

**Proposed Substitute
Bill No. 6914**

LCO No. 6390

AN ACT CONCERNING THE USE OF FUNDS IN THE OPIOID AND TOBACCO SETTLEMENT FUNDS AND FUNDS RECEIVED BY THE STATE AS PART OF ANY SETTLEMENT AGREEMENT WITH A MANUFACTURER OF ELECTRONIC NICOTINE DELIVERY SYSTEM AND VAPOR PRODUCTS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsection (c) of section 4-28e of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective July 1,*
3 *2023*):

4 (c) Commencing with the fiscal year ending June 30, [2023] 2024,
5 annual disbursements from the Tobacco Settlement Fund shall be made
6 as follows: (1) To the Tobacco and Health Trust Fund in an amount equal
7 to [twelve million dollars; and (2)] twenty-two million seven hundred
8 thousand dollars; (2) to the Commissioner of Mental Health and
9 Addiction Services for distribution to the regional behavioral health
10 action organizations, as described in section 17a-484f, in the amount
11 received in the preceding fiscal year pursuant to the stipulated
12 judgment in State of Connecticut v. JUUL Labs, Inc. for the funding of
13 programs to support the abatement, mitigation, cessation, reduction or
14 prevention of the use of nicotine or nicotine-synthetic products by
15 residents under twenty-one years of age in accordance with such
16 judgment; and (3) the remainder to the General Fund.

17 Sec. 2. Section 17a-674c of the general statutes is repealed and the
18 following is substituted in lieu thereof (*Effective July 1, 2023*):

19 (a) There is established an Opioid Settlement Fund which shall be a
20 separate nonlapsing fund administered by the committee.

21 (b) Any moneys intended to address opioid use, related disorders or
22 the impact of the opioid epidemic that are received by the state from any
23 judgment, consent decree or settlement paid by any defendant, which is
24 finalized on or after July 1, 2021, related to the production, distribution,
25 dispensing and other activities related to opioids shall be deposited into
26 the fund. Moneys remaining in the fund at the end of a fiscal year shall
27 not revert to the General Fund.

28 (c) Notwithstanding any provision of subsection (b) of this section, if
29 the commissioner and the Attorney General certify that the purposes of
30 such judgment, consent decree or settlement are inconsistent with the
31 intent of the provisions of this section and sections 17a-674d to 17a-674f,
32 inclusive, as amended by this act, the commissioner and Attorney
33 General (1) shall report in writing to the committee such certification,
34 including any identification by the commissioner and Attorney General
35 of an alternate fund or account and explanation of the reasons for
36 depositing such moneys in such alternate fund or account, and (2) may
37 deposit such moneys into such alternate fund or account. The
38 commissioner and Attorney General shall jointly report, in accordance
39 with the provisions of section 11-4a, to the joint standing committee of
40 the General Assembly having cognizance of matters relating to public
41 health regarding the intended use of such moneys in such alternate fund
42 or account prior to allocating such moneys for other purposes.

43 (d) Beginning on December 31, 2022, and annually thereafter, the
44 State Treasurer shall report the following to the committee:

45 (1) An inventory of fund investments as of the most recent fiscal year;
46 and

47 (2) The net income earned by the fund in the most recent fiscal year.

48 (e) Any municipality that receives moneys directly from a settlement

49 administrator pursuant to a judgment, consent decree or settlement
50 related to opioid litigation shall submit an annual report to the
51 committee detailing its expenditures for the preceding fiscal year on a
52 form prescribed by the committee. Each such municipality shall submit
53 such report to the committee on or before October 1, 2023, and annually
54 thereafter, until the total amount of such moneys received by the
55 municipality has been expended.

56 [(e)] (f) Moneys in the fund shall be spent only for the following
57 substance use disorder abatement purposes, in accordance with the
58 controlling judgment, consent decree or settlement, as confirmed by the
59 Attorney General's review of such judgment, consent decree or
60 settlement and upon the approval of the committee and the Secretary of
61 the Office of Policy and Management:

62 (1) State-wide, regional or community substance use disorder needs
63 assessments to identify structural gaps and needs to inform
64 expenditures from the fund;

65 (2) Infrastructure required for evidence-based substance use disorder
66 prevention, treatment, recovery or harm reduction programs, services
67 and supports;

68 (3) Programs, services, supports and resources for evidence-based
69 substance use disorder prevention, treatment, recovery or harm
70 reduction;

