Wes Moore, Governor · Aruna Miller, Lt. Governor · Emily Keller, Special Secretary of Overdose Response

March 26, 2025

The Honorable Joseline Pena-Melnyk Chair, House Health and Government Operations Committee 240 Taylor House Office Building Annapolis, MD 21401

RE: Senate Bill 0495 - Opioid Restitution Fund - Authorized Uses

Dear Chair Pena-Melnyk:

Maryland's Office of Overdose Response (MOOR) respectfully submits this letter of information for Senate Bill (SB) 0495, which would amend Article - State Finance and Procurement Section 7-331 to add providing funding for operating expenses and personnel costs for investigations, enforcement actions, and other activities conducted by the Opioids Enforcement Unit within the Office of the Attorney General that are related to the recovery of funds from opioid—related judgments and settlements as an allowable use of the Opioid Restitution Fund (ORF).

In 2024, Governor Moore delegated oversight of the ORF to the Lt. Governor with MOOR advising and administering the funds. Pursuant to Maryland's opioid settlement State-Subdivision agreement, participating local governments receive approximately 70% of the settlement funds acquired through litigation pursued by the Office of the Attorney General (OAG), while the State receives approximately 30%. It is the position of the Lt. Governor and MOOR that the ORF is intended to be, first and foremost, dedicated to communities that are directly affected by the overdose crisis. In 2022, Maryland established the ORF Advisory Council to provide recommendations regarding the use of those funds. The council appoints six members of the community to give the community a seat at the table. In this spirit, MOOR believes that the best way to allocate the ORF funds is through the recommendations of the ORF Advisory Council and in response to current data.

The opioid settlements and the ORF present a unique opportunity to enhance Maryland's overdose response efforts, but the funds are limited, and the State is required to make available grant funding equal to 50% of the State's portion of the ORF. It is worth considering unintended consequences of adding operating expenses and personnel costs for any administrative entity, including subsequently limited funds to be spent on expanding access to naloxone, medications for opioid use disorder, residential treatment services, supporting community-based recovery organizations, and other remediation efforts more proximal to overdose mortality.

Additionally, special attention must be paid to 7-331 (i), which states that "money expended from the Fund for the programs and services described under subsection (f) of this section is supplemental to and

is not intended to take the place of funding that otherwise would be appropriated for the programs and services".

If you would like to discuss this further, please do not hesitate to contact Benjamin Fraifeld, Associate Director for Policy & Advocacy at MOOR, 443-346-3013.

Sincerely,

Emily Keller

Special Secretary of Overdose Response

https://mgaleg.maryland.gov/mgawebsite/Laws/StatuteText?article=gsf§ion=7-331&enactments=false