provide education to school-based and youth-focused programs that discourage or prevent misuse;
3. Provide MAT education and awareness training to healthcare providers, EMTs, law enforcement, and other first responders; and
4. Provide treatment and recovery support services such as residential and inpatient treatment, intensive outpatient treatment, outpatient therapy or counseling, and recovery housing that allow or integrate medication and with other support services.

Exhibit E



Documents

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Guidance

- [APA Guidance to Localities for Financial Reporting of Opioid Settlement Payments](#)
- [OAG Summary Document on the Use of Funds](#)
- [Exhibit E: List of Opioid Remediation Uses](#)

Screenshot from
www.voaa.us/media/documents

Here is the list of
allowable uses,
generally known
as “Exhibit E”





Exhibit E: Allowable Uses of Settlement Funds

Nine Core Strategies

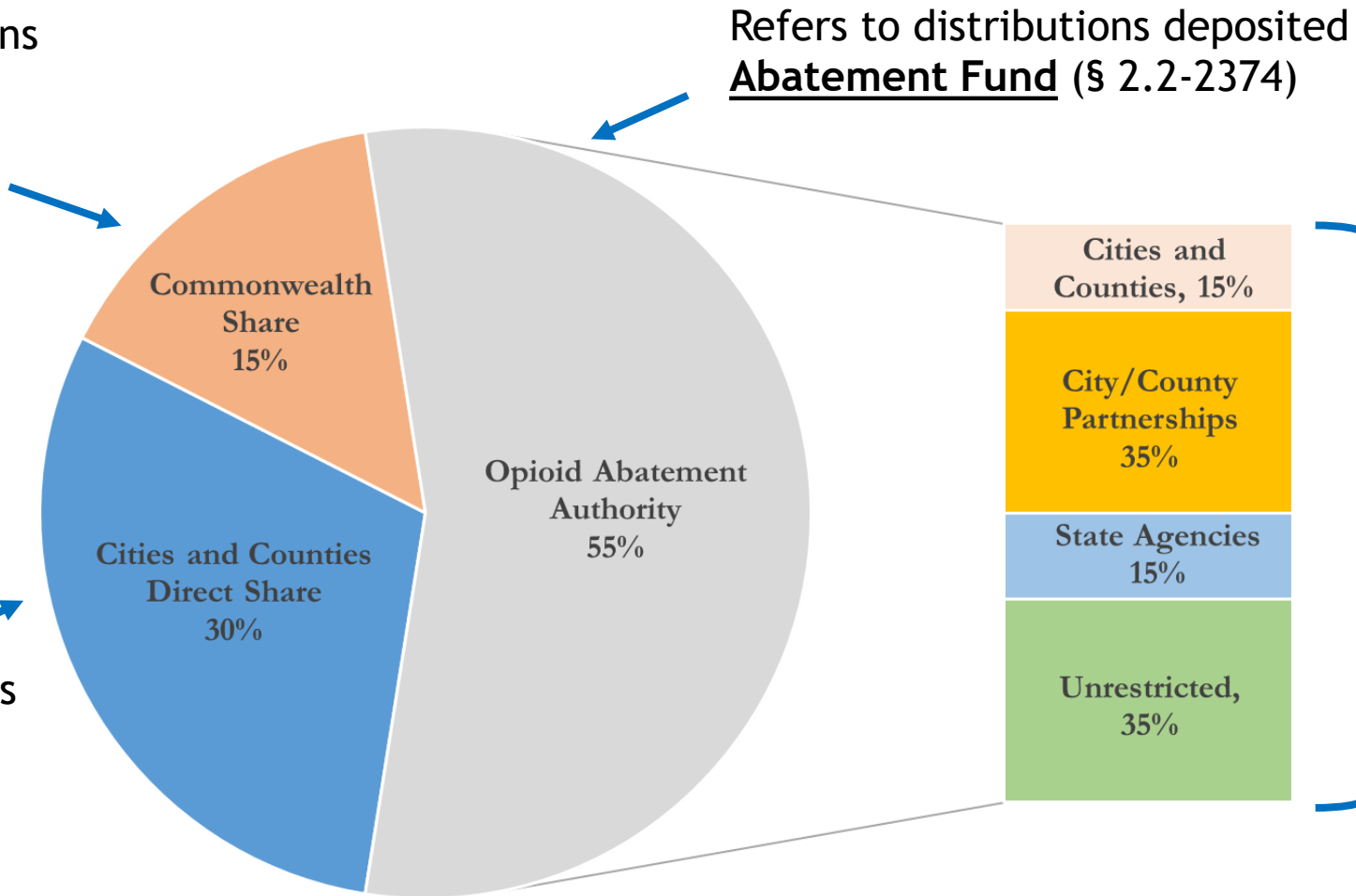
1. Naloxone distribution
2. Medication for opioid use disorders (OUD)
3. Pregnant and postpartum women
4. Expanding treatment for neonatal abstinence syndrome
5. Warm hand-off and recovery services
6. Treatment for incarcerated population
7. Prevention programs
8. Expanding syringe service programs
9. Data collection / research