71 (4) Evidence-informed substance use disorder prevention, treatment,
72 recovery or harm reduction pilot programs or demonstration studies
73 that are not evidence-based, but are approved by the committee as an
74 appropriate use of moneys for a limited period of time as specified by
75 the committee, provided the committee shall assess whether the
76 evidence supports funding such programs or studies or whether it
77 provides a basis for funding such programs or studies with an
78 expectation of creating an evidence base for such programs and studies;

79 (5) Evaluation of effectiveness and outcomes reporting for substance
80 use disorder abatement infrastructure, programs, services, supports and
81 resources for which moneys from the fund have been disbursed,
82 including, but not limited to, impact on access to harm reduction
83 services or treatment for substance use disorders or reduction in drug-
84 related mortality;

85 (6) One or more publicly available data interfaces managed by the
86 commissioner to aggregate, track and report data on (A) substance use
87 disorders, overdoses and drug-related harms, (B) spending
88 recommendations, plans and reports, and (C) outcomes of programs,
89 services, supports and resources for which moneys from the fund were
90 disbursed;

91 (7) Research on opioid abatement, including, but not limited to,
92 development of evidence-based treatment, barriers to treatment,
93 nonopioid treatment of chronic pain and harm reduction, supply-side
94 enforcement;

95 (8) Documented expenses incurred in administering and staffing the
96 fund and the committee, and expenses, including, but not limited to,
97 legal fees, incurred by the state or any municipality in securing
98 settlement proceeds, deposited in the fund as permitted by the
99 controlling judgment, consent decree or settlement;

100 (9) Documented expenses associated with managing, investing and
101 disbursing moneys in the fund; and

102 (10) Documented expenses, including legal fees, incurred by the state
103 or any municipality in securing settlement proceeds deposited in the
104 fund to the extent such expenses are not otherwise reimbursed pursuant
105 to a fee agreement provided for by the controlling judgment, consent
106 decree or settlement.

107 [(f)] (g) (1) For purposes of this section, the fund balance shall be
108 determined by the State Treasurer as of July first, annually.

109 (2) Except as permitted by subdivision (8) of subsection [(e)] (f) of this
110 section, or unless otherwise required by court order to refund to the
111 federal government a portion of the proceeds, moneys in the fund shall
112 be used for prospective purposes and shall not be used to reimburse
113 expenditures incurred prior to July 1, 2022.

114 (3) Proceeds derived from any state settlement of claims against a
115 defendant shall be allocated and disbursed only to those municipalities
116 that execute an agreement to participate in such settlement and adhere
117 to the terms of such agreement, provided the allocation or disbursement
118 of such settlement proceeds for the benefit of persons within
119 municipalities that do not execute an agreement to participate in such
120 settlement or do not adhere to the terms of such agreement shall not be
121 precluded or limited.

122 (4) Governmental and nonprofit nongovernmental entities shall be
123 eligible to receive moneys from the fund for programs, services,
124 supports and resources for prevention, treatment, recovery and harm
125 reduction.

126 (5) Subject to the provisions of subdivision (6) of this subsection, fund
127 disbursements shall be made by the commissioner upon approval of the
128 committee. The commissioner shall not make or refuse to make any
129 disbursement allowable under this subsection without the approval of
130 the committee. The commissioner shall adhere to the committee's
131 decisions regarding disbursement of moneys from the fund, provided
132 such disbursement is a permissible expenditure under this section. The
133 commissioner's role in the distribution of moneys after the distribution
134 has been approved by the committee and after the review and approval
135 required under subsection [(e)] (f) of this section shall be ministerial and
136 shall not be discretionary.

137 (6) Moneys expended from the fund for the purposes set forth in
138 subsection (d) of this section shall be supplemental to, and shall not
139 supplant or take the place of, any other funds, including, but not limited
140 to, insurance benefits or local, state or federal funding, that would

141 otherwise have been expended for such purposes. The commissioner
142 shall not disburse moneys from the fund during any fiscal year unless
143 the Secretary of the Office of Policy and Management transmits to the
144 committee a letter verifying that funds appropriated and allocated in
145 such fiscal year's budget for substance use disorder abatement
146 infrastructure, programs, services, supports and resources for
147 prevention, treatment, recovery and harm reduction are in an amount
148 not less than the sum of the funds for such purposes appropriated and
149 allocated in the previous fiscal year's budget. As used in this
150 subdivision, "supplemental" means additional funding, consistent with
151 the provisions of this section, for substance use disorder abatement
152 infrastructure or a substance use disorder abatement program, service,
153 support or resource to ensure that funding in the current fiscal year
154 exceeds the sum of federal, state, and local funds allocated in the
155 previous fiscal year for such substance use disorder abatement
156 infrastructure, program, service, support or resource.

