

OFFICE OF FISCAL ANALYSIS

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sHB-5044

AN ACT IMPLEMENTING THE GOVERNOR'S BUDGET
RECOMMENDATIONS REGARDING THE USE OF OPIOID
LITIGATION PROCEEDS.

As Amended by House "B" (LCO 5386)

House Calendar No.: 132

OFA Fiscal Note

State Impact: See Below

Municipal Impact: Below

Explanation

The bill establishes the Opioid Settlement Fund, a separate non-lapsing fund, as a mechanism for the state to receive opioid litigation proceeds finalized after 7/1/21. Expenses made from the fund must be used prospectively and only for specified substance use disorder abatement purposes.

The bill results in a cost to the Department of Mental Health and Addiction Services (DMHAS) of at least \$250,000 associated with a Behavioral Health Program Manager and Administrative Assistant (and related fringe benefits) required to manage the Committee. Additional staffing and support costs may be incurred to carry out the provisions of the bill. Costs may be supported by the Opioid Settlement Fund or the General Fund.

The bill requires the Treasurer to annually report on fund balance, investments, and earned income for the Opioid Settlement Fund. This is not anticipated to result in a cost, as the Treasurer has sufficient expertise to create such reports if the monies of the fund are invested alongside other cash balances of the state, such as the short-term

investment fund.

For context, Connecticut is part of a recently approved \$26 billion multistate opioid settlement agreement with various prescription drug manufacturers. Of that amount, the state is expected to receive approximately \$300 million over 18 years; municipalities will receive 15%, or 45 million collectively, of the state's allocation. As such, this is anticipated to result in a significant revenue gain to the state and municipalities associated with settlement revenue.

House "B" strikes the language in the underlying bill and the associated impact and results in the fiscal impact described above.

The Out Years

The annualized ongoing fiscal impact is dependent on opioid litigation settlements and associated proceeds.