Virginia's Settlement Distribution Agreement

Refers to the distributions deposited to the **Commonwealth Opioid Abatement and Remediation (COAR) Fund** (§ 2.2-2377)

Refers to the distributions from the settlement administrator, sent directly to cities and counties

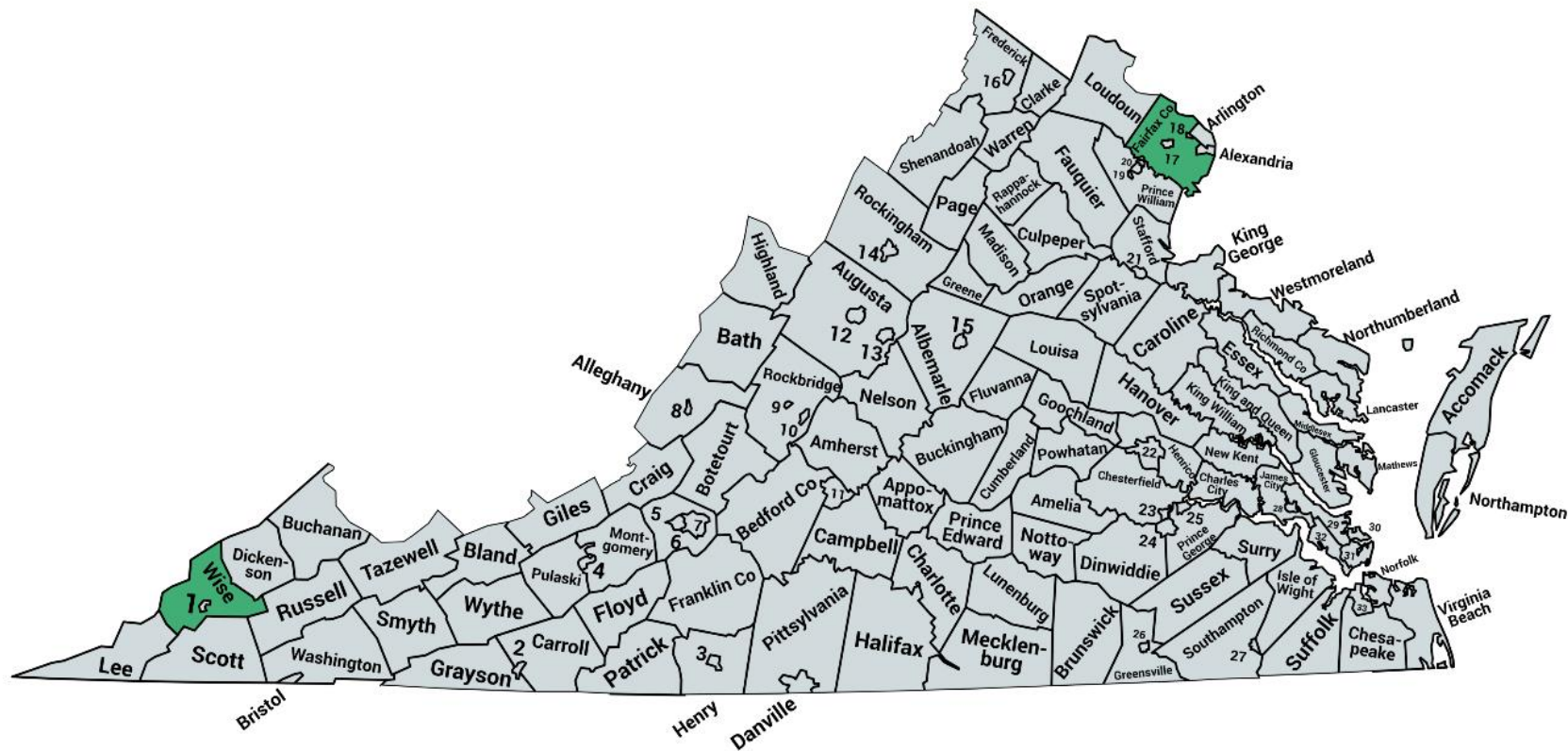


Refers to distributions deposited to the **Opioid Abatement Fund** (§ 2.2-2374)

OAA distribution percentages pursuant to § 2.2-2374 and MOU between state and participating subdivisions



Cities and Counties Distribution



Wise County

% of Population = 0.41%

% of Allocation = 1.76%

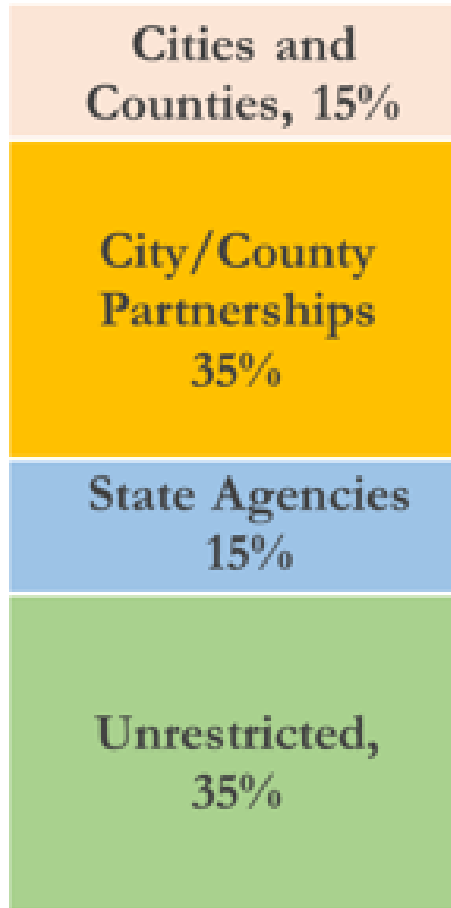
Fairfax County

% of Population = 13.11%

% of Allocation = 8.67%



Types of Grants OAA offers



“Individual” Grants to Cities and Counties

- Each city/county has a specific amount of funding available
- Non-competitive
- Must meet Virginia law (more strict than the settlement requirements)
- Must submit application and agree to terms and conditions
- OAA accepts applications Oct. 1 through April 1 each year, offers individual awards on a rolling basis.

