

HOUSE BILL REPORT

SSB 6099

As Reported by House Committee On:
Appropriations

Title: An act relating to creating the tribal opioid prevention and treatment account.

Brief Description: Creating the tribal opioid prevention and treatment account.

Sponsors: Senate Committee on Ways & Means (originally sponsored by Senators Braun, Kauffman and Mullet).

Brief History:

Committee Activity:

Appropriations: 2/22/24, 2/26/24 [DPA].

Brief Summary of Substitute Bill
(As Amended by Committee)

- Creates the Tribal Opioid Prevention and Treatment Account in the custody of the State Treasurer (Treasurer) for addressing the impact of the opioid epidemic in tribal communities.
- Directs the Treasurer to make annual transfers from the Opioid Abatement Settlement Account to the Tribal Opioid Prevention and Treatment Account beginning in July 2025 with some limitations.
- Establishes the annual transfer amount through fiscal year 2031 to be the greater of \$7.75 million or 20 percent of settlement receipts and moneys deposited into the Opioid Abatement Settlement Account over the prior fiscal year and then 20 percent thereafter.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: Do pass as amended. Signed by 29 members: Representatives Ormsby, Chair; Bergquist, Vice Chair; Gregerson, Vice Chair; Macri, Vice Chair; Corry, Ranking

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.

Minority Member; Chambers, Assistant Ranking Minority Member; Connors, Assistant Ranking Minority Member; Couture, Assistant Ranking Minority Member; Berg, Callan, Chopp, Davis, Fitzgibbon, Harris, Lekanoff, Pollet, Riccelli, Rude, Ryu, Sandlin, Schmick, Senn, Simmons, Slatter, Springer, Stokesbary, Stonier, Tharinger and Wilcox.

Staff: Andy Toulon (786-7178).

Background:

Opioid Settlement Agreements.

Washington has both settled and pending litigation against a number of entities in relation to their roles in contributing to the opioid epidemic. Payments from these settlements will be received by the state over a period of time, with some settlements having one-time payments and others requiring payments in installments for up to 17 years. Aside from legal expenses, funds received by the state must be used for activities consistent with the list of opioid remediation uses contained in the settlement agreements.

The settlement agreements generally include some funding that comes directly to the state and other funding that goes out to local governments. In terms of the state share of revenues from these agreements, the state received approximately \$51 million prior to the current fiscal year and estimates for additional settlement revenues through fiscal year 2040 are over \$600 million. Tribes located in the state of Washington are not parties to the state opioid settlements and may have signed separate settlement agreements in some cases.

Opioid Abatement Settlement Account.

In 2023 the Legislature created the Opioid Abatement Settlement Account (OASA) for deposit of settlement money received to abate the opioid epidemic to be appropriated for opioid remediation pursuant to settlement agreements. This does not include funding the state jointly administers with smaller counties or funding received directly by larger counties.

In 2023 the Legislature appropriated \$85 million from the OASA to the following state agencies:

- the Health Care Authority Community Behavioral Health Program: \$75 million;
- the Department of Health: \$7.4 million;
- the Department of Children, Youth and Families: \$2.3 million; and
- the Department of Labor and Industries: \$0.25 million.

These appropriations were made in the 2023-25 Biennial Operating Budget and in Chapter 1, Laws of 2023, 1st sp.s. (Second Engrossed Second Substitute Senate Bill 5536) which amended provisions relating to criminal justice and substance use disorder treatment and included some appropriations within the act. Approximately \$15.5 million of the biennial amounts were appropriated for the Health Care Authority to pass through to tribes and urban Indian health programs for opioid and overdose response activities.

Summary of Amended Bill:

The Tribal Opioid Prevention and Treatment Account (TOPTA) is created in the custody of the State Treasurer (Treasurer). Moneys in the TOPTA may be spent only after appropriation. The TOPTA retains interest earnings. Beginning July 1, 2025, and annually thereafter through June 30, 2031, the Treasurer must transfer the greater of \$7.75 million or 20 percent of the settlement receipts and moneys deposited into the OASA during the prior fiscal year into the TOPTA. Beginning July 1, 3031, and annually thereafter, the Treasurer must transfer 20 percent of the settlement receipts and moneys deposited into the OASA during the prior fiscal year into the TOPTA. No transfer to the TOPTA is required if the average revenues received by the OASA per fiscal year over the prior two fiscal years is less than \$7.75 million.

Appropriations from the TOPTA may be used for addressing the impact of the opioid epidemic in tribal communities, including prevention and recovery services, treatment programs including medication-assisted treatment, peer services, awareness campaigns and education, and support for first responders.

Amended Bill Compared to Substitute Bill:

The Appropriations Committee recommended ending the requirement of a minimum transfer of \$7.75 million from the OASA into the TOPTA, effective June 30, 2031. Beginning July 1, 2031, the annual transfer amounts into the TOPTA must be 20 percent of the moneys deposited into the OASA during the prior fiscal year with no minimum amount required.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Amended Bill: The bill contains multiple effective dates. Please see the bill.

Staff Summary of Public Testimony:

(In support) Fentanyl and opioids have done untold harms to tribal communities and pose an existential threat. The state cannot wait to address the fentanyl crisis as more people have been lost to fentanyl overdoses than to COVID-19. The bill will help, and in addition, treatment and prevention resources are needed to get ahead of the curve of overdoses. New secure withdrawal management and stabilization and other rehabilitation facilities are needed. All proposed treatment facility centers should be funded. It is also important to tackle supply and demand issues and cut off drug dealers and traffickers.

The bill will do much to provide urgently needed funds over the long term to help tribes with a variety of responses to the opioid crisis. Non-state tribal settlements associated with separate settlement agreements are limited and likely will not last more than three years, whereas the bill envisions funding for up to 17 years. This sort of guaranteed funding over the much longer term will do a lot to assist in planning and addressing the needs of tribal communities within the short, medium, and long term.

With the progression of drugs to fentanyl and carfentanil, even the smallest of amounts increase the danger to people. Generations of young people are dying from these drugs and being lost to tribal communities. Working together is critical to addressing this crisis and creating a better place for our children and grandchildren.

(Opposed) None.

Persons Testifying: Anthony Hillaire, Lummi Nation.

Persons Signed In To Testify But Not Testifying: None.