

# ASSEMBLY BUDGET COMMITTEE

## STATEMENT TO

### SENATE, No. 3867

# STATE OF NEW JERSEY

DATED: JUNE 22, 2021

The Assembly Budget Committee reports favorably Senate Bill No. 3867.

This bill establishes the Opioid Recovery and Remediation Fund and the Opioid Recovery and Remediation Fund Advisory Council, thereby providing a framework for the use of funds received from opioid settlements between the State and various parties.

Specifically, the bill establishes, in the Department of the Treasury, a dedicated, non-lapsing fund to be known as the “Opioid Recovery and Remediation Fund.” The State Treasurer is to deposit into the fund any moneys that are allocated to or otherwise received by the State as a result of a settlement agreement entered into with, or litigation undertaken against, opioid manufacturers and distributors related to claims arising from the manufacture, marketing, distribution or dispensing of opioids. Any interest and other income earned on moneys in the fund, and any other moneys that may be appropriated or otherwise become available for purposes of the fund, are to be credited to and deposited in the fund.

The bill requires that the moneys in the fund are to be dedicated and used only for the purposes of supplementing substance use disorder prevention and treatment programs and services in the State, consistent with the terms of settlements made in connection with claims arising from the manufacture, marketing, distribution or dispensing of opioids, as applicable.

The Legislature is to annually appropriate moneys from the fund to the Department of Human Services. The department must then allocate the appropriated funds in consultation with the Opioid Recovery and Remediation Fund Advisory Council, as established under the bill, with an emphasis on supporting programs that are culturally and gender competent, trauma-informed, evidence-based and, where appropriate, employ individuals with lived experience as part of the services provided. Services to be supported from the fund are to include, but are not be limited to, programs:

- 1) To prevent substance use disorder through a youth-focused public health education and prevention campaign, including school-based prevention, early intervention, and health care services and programs to reduce the risk of substance use by school-aged children;

- 2) To develop and implement statewide public education campaigns to reduce stigma against individuals who use drugs, provide

information about the risks of substance use, best practices for addressing substance use disorders, and information on how to locate services that reduce the adverse health consequences associated with drug use or provide treatment for substance use disorders;

3) To minimize and eliminate the root causes of health disparities that contribute to the use of drugs and inequities in the treatment of substance use disorder among minority communities;

4) To support the State's efforts to divert high-risk individuals from arrest and incarceration through programs with strong case management and harm reduction services that link participants to community-based services, as well as referrals to promote health and understanding for people who use drugs; and

5) To establish systems and tools that expand the State's capacity to collect data and evaluate policies, programs, and strategies designed to address substance use disorder.

Furthermore, the bill establishes in, but not of, the Department of Human Services the Opioid Recovery and Remediation Fund Advisory Council, to provide the Department of Human Services with recommendations on the allocation of funds appropriated to the department from the Opioid Recovery and Remediation Fund, as well as any policy modifications necessary to maximize the use of those funds on a State and local level. To effectuate this goal, the bill directs the council to:

1) gather and evaluate State data regarding substance use disorder prevention and treatment programs and services in order to determine which populations are not reached by current interventions, as well as which geographic areas of the State have programmatic gaps in addressing substance use disorder; and

2) solicit feedback, in a manner and method established by the council, from stakeholders, local providers, and advocates regarding the service needs to prevent and treat substance use disorder across the State.

The council shall consist of 13 members, as follows:

1) the Commissioner of Human Services, the Commissioner of Health, and the Attorney General, or their designees, who shall serve as ex-officio members;

2) four public members appointed by the Governor, of which one is to possess expertise in substance use disorder treatment, one is to possess expertise in harm reduction, one is to possess expertise in criminal justice, and one is to possess expertise in drug policy;

3) three public members to be appointed by the President of the Senate, of which one is to possess expertise in substance use disorder treatment, one is to possess expertise in behavioral health, and one is to possess personal experience with substance use and addiction issues; and

4) three public members appointed by the Speaker of the Assembly, of which one is to possess expertise in substance use

disorder treatment, one is to possess expertise in behavioral health, and one is to possess personal experience with substance use and addiction issues.

All appointments to the council are to be made no later than the 60th day after the effective date of this act. Each appointed member is to serve a two-year term, with any vacancies in the membership of the council being filled in the same manner as the original appointments.

The bill directs the council to organize as soon as practicable following the appointment of its members. Upon its organization, the council is to select a chairperson from among its members. The members are to also select a secretary who need not be a member of the council. The council may hold meetings at the times and places it may designate. A majority of the authorized membership is to constitute a quorum. The council may conduct business without a quorum, but only vote on a recommendation when a quorum is present. The members of the council are to serve without compensation, but are eligible for reimbursement for necessary and reasonable expenses incurred in the performance of their official duties within the limits of funds appropriated or otherwise made available to the council for its purposes.

The council is entitled to receive assistance and services from any State, county, or municipal department, board, commission, or agency as may be made available to it for its purposes. Further, the Department of Human Services is required to provide such staff and administrative support to the council as it requires to carry out its responsibilities.

No later than 12 months after the effective date of this act, and annually thereafter, the Department of Human Services, in consultation with the Opioid Recovery and Remediation Fund Advisory Council, is to report to the Governor and to the Legislature on the details of the allocations made with the funds appropriated from the Opioid Recovery and Remediation Fund. The information is to include the allocation amount, program description, involved community providers, goals of the program, and outcome measures to be used to determine program efficacy. The department is also required to post this information on its Internet website.

As reported by the committee, Senate Bill No. 3867 is identical to Assembly Bill No. 5868, which was also reported by the committee on this date.

**FISCAL IMPACT:**

This bill is not certified as requiring a fiscal note.