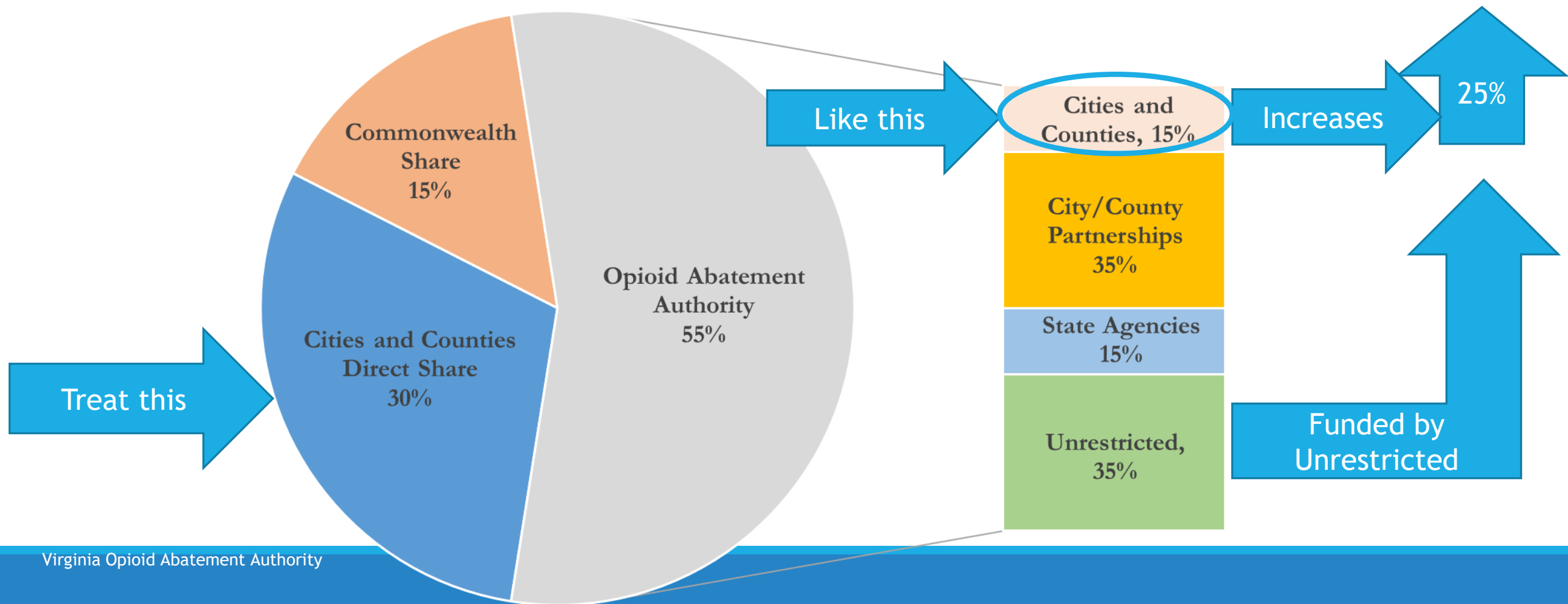


Virginia's Requirements on the use of OAA Funds Exceed the Requirements of the National Settlement Agreements

- 100% of the OAA's disbursements to cities, counties and state agencies *must be* spent on abatement efforts.
- There is no reimbursement of previous costs or supplanting allowed.
- No indirect charges allowed.
- Recipients must report outcomes to OAA on an annual basis and allow OAA to monitor the programs.



OAA's Gold Standard Incentive



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- [Exhibit E: List of Opioid Remediation Uses](#)

Resources for Cities & Counties

- [City and County Estimated Settlement Payments Look-up Tool FY2022 through FY2039](#)
- [Policy for Gold Standard Incentive to Cities and Counties](#)

Screenshot from
www.voaa.us/media/documents

**“Lookup tool”
for estimated payments
to cities and counties**





VIRGINIA OPIOID ABATEMENT AUTHORITY

