

Fiscal Year 2023-24	Business Unit 4265	Department California Department of Public Health	Priority No. N/A
Budget Request Name 4265-243-BCP-2023-GB 4265-244-BCP-2023-GB		Program 4045 – Public and Environmental Health	Subprogram 4045010 – Healthy Communities 4045023 – Infectious Diseases

Budget Request Description

Fentanyl Program Grants (AB 2365) and Innovative Approaches to Make Fentanyl Test Strips and Naloxone More Widely Available

Budget Request Summary

The California Department of Public Health (CDPH), Center for Healthy Communities (CHC) and Center for Infectious Diseases (CID) requests \$7.5 million from the Opioid Settlements Fund (Fund 3397) in 2023-24, \$3.5 million in 2024-25, and \$1.5 million in 2025-26 and 2026-27 with provisional language extending encumbrance or expenditure authority through June 30, 2027. Funding will be used to support six one-time competitive grants to reduce fentanyl overdoses and use per the requirements of Assembly Bill (AB) 2365 (Chapter 783, Statutes of 2022), and two one-time competitive grants to support innovative approaches to make fentanyl test strips and naloxone more widely available.

Requires Legislation <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Code Section(s) to be Added/Amended/Repealed Click or tap here to enter text.	
Does this BCP contain information technology (IT) components? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <i>If yes, departmental Chief Information Officer must sign.</i>	Department CIO Click or tap here to enter text.	Date Click or tap to enter a date.

For IT requests, specify the project number, the most recent project approval document (FSR, SPR, S1BA, S2AA, S3SD, S4PRA), and the approval date.

Project No. Click or tap here to enter text. **Project Approval Document:** Click or tap here to enter text.

Approval Date: Click or tap to enter a date.

If proposal affects another department, does other department concur with proposal? Yes No
Attach comments of affected department, signed and dated by the department director or designee.

Prepared By Terri Sue Canale-Dalman	Date 11/28/2022	Reviewed By Phuong La	Date 11/30/2022
Department Director Brandon Nunes	Date 11/30/2022	Agency Secretary Julie Souliere	Date 11/30/2022

Department of Finance Use Only

Additional Review: Capital Outlay ITCU FSCU OSAE Dept. of Technology

PPBA Sonal Patel	Date submitted to the Legislature 1/10/2023
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A. Budget Request Summary

The California Department of Public Health (CDPH), Center for Healthy Communities (CHC) and Center for Infectious Diseases (CID) requests \$7.5 million from the Opioid Settlements Fund (Fund 3397) in 2023-24, \$3.5 million in 2024-25, and \$1.5 million in 2025-26 and 2026-27 with provisional language extending encumbrance or expenditure authority through June 30, 2027. Funding will be used to support six one-time competitive grants to reduce fentanyl overdoses and use per the requirements of Assembly Bill (AB) 2365, and two one-time competitive grants to support innovative approaches to make fentanyl test strips and naloxone more widely available.

B. Background/History

The opioid epidemic has greatly impacted California communities and families. In recent years, morbidity and mortality are largely driven by synthetic opioids, such as fentanyl, stimulants, such as methamphetamine and by polysubstance use. While California has made significant public health progress to reduce the number of overdose deaths due to prescription opioids, the unpredictability of the illicit drug market shadows these state efforts as opioid overdoses and deaths are significantly increasing. Among Californians, there were 16,537 Emergency Department (ED) visits related to any opioid non-fatal overdose in 2020, an 87 percent increase since 2018 (8,832 ED visits).¹ In terms of fatal overdoses, there were 5,502 any opioid-related overdose deaths in 2020 among Californians, a 127 percent increase since 2018 (2,428 deaths).²

An analysis of the costs of opioid use disorder and fatal opioid overdose deaths in 2017 found that in California, the cost of fatal opioid overdoses was \$25 billion, and the cost of opioid use disorder was \$36 billion.³ Per capita, the cost of a fatal opioid overdose was \$642, and the cost of opioid use disorder was \$923. Within CHC, the Substance Abuse Prevention Branch (SAPB) aims to reduce individual, social, and environmental harm from addiction and substance use through research-driven prevention, education, and treatment. CDPH-SAPB currently has four primary programmatic areas: (1) overdose surveillance and prevention; 2) alcohol use research and harms prevention; 3) problem gambling education, prevention, and treatment; and (4) cannabis surveillance and youth cannabis prevention and education. CDPH-SAPB is an appropriate and logical home for a grant program aimed at reducing fentanyl overdoses and use throughout the state.