157 Sec. 3. Subsection (j) of section 17a-674d of the general statutes is
158 repealed and the following is substituted in lieu thereof (*Effective July 1,*
159 *2023*):

160 (j) The department shall create and maintain an Internet web site
161 where the committee shall publish (1) meeting minutes, including, but
162 not limited to, records of all votes to approve expenditures of moneys
163 from the fund, (2) recipient agreements and reports required under
164 subsection (h) of this section, (3) policies and procedures approved by
165 the committee, [and] (4) reports received from municipalities pursuant
166 to subsection (e) of section 17a-674c, as amended by this act, and (5) the
167 committee's annual reports.

168 Sec. 4. Section 4-28f of the general statutes is repealed and the
169 following is substituted in lieu thereof (*Effective July 1, 2023*):

170 (a) There is created a Tobacco and Health Trust Fund which shall be
171 a separate nonlapsing fund. The purpose of the trust fund shall be to
172 create a continuing significant source of funds to [(1)] support and

173 encourage development of programs to reduce tobacco [abuse] and
174 nicotine use through prevention, education and cessation programs [,
175 (2) support and encourage development of programs to reduce
176 substance abuse, and (3) develop and implement programs to meet the
177 unmet physical and mental health needs in the state] that use evidence-
178 based best practices regarding (1) state and community interventions,
179 (2) communication methods to disseminate health information to a wide
180 audience, (3) cessation interventions, (4) surveillance and evaluation,
181 and (5) infrastructure, administration and management. The trust fund
182 shall be used to support the reduction in use of all tobacco and nicotine
183 products, including, but not limited to, combustible, noncombustible,
184 electronic and synthetic tobacco and nicotine products.

185 (b) The trust fund may accept transfers from the Tobacco Settlement
186 Fund and may apply for and accept gifts, grants, [or] donations,
187 assignments or transfers from public or private sources to enable the
188 trust fund to carry out its objectives.

189 (c) The trust fund shall be administered by a board of trustees, except
190 that the board shall suspend its operations from July 1, 2003, to June 30,
191 2005, inclusive. The board shall consist of seventeen trustees. The
192 appointment of the initial trustees shall be as follows: (1) The Governor
193 shall appoint four trustees, one of whom shall serve for a term of one
194 year from July 1, 2000, two of whom shall serve for a term of two years
195 from July 1, 2000, and one of whom shall serve for a term of three years
196 from July 1, 2000; (2) the speaker of the House of Representatives and
197 the president pro tempore of the Senate each shall appoint two trustees,
198 one of whom shall serve for a term of two years from July 1, 2000, and
199 one of whom shall serve for a term of three years from July 1, 2000; (3)
200 the majority leader of the House of Representatives and the majority
201 leader of the Senate each shall appoint two trustees, one of whom shall
202 serve for a term of one year from July 1, 2000, and one of whom shall
203 serve for a term of three years from July 1, 2000; (4) the minority leader
204 of the House of Representatives and the minority leader of the Senate
205 each shall appoint two trustees, one of whom shall serve for a term of

206 one year from July 1, 2000, and one of whom shall serve for a term of
207 two years from July 1, 2000; and (5) the Secretary of the Office of Policy
208 and Management, or the secretary's designee, shall serve as an ex-officio
209 voting member. Following the expiration of such initial terms,
210 subsequent trustees shall serve for a term of three years. The trustees
211 shall continue to serve until their successors are appointed or
212 designated. Any vacancy occurring other than by expiration of term
213 shall be filled in the same manner as the original appointment for the
214 balance of the unexpired term. The period of suspension of the board's
215 operations from July 1, 2003, to June 30, 2005, inclusive, shall not be
216 included in the term of any trustee serving on July 1, 2003. The trustees
217 shall serve without compensation except for reimbursement for
218 necessary expenses incurred in performing their duties. The board of
219 trustees shall establish rules of procedure for the conduct of its business
220 which shall include, but not be limited to, criteria, processes and
221 procedures to be used in selecting programs to receive money from the
222 trust fund. The trust fund shall be within the Office of Policy and
223 Management for administrative purposes only. The board of trustees
224 shall, not later than January first of each year, submit a report of its
225 activities and accomplishments to the joint standing committees of the
226 General Assembly having cognizance of matters relating to public
227 health and appropriations and the budgets of state agencies, in
228 accordance with section 11-4a.