CITY/COUNTY ESTIMATED SETTLEMENT FUNDS

LOOK-UP TOOL FY2022-FY2039

701 East Franklin Street, Suite 803, Richmond, Virginia 23219 | 804-500-1810 | info@voaa.us | www.voaa.us

Direct Distribution, OAA Individual Distribution, and OAA Gold Standard

Please note this tool tracks finalized settlements. As new settlements are achieved, this tool will be updated. **The amounts listed reflect estimates, which may be subject to change prior to distribution.**

As of April 2024

City or
County:

Powhatan County

City/County Estimated Settlement Funds Lookup Tool Instructions

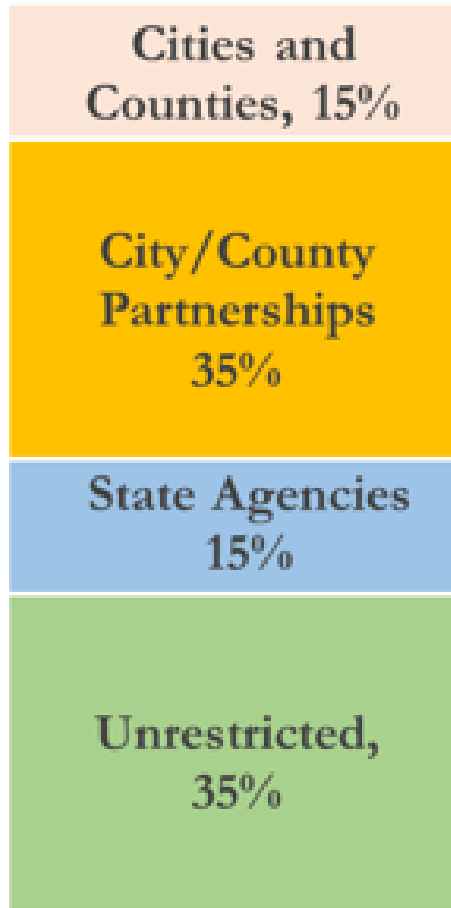
To see the estimated amounts disbursed or to be disbursed to a specific city or county for each year of the settlements:

1. Click on cell C10, which currently reads "Choose City/County."
2. Use the drop down menu to select a city or county and the amounts below will change to show the city or county's estimated payments.