To respond to the overdose crisis, CDPH-SAPB works to reduce individual, social, and environmental harm from addiction and substance use through research-driven prevention, education, and treatment. CDPH-SAPB houses the Overdose Prevention Initiative (OPI) which collaborates with partners throughout the state to monitor and address current overdose trends at the statewide and local level. OPI focus areas include:

- **Public Awareness and Education.** Provides opioid misuse prevention, education, and awareness, tailored towards California youth; and fentanyl education, awareness, and harm reduction strategies tailored toward California adults.
- **Building Local Capacity and Engaging Stakeholders.** Funds 21 local Overdose Prevention Coalitions that promote safe prescribing practices, expand access to medication assisted treatment, distribute naloxone and fentanyl test strips, increase overdose prevention public awareness and education, develop local opioid policies and procedures, and promote harm reduction practices.
- **Policy, Systems, and Environmental Change:** Works with statewide partners to establish and amplify policy changes at the state and local level. Policy and systems changes include inter-agency coordination, harm reduction strategies, naloxone access policies,

¹ California Overdose Surveillance Dashboard <https://skylab.cdph.ca.gov/ODdash/>

² Ibid

³ Feijun Luo, Mengyao Li, Curtis Florence, "State-Level Economic Costs of Opioid Use Disorder and Fatal Opioid Overdose – United States, 2017," *Morbidity and Mortality Weekly Report*, 70, 15 (2021): 541-546.

improving pathways to treatment, and adoption of community-centered approaches to substance misuse prevention and overdose prevention.

- **Research and Surveillance:** Monitors fatal and non-fatal opioid-related overdose trends over time in California, by sex, age, race/ethnicity, location, and substance type. Data are available on the [California Overdose Surveillance Dashboard](#). OPI also collects and analyzes data on overdose risk factors and substance use/misuse behaviors.

Current CDPH funding for overdose prevention efforts is supported by federal funds awarded by the Centers for Disease Control and Prevention (CDC) and the Substance Abuse and Mental Health Services Administration (SAMHSA), via state interagency agreement with the Department of Health Care Services (DHCS). Funding to support local efforts to prevent overdose through the Overdose Prevention Coalitions is approximately \$2.3 million per year, inclusive of grants (\$1.5 million) and state operations (\$800,000).

In 2022-23, CDPH received a one-time appropriation of \$45.8 million, available through 2024-25, to support two priority projects, the [Overdose Public Awareness Campaign and Improved Surveillance](#). The current proposal is complementary to these efforts; there is no duplication or overlap of scope, services, or scope.

CDPH works closely with DHCS as part of the broader state response to address drug overdoses. In 2022-23, DHCS was established as the fund administrator for California's Opioid Settlements Fund. As part of the opioid settlement agreement, local governments who sign on to the agreement will receive funding directly from the state to prevent and respond to opioid use, including fentanyl. About 95 percent of local governments have signed on, representing approximately 99 percent of California's population. DHCS also receives the SAMHSA State Opioid Response (SOR) grant to address the opioid crisis by increasing access to treatment; reducing unmet treatment need; and reducing opioid overdose related deaths through the provision of prevention, treatment, and recovery activities for opioid use disorder. SOR funds are used to support overdose response at the local and regional level across the state.

Table 1 reflects the workload history since the establishment of the CDPH-SAPB in July 2020.

Table 1: Workload History

Workload Measure	2020-21	2021-22	2022-23 Projected
# of local agencies funded by CDPH to prevent drug overdose	23	23	22
# of technical assistance and local support requests	1,241	1,172	1,172
# of trainings	4	4	4
# of confirmed drug overdose cases studied	3,972	4,825	5,000

The opioid epidemic is also linked to significant increases in Hepatitis C Virus (HCV) infection in California as well as risk of Human Immunodeficiency Virus (HIV) infection. Researchers have documented that as the supply of opiate medications such as oxycodone were cut off by new medical guidelines and laws to prevent diversion, people increasingly turned to injecting heroin, and later fentanyl, which now dominates the illicit opiate market. Rates of newly reported chronic hepatitis C infections and opiate-related emergency department visits among young adults (25 to 29 years of age) increased together at a similar rate. Between 2012 and 2016, rates of newly reported cases of chronic hepatitis C increased 159 percent

and opiate-related emergency department visits increased 139 percent respectively, likely due to increases in injection drug use. Nationally and in California there is no evidence of an increase in HIV among people who inject drugs, but transmission through unsterile injection drug use often accompanies increases in HCV infection, as was seen in the Scott County Indiana HIV outbreak. In 2015, rural Scott County experienced an unprecedented HIV outbreak, with 181 new HIV infections identified in three months; most of those diagnosed were found to have pre-existing HCV infection. Since that time, outbreaks of injection-mediated HIV infection have been documented in Boston, Northern Kentucky, Cincinnati, Seattle, and West Virginia. California has increased funding for Syringe Services Programs (SSPs) in recent years to protect against outbreaks and bring wrap-around services to people experiencing addiction. The CDPH Office of AIDS (OA) Harm Reduction Unit oversees these efforts and collaborates closely with colleagues within in CID to expand the services SSPs are able to offer.

