

INTERIM JOINT COMMITTEE ON APPROPRIATIONS & REVENUE

Budget Review Subcommittee on Human Resources

Minutes of the 1st Meeting of the 2022 Interim

July 6, 2022

Call to Order and Roll Call

The 1st meeting of the Budget Review Subcommittee on Human Resources of the Interim Joint Committee on Appropriations & Revenue was held on Wednesday, July 6, 2022, at 10:30 AM, in Room 129 of the Capitol Annex. Representative Danny Bentley, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Stephen Meredith, Co-Chair; Representative Danny Bentley, Co-Chair; Senators Ralph Alvarado and Danny Carroll; Representatives Adam Bowling, Russell Webber, Susan Westrom, and Lisa Willner.

Guests: Chris Lewis, Executive Director, Office of Consumer Protection, Office of the Attorney General (OAG); Bryan Hubbard, Executive Director, Kentucky Opioid Abatement Advisory Commission, OAG; and Blake Christopher, Deputy General Counsel and Director of Legal Policy, OAG.

LRC Staff: Miriam Fordham, Kevin Newton, and Benjamin Thompson

Kentucky Opioid Settlement – Overview of Funding and Disbursements

Mr. Lewis and Mr. Hubbard spoke about the pay schedule and disbursement mechanisms for the Kentucky opioid settlement.

In response to questions from Representative Webber, Mr. Christopher stated that there are two categories from which entities can seek funds from the settlement. Those two categories are funding for future opioid abatement projects and reimbursements for past expenses directly related to opioid abatement, such as the cost of rehabilitation services or the cost of emergency responses. Mr. Christopher confirmed that if any entities had questions regarding whether something was eligible for settlement funds, they could contact either himself or Mr. Lewis at the Office of the Attorney General (OAG).

In response to questions from Representative Bowling, Mr. Lewis noted that the settlement was divided using a complex formula that took into account multiple factors, including the number of opioids sold in an area, the number of overdose deaths, and the

population of the region or state. Mr. Lewis confirmed that the impact to local governments was one of the factors considered in determining the severity of the opioid epidemic in a given area.

In response to a question from Senator Alvarado, Mr. Lewis said that if the pharmaceutical companies involved in the settlement were to declare bankruptcy, there are provisions in the settlement to attempt to address that. Ultimately, any payout would then be determined in bankruptcy court.

In response to questions from Representative Westrom, Mr. Lewis stated that death benefits for families of those who suffered overdose deaths were determined in separate lawsuits and separate settlements. Mr. Hubbard noted that fifty percent of the settlement goes to cities and counties for use in opioid abatement, including treatment programs.

In response to a question from Senator Meredith, Mr. Lewis noted that the OAG has been working with the Kentucky Association of Counties and the Kentucky League of Cities to determine how to divide the fifty percent of the settlement that would go directly to local governments. Mr. Lewis stated that if there is a violation of the terms of the settlement agreement on the local government level, those settlement funds could be clawed back as a result.

In response to a question from Senator Carroll, Mr. Christopher said that a solution or abatement plan that works in one community won't necessarily work for every community. The Kentucky Opioid Abatement Advisory Commission would work to help entities with similar ideas to work together rather than duplicate services in a given area. Mr. Hubbard noted that the Kentucky Opioid Abatement Advisory Commission has no enforcement mechanism to insist on proper expenditure of settlement funds.

There being no further business before the subcommittee, the meeting was adjourned at 11:27 AM.