Fiscal Year (FY)	No Application to OAA		Must Apply to OAA					
	Direct Distributions		OAA Individual Distribution			OAA Gold Standard Incentive		
	Projected	Used as OAA Match	Eligible to Receive	Awarded / Used as Match	Balance Available	Eligible to Receive	Awarded / Used as Match	Balance Available
2022	\$10,654	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2023	\$67,445	\$0	\$24,405	\$0	\$24,405	\$6,101	\$0	\$6,101
2024	\$83,176	\$17,572	\$28,250	\$28,510	\$24,145	\$7,063	\$0	\$13,164
2025	\$26,252	\$0	\$9,448	\$0	\$33,593	\$2,362	\$0	\$15,526
2026	\$34,276	\$0	\$12,070	\$0	\$12,070	\$3,017	\$0	\$3,017
2027	\$36,428	\$0	\$12,859	\$0	\$12,859	\$3,215	\$0	\$3,215
2028	\$27,753	\$0	\$9,678	\$0	\$9,678	\$2,419	\$0	\$2,419
2029	\$38,896	\$0	\$13,764	\$0	\$13,764	\$3,441	\$0	\$3,441
2030	\$39,073	\$0	\$13,846	\$0	\$13,846	\$3,462	\$0	\$3,462
2031	\$36,584	\$0	\$12,877	\$0	\$12,877	\$3,219	\$0	\$3,219
2032	\$33,950	\$0	\$11,912	\$0	\$11,912	\$2,978	\$0	\$2,978
2033	\$31,211	\$0	\$10,908	\$0	\$10,908	\$2,727	\$0	\$2,727
2034	\$23,818	\$0	\$8,516	\$0	\$8,516	\$2,129	\$0	\$2,129
2035	\$23,818	\$0	\$8,516	\$0	\$8,516	\$2,129	\$0	\$2,129
2036	\$23,818	\$0	\$8,516	\$0	\$8,516	\$2,129	\$0	\$2,129
2037	\$19,790	\$0	\$7,039	\$0	\$7,039	\$1,760	\$0	\$1,760
2038	\$19,790	\$0	\$7,039	\$0	\$7,039	\$1,760	\$0	\$1,760
2039	\$13,855	\$0	\$5,080	\$0	\$5,080	\$1,270	\$0	\$1,270
Total	\$590,587	\$17,572	\$204,721	\$28,510	\$176,211	\$51,180	\$0	\$51,180



Types of Grants OAA offers



“Cooperative Partnership” Grants to Cities and Counties

- Competitive
- Must include at least two cities and/or counties cooperating on the same project
- One city or county acts as the “fiscal agent”
- Must submit application and agree to terms and conditions
- OAA is required by law to prioritize certain elements
- OAA accepts applications Oct. 1 through April 1 each year, offers awards once per year.



Prioritization of competitive awards

- Geographical distribution based on the five Department of Behavioral Health and Development Services (DVHDS) regions
- Opioid-related harm per capita (during the time the harm was alleged to have been caused by the defendant companies).
- Economically disadvantaged communities.
- Programs run by organizations with a record of success.
- Programs and efforts that are evidence-based.
- Local cash match, with more priority given for higher matching amounts.