CID works to prevent transmission of infectious diseases and assist those living with an infectious disease to access healthcare, medications, and support services. It does this through four Divisions/Offices, among which are the Division for Communicable Disease Control (DCDC) and OA.

As designated by California Health and Safety Code (HSC) section 131019, OA has lead responsibility for coordinating state programs, services, and activities relating to HIV and AIDS. OA is made up of a Division Office and six branches, including the HIV Prevention Branch, which includes the Harm Reduction Unit. OA also works closely with the DCDC/STD Control Branch on comprehensive prevention, diagnosis, and treatment services for sexually transmitted diseases, HCV, and HIV.

The Harm Reduction Unit prevents HIV transmission and supports whole-person care for people who inject drugs by authorizing new SSPs in areas of California at risk of outbreaks of HIV or HCV or increases in opiate overdose. The Harm Reduction Unit integrated overdose prevention and response into its core mission in 2015 as part of efforts to prioritize the identified needs of people who use drugs, who experience overdose and overdose fatalities in high numbers.

The number of SSPs in CA has grown significantly in the past five years, from 35 to 65 programs, due in part to the opioid crisis and local organizing efforts in response, as well as funding to expand OA's technical assistance to new programs. Currently, OA funds supplies for the 65 SSPs in California, funds staffing at 38 SSPs, and provides technical assistance to organizations interested in adding overdose education, naloxone distribution, and infectious disease prevention to their existing services.

In 2021 the DHCS Naloxone Distribution Project (NDP) provided at least 159,300 two-pack naloxone kits to SSPs, representing the majority of naloxone distributed to community members. This volume of distribution was approximately equal to naloxone acquired by law enforcement, fire/EMS services, emergency departments, and homeless services organizations combined.⁴ The friends and families of people who use drugs continue to be those most likely to witness and respond to an overdose.

⁴ DHCS Naloxone Distribution Project data, 2021.

Table 2: Workload History– CDPH-OA Harm Reduction Unit

Workload Measure	2020-21	2021-22	2022-23 Projected
# of local agencies funded by OA to prevent drug overdose and infectious disease transmission	38	38	38
# of local agencies provided with overdose reversal and infectious disease prevention supplies	59	62	68
# of technical assistance and local support requests	2,535	2,617	2,725

C. State Level Consideration

This proposal is grounded in equity and is consistent with CDPH's mission to advance the health and well-being of California's diverse people and communities and supports several State and Department priorities, goals, and initiatives, including:

- a. California Health and Human Services Agency's guiding principles of equity, using data to drive action, whole-person prevention and treatment, and a culture of collaborative innovation.
- b. CDPH's goals and related objectives including protect the public's health, promote health and wellness, increase health equity, enhance services through agile operations, and optimize data and technology.
- c. CHC's goal of building healthy and resilient communities through public health leadership, partnerships, and community-driven priorities that address the social determinants of health and social inequities to eliminate health disparities and achieve health equity.

In terms of health equity, data show that Native Americans, who often live in rural communities, and Black/African Americans experience fentanyl-related overdose deaths at higher rates than Whites, Hispanics, and Asian/Pacific Islanders. Research also suggests that overdose rates are affected by social determinants, including education, poverty, and access to safe and stable housing and health care services and treatment.⁵ This proposal benefits the health and wellbeing of Californians by providing funding to local jurisdictions to reduce fentanyl overdoses and use through education, testing, recovery, and support services.

D. Justification**Fentanyl Program Grants**

AB 2365 requires the CDPH-SAPB to establish a grant program to reduce fentanyl overdose and use throughout the state to increase local efforts in education, testing, recovery, and support services. Six, one-time grants will be awarded as part of this pilot, allocated by region: two in Northern California, two in the Central Valley, and two in Southern California.

Grant activities will include any of the following: (1) education programs in local schools; (2) increasing testing abilities for fentanyl; (3) overdose prevention and recovery programs, including making naloxone or other overdose recovery drugs more available in the

⁵ Stacy Stanford et al., Identifying the Root Causes of Drug Overdose Health Inequities and Related Social Determinants of Health: A Literature Review, National Association of County & City Health Officials, August 2021.

community; and (4) increasing social services and substance use recovery services to those addicted to fentanyl or other opioids.

Grantee awards are estimated at an average of \$427,000 per year over three years, meaning a total of \$1,281,000 per grantee over the three-year period beginning in January 2024. Actual amounts awarded may vary, based on the scale of the population served (accounting for regional/geographic reach and population size) and specific strategies identified by grantees.

AB 2365 requires that the fentanyl grant pilot program recipients provide CDPH-SAPB with specified information on the following:

- (1) how the grant moneys were used.
- (2) the number of people served.
- (3) data for the number of hospitalizations due to fentanyl, the number of overdoses from fentanyl, and the number of overdose deaths from fentanyl, for both the year prior to the grant and the year the grant was used.⁶
- (4) any other information the state agency requires.