229 (d) (1) For the fiscal year ending June 30, 2023, and each fiscal year
230 thereafter, the board of trustees, by majority vote, shall recommend
231 authorization of disbursement from the trust fund of the amount
232 deposited in the trust fund for the fiscal year pursuant to subsection (c)
233 of section 4-28e, as amended by this act, for the purposes described in
234 subsection (a) of this section and section 19a-6d. The board's
235 recommendations shall give [(i)] (A) priority to [programs that address
236 tobacco and substance abuse and serve minors, pregnant women and
237 parents of young children] comprehensive tobacco and nicotine control
238 programs for (i) prevention of initial tobacco and nicotine product use
239 among youth and young adults, (ii) smoking cessation directed at adults

240 and youth, (iii) elimination of exposure to secondhand smoke and
241 aerosol, and (iv) identification and elimination of tobacco and nicotine-
242 related disparities, and [(ii)] (B) consideration to the availability of
243 private matching funds. Recommended disbursements from the trust
244 fund shall be in addition to any resources that would otherwise be
245 appropriated by the state for such purposes and programs.

246 (2) The board of trustees shall submit such recommendations for the
247 authorization of disbursement from the trust fund to the joint standing
248 committees of the General Assembly having cognizance of matters
249 relating to public health and appropriations and the budgets of state
250 agencies. Not later than thirty days after receipt of such
251 recommendations, said committees shall advise the board of their
252 approval, modifications, if any, or rejection of the board's
253 recommendations. If said joint standing committees do not concur, the
254 speaker of the House of Representatives, the president pro tempore of
255 the Senate, the majority leader of the House of Representatives, the
256 majority leader of the Senate, the minority leader of the House of
257 Representatives and the minority leader of the Senate each shall appoint
258 one member from each of said joint standing committees to serve as a
259 committee on conference. The committee on conference shall submit its
260 report to both committees, which shall vote to accept or reject the report.
261 The report of the committee on conference may not be amended. If a
262 joint standing committee rejects the report of the committee on
263 conference, the board's recommendations shall be deemed approved. If
264 the joint standing committees accept the report of the committee on
265 conference, the joint standing committee having cognizance of matters
266 relating to appropriations and the budgets of state agencies shall advise
267 the board of said joint standing committees' approval or modifications,
268 if any, of the board's recommended disbursement. If said joint standing
269 committees do not act within thirty days after receipt of the board's
270 recommendations for the authorization of disbursement, such
271 recommendations shall be deemed approved. Disbursement from the
272 trust fund shall be in accordance with the board's recommendations as
273 approved or modified by said joint standing committees.

274 (3) After such recommendations for the authorization of
275 disbursement have been approved or modified pursuant to subdivision
276 (2) of this subsection, any modification in the amount of an authorized
277 disbursement in excess of fifty thousand dollars or ten per cent of the
278 authorized amount, whichever is less, shall be submitted to said joint
279 standing committees and approved, modified or rejected in accordance
280 with the procedure set forth in subdivision (2) of this subsection.
281 Notification of all disbursements from the trust fund made pursuant to
282 this section shall be sent to the joint standing committees of the General
283 Assembly having cognizance of matters relating to public health and
284 appropriations and the budgets of state agencies, through the Office of
285 Fiscal Analysis.

286 (4) The board of trustees shall submit a biennial report to the joint
287 standing committees of the General Assembly having cognizance of
288 matters relating to public health and appropriations and the budgets of
289 state agencies, in accordance with the provisions of section 11-4a. Such
290 report shall include, but need not be limited to, an accounting of the
291 unexpended amount in the trust fund, if any, all disbursements and
292 other expenditures from the trust fund and an evaluation of the
293 performance and impact of each program receiving funds from the trust
294 fund. Such report shall also include the measurable outcome and
295 evaluation criteria and application process used to select programs to
296 receive such funds.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2023</i>	4-28e(c)
Sec. 2	<i>July 1, 2023</i>	17a-674c
Sec. 3	<i>July 1, 2023</i>	17a-674d(j)
Sec. 4	<i>July 1, 2023</i>	4-28f