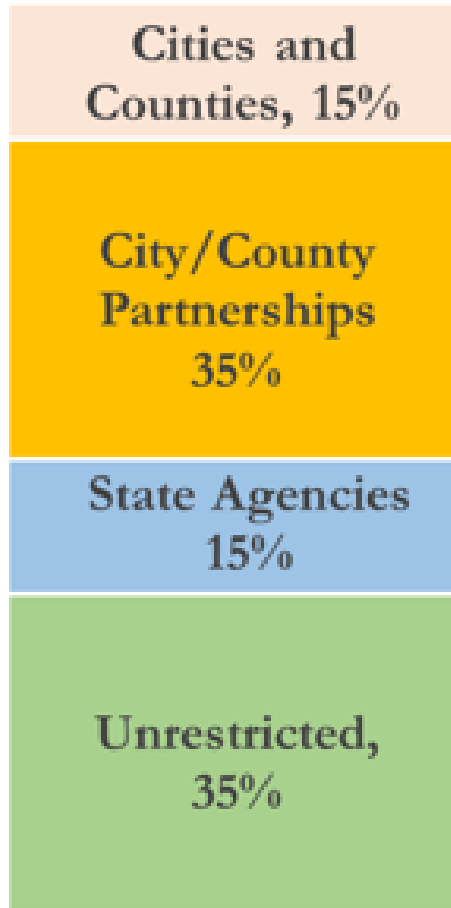


More about the “Local Match”

- Must be cash – not “in-kind” services
- Must be in addition to current levels of expenditures
- Can come from the city or county’s Direct Opioid Distributions
- Can come from the city or county’s Individual OAA Distributions



Types of Grants OAA offers

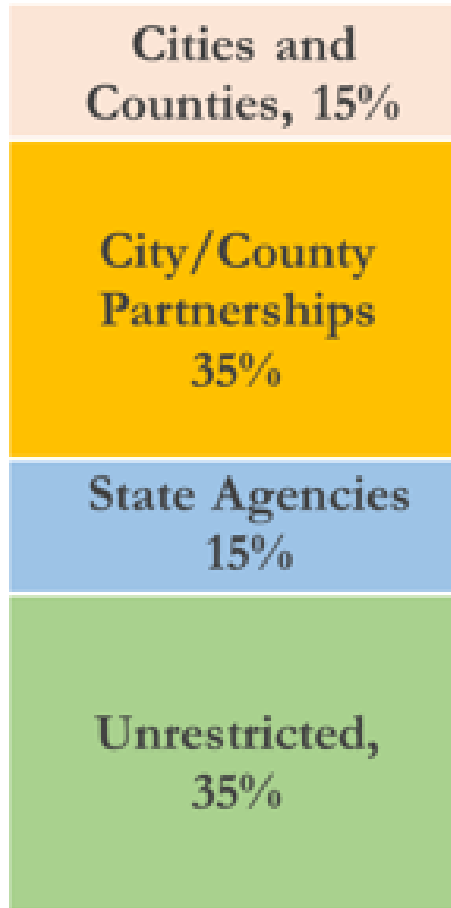


Funding Assistance to State Agencies

- Competitive
- Based on a “Request for Proposal” process
- Results in an MOU with the OAA, technically not a “grant.”
- Should not create a future liability for the commonwealth.
- OAA accepts proposals in the spring of each year, offers awards once per year.
- Funding and performance period is October 1 to September 30.



Types of Grants OAA offers



Special Grants

- OAA Board has discretion to offer special grants and other forms of financial assistance.
- This includes awarding additional funds beyond the minimum percentages listed on this chart.
- Examples of special efforts have included individual and regional planning grants.
- The “unrestricted” portion of the OAA fund also covers the Gold Standard incentive.



Areas where Virginia local governments are making investments with opioid funds

- Youth prevention education using evidence-based programs
- Naloxone distribution and “leave behind” programs
- Mobile treatment programs
- Behavioral health crisis response teams (988 instead of 911)
- Crisis receiving centers (no wrong door)
- Recovery courts and jail diversion programs
- Treatment in local jails – both therapeutic and medication – and re-entry planning
- Foster care prevention through proactive efforts to divert parents to treatment
- Focused efforts to support kinship care
- Recovery supports: transportation, recovery housing, job training, job pipelines



How ideas become funded OAA projects . . .

Trends and challenges we see with applications, and OAA advice to grant applicants



Trends and Challenges

- Cities and Counties are not applying for their “Individual Distribution” grants
 - *We now have a five year “Use it or Lose it” Policy!!*
- Implementation of the proposed programs/efforts – realistic timeframes needed
- Sustainability of OAA-funded efforts frequently not addressed.
- Lack of clarity about partners/subcontractors involved: CSBs, Non-profits, Private providers
- State and local procurement laws and policies still must be met!!!