To this end, CDPH-SAPB will also engage an external partner via Interagency Agreement with a State College or University to support grantee success. The external partner will be responsible for establishing a data collection framework to support evaluation of the efficacy of each program, providing technical assistance to grantees on evaluation, and providing CDPH-SAPB with the data and information to evaluate program success. The program evaluator will be a resource to the grantees, as local partners are not anticipated to have sufficient evaluation capacity in-house.

Through this proposal, CDPH-SAPB will administratively establish one Associate Governmental Program Analyst (AGPA) and two Health Program Specialist I (HPS I) positions to establish and implement the program, including developing the request for applications (RFA) to determine the jurisdictions that will receive funding, executing agreements, monitoring grantee progress, working with the external partner on grantee data and evaluation, developing and submitting the final report to the Legislature and the Governor's office, and preparing and developing final comprehensive grantee program report for the public.

CDPH-SAPB will also provide a comprehensive final report on all grantee outcomes, following the close of the grant period. This proposal will support public health by providing funding directly to local jurisdictions to respond to fentanyl and providing critical data and information to the Legislature on potential successes of the fentanyl grant pilot program.

The fentanyl grant pilot program will be similar to OPI's Local Overdose Prevention Coalition program. An [RFA](#) was released in September 2019; in April 2020, 23 coalitions⁷ received funding to implement strategies to address overdose at the local level. CDPH-SAPB will use the coalition grant program as a model for the fentanyl grant pilot program; requirements of the fentanyl grant pilot program RFA will be tailored to meet the stipulations of AB 2365, the scope of the project, and the timeline described under the implementation plan.

Innovative Approaches to Make Fentanyl Test Strips and Naloxone More Widely Available

Syringe Services Programs are the primary vehicle for reaching people at greatest risk of experiencing or witnessing an overdose with overdose education and naloxone distribution services. State data show SSPs have received a third of the naloxone shipments in this fiscal year, but account for two-thirds of the reported reversals. Unlike many other types of programs

⁶ Known as "administrative data," information on health conditions is generally available on a 6-month delay, i.e., an emergency department visit in January 2023 would be reported in July 2023.

⁷ 21 coalitions receive funding as of September 2022.

that order naloxone through the DHCS Naloxone Distribution Project and keep it available in case of onsite emergencies, SSPs actively work to distribute naloxone to people who use drugs – their program participants -- then train them in its use and serve as sources of emotional support after they reverse an overdose. A 2022 CDPH-supported survey of 1,500 SSP participants found that 65 percent of respondents had witnessed an overdose in the previous six months, and 54 percent had used naloxone on someone to reverse an overdose. Although most of California's SSPs participate in the NDP, many also supplement their naloxone orders through other sources.

Recent changes to California law as a result of AB 1598 (Chapter 201, Statutes of 2022) exempted testing equipment designed, marketed, intended to be used, or used, to test a substance for the presence of fentanyl, ketamine, gamma hydroxybutyric acid, or any analog of fentanyl from being considered "drug paraphernalia." AB 1598 goes into effect as of January 1, 2023, and as of that date, service providers throughout California may seek to distribute fentanyl test strips to their clients and patients to prevent overdose. Fentanyl test strips are a form of inexpensive drug testing technology that was originally developed for urinalysis, but which have been shown to be effective at detecting the presence of fentanyl in drug samples prior to ingestion. A study involving a community-based program in North Carolina found that 81 percent of those with access to fentanyl test strips routinely tested their drugs before use. Those with a positive test result were five times more likely to change their drug use behavior to reduce the risk of overdose.⁸ In a Rhode Island study of young adults who reported using heroin, cocaine, or illicitly obtained prescription pills, "receiving a positive [fentanyl] result was significantly associated with reporting a positive change in overdose risk behavior."⁹ Increasing access to fentanyl test strips, potentially through the Naloxone Distribution Project, will assist many organizations looking to better serve the needs of their clients.

To address these challenges and opportunities, CDPH-OA proposes to use the Request for Information (RFI) process to gather information to: 1) Expand access to fentanyl test strips and establish a low-cost naloxone supply bank to potentially supplement the DHCS Naloxone Distribution Project and provide naloxone to the community-based programs, predominantly SSPs, that have already demonstrated the greatest efficiency in reversing overdoses; and 2) Issue a Request for Proposals (RFP) to manufacturers and distributors of fentanyl test strips and naloxone in order to expand access to both services through innovative and cost effective ways. The resulting contracts may potentially support the Naloxone Distribution Project with additional naloxone supply and alternative naloxone formulations and expand its scope by supplying fentanyl test strips. CDPH-OA may establish an inter-agency agreement with DHCS to administer one or more contracts with manufacturers and distributors of both products.