Trends and Challenges

- The amount of planning and research into a proposed program is evident
 - **Well planned programs have more partners and supporters**
 - **Well planned programs tend to “sell” themselves better**
- Some otherwise very good applications have the math all wrong
 - OAA **STRONGLY recommends** that experienced budget department staff assist with the planning and writing of grants !!!!!
- Proposed performance measures and implementation timeline are important!
- We often receive applications that are incomplete or have problems but no one has called us for assistance or to review prior to submission.





OAA Advice to Grant Applicants

- Collect feedback from the community including stakeholders, define your problem and your proposed solution
- Start early in the process and submit well ahead of deadline
 - Contact OAA to discuss your idea and get feedback on how to formulate the application
- Develop a short and long term plan that accounts for all your different opioid settlement funding pots: direct, individual, and cooperative (*ie, get help from the fiscal agent's budget office*)





OAA Advice to Grant Applicants

Consider reviewing the webinar featuring Ms. Virginia Lovell, Director of Finance for the City of Newport News, accessible on the OAA website under the “Abatement Academy” tab.

September 12

Financial management of opioid settlement funds (including grants) for Virginia cities and counties.

Virginia Lovell (Director of Finance, City of Newport News), Adam Rosatelli (OAA Director of Finance)

[Video](#)

[Presentation](#)

[APA Guidance](#)

www.voaa.us/abatement-academy/

Example of Long-Term OAA Projects Budget

Courtesy of Virginia Lovell, Director of Finance
City of Newport News

	Total Anticipated Revenue	\$ 863,254	\$ 196,503	\$ 159,677	\$ 159,677	\$ 184,189	\$ 134,688	\$ 212,311	\$ 219,006	\$ 219,006	\$ 189,071	\$ 157,865	\$ 3,642,43
Revenue Budget													
	OAA Individual Award Request		\$ -	\$ 348,307	\$ 50,184	\$ 57,888	\$ 42,330	\$ 66,726	\$ 68,830	\$ 68,830	\$ 59,422	\$ 49,615	\$ 1,109,82
	OAA Carry Forward Request			\$ (52,557)	\$ 52,557							\$ -	\$ -
	Direct Funds + Interest On Direct Funds	\$ 624,909	\$ 136,725	\$ 109,493	\$ 109,493	\$ 126,301	\$ 92,358	\$ 145,585	\$ 150,176	\$ 150,176	\$ 129,649	\$ 108,250	\$ 2,532,61
	Direct Distribution Use (Reserve)	\$ (624,909)	\$ (136,725)	\$ (104,493)	\$ 88,516	\$ 116,561	\$ 166,062	\$ 88,439	\$ (18,256)	\$ (18,256)	\$ 11,679	\$ 61,626	\$ (
	Interest												
	Available Budget (Rev + Cfwd)	\$ -	\$ -	\$ 300,750	\$ 300,750	\$ 300,750	\$ 300,750	\$ 300,750	\$ 200,750	\$ 200,750	\$ 200,750	\$ 219,491	\$ 3,642,43
Expenses													
	Newport News Jail		\$ -	\$ 195,750	\$ 195,750	\$ 195,750	\$ 195,750	\$ 195,750	\$ 195,750	\$ 195,750	\$ 195,750	\$ 195,750	\$ 2,936,25
	Commonwealth Atty - Mental Health Docket			\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 75,00
	Unallocated/Contingency											\$ 18,741	\$ 131,18
	Peer Recovery Oriented System (Match for Coop)			\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000					\$ 300,00
	Mobile Medication Services (Match for Coop)		\$ -	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000					\$ 200,00
	Total Anticipated Expenses	\$ -	\$ -	\$ 300,750	\$ 300,750	\$ 300,750	\$ 300,750	\$ 300,750	\$ 200,750	\$ 200,750	\$ 200,750	\$ 219,491	\$ 3,642,43



OAA Advice to Grant Applicants

- Competitive applications are becoming extremely competitive.
 - We recommend you consider significant percentage of matching funds.
- Clearly articulate an actual plan for sustainability after OAA funds are gone.
- Bring in as many partners as you can from the community and the region
- Be realistic and honest with your proposed performance measures and implementation timeline
- Ask your peers from other cities/counties to review your docs





www.voaa.us

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