OA will issue an RFI to solicit information from manufacturers and distributors of both products and use the information to develop and issue an RFP from vendor(s) prepared to supply one or both products. CDPH-OA will engage an external partner (interagency agreement with a state college or university) to provide subject matter expertise concerning which formulation of naloxone to purchase, evaluate strengths and weaknesses of the products, and assess

⁸ Peiper NC, Clarke SD, Vincent LB et al. Fentanyl test strips as an opioid overdose prevention strategy: Findings from a syringe services program in the Southeastern United States. *Int J Drug Policy*. Sep 28, 2018.

⁹ Krieger MS, Goedel WC, Buxton JA, et. al. (2018). Use of rapid fentanyl test strips among young adults who use drugs. *Int J Drug Policy*, In Press Oct. 2018.

acceptability to the products' end users, including both individuals and institutions. The external partner will also be responsible for assessing areas of high need for naloxone, taking into account racial and ethnic disparities in overdose rates and naloxone access, as well as regional disparities. The subject matter expert will also evaluate gaps and overlaps in naloxone distribution by key sectors, including jails, emergency departments and homeless service providers, and provide technical assistance to agencies that have not yet begun to offer overdose education and naloxone distribution at the conclusion of the RFI process

CDPH-OA will also administratively establish one Health Program Specialist I (HPS I) position to establish and implement the program, including developing the RFI and RFP(s), executing agreements, monitoring progress, working with the external partner and convening key partners, including CDPH colleagues, DHCS and Aurora Health staff who oversee the Naloxone Distribution Project, and outside stakeholders invested in improved naloxone distribution as a way to address the overdose fatality crisis.

Support for this Budget Request

CDPH is requesting funding for four administratively established positions – three Health Program Specialist I positions and one Associate Governmental Program Analyst. Duties are described in Table 3.

Table 3: Position Classifications and Duties

Position Classification	Duties
Associate Governmental Program Analyst – CDPH-SAPB (AGPA; 1 administratively established position).	Responsible for administrative aspects of pilot grants, including administrative monitoring; provides customer service to grantees on administrative issues. Establishes contracts, amendments, processes invoices, monitors budget and expenditures. Responds to drills, attends meetings, and interprets and applies Center, Department, and State administrative policies and procedures. Travels to grantee sites for site visits and monitoring.
Health Program Specialist I – CDPH-SAPB (HPS I; 2 administratively established positions)	Develops pilot grant program RFA; reviews applications and selects awardees; monitors grantee progress toward deliverables; provides technical assistance and support to grantees; coordinates data tracking and reporting in coordination with external contractor; collects, analyzes, and interprets evaluation metrics; develops report to the Legislature and the Governor's office, and coordinates all document review and approvals. Travels to grantee sites for site visits and monitoring.
Health Program Specialist I – CDPH-OA (HPS I; 1 administratively established position)	Develops program RFI to solicit information from potential vendors of naloxone and fentanyl test strips, reviews responses and uses the information to develop RFP for naloxone and fentanyl test strip distributor(s). Sets goals and objectives for successful distribution program, monitors progress toward deliverables; coordinates data tracking and reporting in coordination with external contractor; collects, analyzes, and interprets evaluation metrics; and coordinates all document review and approvals. Develops a technical assistance plan that focuses on gaps in jails, emergency departments, homeless service providers and other community-based agencies.

Requested funding is described below. A summary of resources requested over four budget years is provided in Tables 4 and 5.

Table 4: Resources Requested and Projected Costs by Year - Fentanyl Program Grants

Resources Requested	2023-24	2024-25	2025-26	2026-27
Personnel (Wages, benefits, standard costs)	479,000	479,000	479,000	479,000
Associate Governmental Program Analyst (1.0)	155,000	155,000	155,000	155,000
Health Program Specialist I (2.0)	327,000	327,000	327,000	327,000
Contracts and Grants	4,521,000	2,521,000	521,000	521,000
Fentanyl grant pilot program (Local Assistance)	4,422,000	2,422,000	422,000	422,000
Evaluation contract	99,000	99,000	99,000	99,000
Total costs	5,000,000	3,000,000	1,000,000	1,000,000

Table 5: Resources Requested and Projected Costs by Year - Improved Access to Fentanyl Test Strips and Naloxone

Resources Requested	2023-24	2024-25	2025-26	2026-27
Personnel (Wages, benefits, standard costs)	165,000	165,000	165,000	165,000
Health Program Specialist I (1.0)				
UCSF TA provider	216,840	216,840	216,840	216,840
Contracts and Grants				
Fentanyl test strips and naloxone vendor contract(s) (Local Assistance)	2,118,160	118,160	118,160	118,160
Total costs	\$2,500,000	\$500,000	\$500,000	\$500,000

If this proposal is not approved, CDPH will lack resources needed to adequately respond to the mandate of AB 2365. Without local assistance funding, CDPH will be unable to award six grants to address fentanyl overdoses and use. Without staffing to support this project, CDPH-SAPB will redirect positions away from other compelling public health needs, such as preventing alcohol misuse and youth cannabis use. Without additional funding for naloxone distribution, long wait times and production delays will continue to hamper statewide efforts to saturate the state with the tools people need to better prevent and reverse opiate overdose.

E. Outcomes and Accountability

Fentanyl Program Grants

Short-Term Outcomes

- Increased funding and support to local jurisdictions that demonstrate a need to address fentanyl overdoses and use.

Intermediate and Long-Term Outcomes

- Increased education in local schools, fentanyl testing abilities, naloxone distribution, retention in treatment and recovery programs, medication assisted treatment (MAT) services, and community partnerships.
- Increased resources for people in recovery from substance use.

Accountability: CDPH-SAPB staff will implement systems to measure progress toward project goals and make mid-course corrections, if necessary. CDPH-SAPB staff will monitor grantee progress toward deliverables. Grantees will provide routine updates at monthly check-ins and quarterly progress reports, which will identify challenges and successes. The report to the Legislature and the Governor's office will provide detailed information describing grantee projects, outcomes, and evaluation metrics. In the interest of transparency and disclosure to the public, an additional final report will be posted to the program's website, describing program successes, challenges, and effect on preventing overdose deaths.

Specific workload metrics and accountability measures are outlined in Table 6.

Table 6: Projected Outcomes – CDPH-SAPB

Workload Measure	2023-24	2024-25	2025-26	2026-27
Develop and execute agreements with local agencies/regional partners	6	0	0	0
Complete monthly check-in meetings with grantees	36	72	72	36
Collect data and information through grantee quarterly progress reports	12	24	24	12
Compile data and develop report for Legislature and the Governor's office	0	0	1	1
Analyze results of pilot program and make information available to the public	0	0	1	1

Additional workload metrics will be identified by the grantees and will align with the strategies of AB 2365. Specific quantifiable metrics cannot be included in the table, as grantees will have the ability to select from any of the following strategies:

- (1) Education programs in local schools. Example metrics: number schools using evidence-based educational programs to prevent substance use and misuse.
- (2) Increasing testing abilities for fentanyl. Example metrics: number of narcotics testing programs at overdose prevention programs.
- (3) Overdose prevention and recovery programs. Example metrics: number of opioid antagonist doses distributed, number of new organizations with opioid antagonist policies.
- (4) Increasing social services and substance use recovery services; Example metrics include, but are not limited to, number of new programs implemented, number of individuals served.

Innovative Approaches to Make Fentanyl Test Strips and Naloxone More Widely Available
Short Term Outcomes

- Increased access to naloxone for SSPs who are conducting community distribution of naloxone along with training, increased volume of distribution of both naloxone and fentanyl test strips among people who use drugs, cessation of rationing of naloxone among California's 65 SSPs.
- Access to fentanyl test strips through the DHCS Naloxone Distribution Project for agencies throughout California.

Intermediate and Long-Term Outcomes

- Increased number of potential overdose reversals.
- Increased education among people who use drugs of risks associated with fentanyl.
- Increased resources for people who use drugs and agencies that serve them.
- Improved integration of overdose prevention and naloxone distribution into areas and communities that have been underserved and experience high death rates, including Black/African American, Native and Latino communities, rural counties, incarcerated people and people experiencing homelessness.

Accountability: CDPH-OA staff and the subject matter expert will design an evaluation plan to measure progress and troubleshoot challenges. Once contracts with vendor(s) are established, CDPH-OA staff will monitor progress toward deliverables. Vendors/distributors will provide updates at monthly check-ins and quarterly progress reports, which will identify challenges and successes.

Specific workload metrics and accountability measures are outlined in Table 7.

Table 7: Projected Outcomes – CDPH-OA

Workload Measure	2023-24	2024-25	2025-26	2026-27
Develop and execute RFI	1	0	0	0
Develop and execute RFP	2	0	0	0
Develop and execute contracts with Vendors	2	0	0	0
Share information on fentanyl test strips vendors with DHCS Naloxone Distribution Project	1	0	0	0
Collect data and information through vendor quarterly progress reports	8	8	8	8
Analyze CDPH and DHCS data to identify gaps in naloxone coverage and share Results	1	1	1	1
Analyze results of program and make information available to the public	0	0	1	1

F. Analysis of All Feasible Alternatives

Alternative 1: Approve \$7.5 million from the Opioid Settlements Fund (Fund 3397) in 2023-24, \$3.5 million in 2024-25, and \$1.5 million in 2025-26 and 2026-27 with provisional language extending encumbrance or expenditure authority through June 30, 2027, to support six one-time competitive grants to reduce fentanyl overdoses and use per the requirements of AB 2365, and two one-time competitive grants to support innovative approaches to make fentanyl test strips and naloxone more widely available.

Pros:

- Fulfills the requirements of AB 2365.
- Provides additional support to local communities to address fentanyl (average total grant per awardee: \$1,281,000 over three years).
- Provides data to CDPH on the efficacy of one-time pilot funding for local communities.
- Provides multiple years of grantee data and information to the Legislature and the Governor’s office on innovative local strategies to respond to fentanyl through education, increased testing, overdose prevention and recovery, and/or increased social and recovery services.
- Supports health equity by directing resources to communities demonstrating greatest need.

- Builds on an innovative approach to naloxone distribution by establishing a source of naloxone for SSPs that implement community distribution of naloxone
- May address product supply wait times for SSPs
- Supports health equity by directing resources to communities demonstrating greatest ability to use naloxone to reverse overdoses, and by identifying and addressing gaps in naloxone access in the state

Cons

- Requires an appropriation from the Opioid Settlements Fund.

Alternative 2: Approve \$5 million from the Opioid Settlements Fund (Fund 3397) in 2023-24, \$3 million in 2024-25, and \$1 million in 2025-26 and 2026-27 with provisional language extending encumbrance or expenditure authority through June 30, 2027, to support six one-time competitive grants to reduce fentanyl overdoses and use per the requirements of AB 2365, and two one-time competitive grants to support innovative approaches to make fentanyl test strips and naloxone more widely available.

Pros:

- Requires a smaller appropriation from the Opioid Settlements Fund.
- Fulfills the requirements of AB 2365.
- Provides additional support to local communities to address fentanyl.
- Provides data to CDPH on the efficacy of one-time pilot funding for local communities.
- Provides multiple years of data and information to the Legislature and the Governor's office on innovative local strategies to respond to fentanyl through education, increased testing, overdose prevention and recovery, and/or increased social and recovery services.
- Supports health equity by directing resources to communities demonstrating greatest need.

Cons:

- Provides a smaller award amount to each grantee, thereby reducing state support for local communities and reducing the impact and outcome of the fentanyl grant pilot program.
- Maintains status quo for SSPs that provide community naloxone distribution experiencing wait times of several weeks to several months
- Less support to local communities to address fentanyl overdoses
- Requires appropriation from the Opioid Settlements Fund.

Alternative 3: Do not approve this proposal.

Pros:

- No appropriation from the Opioid Settlements Fund.

Cons:

- Creates an unfunded mandate. CDPH would not have the resources to administer the fentanyl grant program as specified in law.
- Does not provide additional support to local communities to address fentanyl overdoses and use.
- Does not provide data on the efficacy of one-time pilot funding for local communities.
- Does not provide the Legislature and the Governor's office with information on innovative local strategies to respond to fentanyl through education, increased testing, overdose prevention and recovery, or increased social and recovery services.
- Maintains status quo for SSPs that provide community naloxone distribution experiencing wait times of several weeks to several months

**G. Implementation Plan
Fentanyl Program Grants**

This proposal provides for staff and funding to establish a new grant program, the fentanyl grant pilot program, which will provide six, one-time competitive grants to local jurisdictions to respond to fentanyl overdose and use through youth education, increased testing, overdose prevention and recovery, and/or increased social and recovery services.

Table 8: Implementation timeline and tasks for Year 1 (2023-24) and Year 2 (2024-25).

2023-24	Jul – Sept	<ul style="list-style-type: none"> Establish funding and hire staff Develop and release request for applications (RFA) for fentanyl program grants and evaluation partner, hold informational webinars, and respond to questions.
	Oct – Dec	<ul style="list-style-type: none"> Review applications, score, and select grantees and evaluation partner. CDPH contract review and approval.
	Jan – Mar	<ul style="list-style-type: none"> Execute contracts (estimated: January 2023, contingent upon CDPH contract approval timelines). Grantees begin to implement strategies. Evaluator works with CDPH-SAPB and grantees to develop evaluation plan, metrics, and tracking systems.
	Apr – Jun	Throughout the project period:
2024-25	Jul – Sept	<ul style="list-style-type: none"> Grantees continue to implement strategies and provide updates to CDPH via monthly meetings and quarterly progress reports. CDPH-SAPB provides technical assistance and support to grantees on strategies and program administration, tracks progress toward deliverables, and prepares for legislative report. Evaluator meets with each grantee to provide technical assistance and support; evaluator provides progress updates to CDPH quarterly and data updates twice per year.
	Oct – Dec	
	Jan – Mar	
	Apr – Jun	

After the grants end on December 31, 2026, CDPH-SAPB staff will continue to conduct analyses, evaluate the challenges and successes of the pilot programs, and will develop a final report documenting the pilot program.

Innovative Approaches to Make Fentanyl Test Strips and Naloxone More Widely Available

This proposal provides CDPH-OA staff and funding to develop, establish and implement the program, issue the RFI and RFP(s), execute agreements, monitor grantee progress to support innovative approaches to make fentanyl test strips and naloxone more widely available to people who use drugs and organizations that serve them.

Table 9: Implementation timeline and tasks for Year 1 (2023-24) and Year 2 (2024-25).

2023-24	Jul – Sept	<ul style="list-style-type: none"> Establish funding and hire staff Develop and execute RFI to solicit information from manufacturers and distributors of naloxone and fentanyl test strips Share information on fentanyl test strips vendors with DHCS Naloxone Distribution Project
	Oct – Dec	<ul style="list-style-type: none"> Develop and release an RFP from vendor(s) prepared to supply naloxone and/or fentanyl test strips. Review applications, develop contracts with vendors
	Jan – Mar	<ul style="list-style-type: none"> Execute contracts Grantees begin to implement strategies. Evaluator works with CDPH-SAPB and grantees to develop evaluation plan, metrics, and tracking systems.

	Apr – Jun	Throughout the project period: <ul style="list-style-type: none"> • Vendors implement distribution activities and provide updates to CDPH-OA via quarterly progress reports. • CDPH-OA provides technical assistance and support to SSPs on strategies and tracks progress toward deliverables. • Analysis of CDPH and DHCS data to identify gaps in naloxone coverage and share results • Evaluation of deliverables and results of program and make information available to the public
2024-25	Jul – Sept	
	Oct – Dec	
	Jan – Mar	
	Apr – Jun	

H. Supplemental Information

Attachment A: Fiscal Detail Sheet

Add the following provision to Items 4265-001-3397 and 4265-111-3397:

The funds appropriated in this item shall be available for encumbrance or expenditure until June 30, 2027.

I. Recommendation

Alternative 1: Approve \$7.5 million from the Opioid Settlements Fund (Fund 3397) in 2023-24, \$3.5 million in 2024-25, and \$1.5 million in 2025-26 and 2026-27 with provisional language extending encumbrance or expenditure authority through June 30, 2027, to support six one-time competitive grants to reduce fentanyl overdoses and use per the requirements of AB 2365, and two one-time competitive grants to support innovative approaches to make fentanyl test strips and naloxone more widely available.

BCP Fiscal Detail Sheet

BCP Title: Fentanyl Program Grants (AB 2365)

BR Name: 4265-243-BCP-2023-GB

Budget Request Summary

	FY23					
	CY	BY	BY+1	BY+2	BY+3	BY+4
Operating Expenses and Equipment						
5301 - General Expense	0	578	578	578	578	0
54XX - Special Items of Expense	0	4,422	2,422	422	422	0
Total Operating Expenses and Equipment	\$0	\$5,000	\$3,000	\$1,000	\$1,000	\$0
Total Budget Request	\$0	\$5,000	\$3,000	\$1,000	\$1,000	\$0

Fund Summary

Fund Source - State Operations						
3397 - Opioid Settlements Fund	0	578	578	578	578	0
Total State Operations Expenditures	\$0	\$578	\$578	\$578	\$578	\$0
Fund Source - Local Assistance						
3397 - Opioid Settlements Fund	0	4,422	2,422	422	422	0
Total Local Assistance Expenditures	\$0	\$4,422	\$2,422	\$422	\$422	\$0
Total All Funds	\$0	\$5,000	\$3,000	\$1,000	\$1,000	\$0

Program Summary

Program Funding						
4045010 - Healthy Communities	0	5,000	3,000	1,000	1,000	0
Total All Programs	\$0	\$5,000	\$3,000	\$1,000	\$1,000	\$0

BCP Fiscal Detail Sheet

BCP Title: Innovative Approaches to Make Fentanyl Test Strips and Naloxone More Widely Available

BR Name: 4265-244-BCP-2023-GB

Budget Request Summary

		FY23				
	CY	BY	BY+1	BY+2	BY+3	BY+4
Operating Expenses and Equipment						
5301 - General Expense	0	382	382	382	382	0
54XX - Special Items of Expense	0	2,118	118	118	118	0
Total Operating Expenses and Equipment	\$0	\$2,500	\$500	\$500	\$500	\$0
Total Budget Request	\$0	\$2,500	\$500	\$500	\$500	\$0

Fund Summary

Fund Source - State Operations						
3397 - Opioid Settlements Fund	0	382	382	382	382	0
Total State Operations Expenditures	\$0	\$382	\$382	\$382	\$382	\$0
Fund Source - Local Assistance						
3397 - Opioid Settlements Fund	0	2,118	118	118	118	0
Total Local Assistance Expenditures	\$0	\$2,118	\$118	\$118	\$118	\$0
Total All Funds	\$0	\$2,500	\$500	\$500	\$500	\$0

Program Summary

Program Funding						
4045023 - Infectious Diseases	0	2,500	500	500	500	0
Total All Programs	\$0	\$2,500	\$500	\$500	\$500	\$0