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By email and first-class mail

July 27, 2022

National Opioid Settlement contacts for:

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26 Western Ave
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163 E. Main St.
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City of Westbrook
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Westbrook, ME, 04092

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140 Main St., Suite 3
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Barry A. Tibbets
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1 Summer St.
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25 Cottage Road
South Portland, ME, 04106

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50 State Street
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Nathan Poore
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Town of Standish
175 Northeast Rd.
Standish, ME, 04084

John Eldridge
Town of Brunswick
85 Union St.
Brunswick, ME, 04011

Re: First distributions of settlement funds

Settlement Contacts:

This letter is to alert you to the first opioid settlement payment coming to your community and steps you will need to take to receive it.

The Attorney General's office is working with the administrator of the National Opioid Settlements to prepare for the first of several distributions expected this year to Maine of funds from the two settlements – the Distributors Agreement and the Janssen Agreement – which

comprise the National Opioid Settlements (“the Settlements”). This letter is to give you information about that first distribution.

As you may recall, our office worked with your offices to secure sign-on to the Settlements. By working together, we were able to secure the most favorable payment amounts and terms available. The first payment to Maine will come from the Distributor Settlement and is expected this summer. Attached is a spreadsheet showing the allocation of this first payment (“Distributor 1”) among the eligible subdivisions in Maine.

Under the terms of a Memorandum of Understanding between our office and Maine’s litigating subdivisions (“State-Subdivision MOU”), 30% of Maine’s funds go to the 39 eligible cities and counties, including those non-litigating cities and counties. Another 50% will be spent statewide by the Maine Recovery Council, and 20% is allocated to the Attorney General. The subdivisions’ 30%, in turn, is allocated among them by a formula using metrics which purport to measure the impact of the opioid crisis in each community¹. The allocation percentages among Maine’s subdivisions are found in Exhibit 3 to the State-Subdivision MOU, and that Exhibit 3 is also attached to this letter.

Your community’s share of the 30% subdivision pot will be sent to your office directly by the national administrator. You will soon receive an email from the Administrator directing you to establish a user account with its online portal and to enter certain financial information which will enable the payment to be sent directly to your subdivision – our office will email you at the same time to alert you to it so that this important email is not inadvertently overlooked.²

The first step to this payment going out is to review the Distributor 1 allocation spreadsheet and to confirm that its calculations are correct. The total coming to Maine was determined by the national Administrator; the allocations within Maine were calculated by this office. Please respond directly to me by email to confirm that your office agrees with the allocation amounts. If I do not hear from you by **Monday, August 8th**, I will notify the Administrator that Maine’s subdivisions agree with the allocation amounts – however, the sooner you respond the sooner we can notify the administrator to go forward with the payments. Each future distribution will require the same or a similar notice and agreement prior to payment. However, we expect those notices to be much simpler once the initial procedures are taken care of.

Please note two things about the calculations. First, the numbers for this first payment represent the exact amounts your city or county will receive and will not be reduced by the administration costs of the national Administrator. However, future payments may be reduced by those administration costs. These administration costs will be reflected in the calculations of those future payments, are expected to be small, and are allocated across all of the states and subdivisions participating in the national settlements. Second, distributions to Maine’s

¹ Settlements, Ex. G. Lawyers and experts in the national opioid litigation developed the allocation model based on federal data on opioid use disorder, overdose deaths, and 2006-16 opioid shipments into Maine, by region and community.

² You may wish to add the administrator’s email to a ‘whitelist’ of approved email senders, to avoid it being automatically sent to a spam folder by your email system. That address is: directingadministrator@nationalopioidofficialsettlement.com.

subdivisions are subject to a 7% holdback to create a ‘backstop fund’ to pay a possible shortfall in the attorney fees of Maine’s litigating subdivisions. This is further explained in the addendum to this letter.

Again, please respond to me as soon as possible by email to confirm your office’s agreement with the attached Distributor 1 allocations. Doing so will help the national Administrator to be able to make the distributions sooner.

Thank you for your attention to this notice. We look forward to working with you to distribute and utilize these critical and limited opioid abatement funds.

Sincerely,



Brendan O’Neil
Assistant Attorney General
207-626-8842
brendan.oneil@maine.gov

Enclosures:

Addendum to Maine Attorney General's Office letter dtd July 27, 2022
re: first National Opioid Settlement Payment

Attached (by email only) to this letter are the following materials which are critical to your city's or county's efforts to bolster opioid abatement work in your community:

1. Memorandum of Understanding between the Attorney General and Maine's litigating cities and counties.
 - a. This State-Subdivision MOU establishes the Maine Recovery Fund – administered by the Maine Recovery Council - to distribute 50% of the money coming³ into Maine. Your communities and the nonprofits, foundations, and other entities serving your communities may be eligible to benefit from funds distributed by the Recovery Council. Our office will notify you of the Council's first meeting.
 - b. The State-Subdivision MOU also affects how much money your city or county will receive. Your communities will receive a direct share of 30% of funds distributed to Maine from settlements with opioid Distributors and Janssen, and the bankruptcy cases of Mallinckrodt and Purdue Pharma. 7% of direct-share funds for each city and county – both litigating and non-litigating - will be held back from distribution for a period of time. This 'backstop' fund will be held in reserve as potential payment to the private attorneys for the litigating cities and counties. A special master will determine how much of that backstop fund will be paid to those attorneys, who first must apply to be paid from national settlement funds³. Any monies remaining in the backstop fund after those payments will be distributed to the cities and counties.
 - i. Note that all of the cities and counties receiving settlement funds – including the non-litigating cities and counties – may submit candidates for the special master to the Attorney General.
 - ii. Note that the backstop fund is only taken from the Distributor and Janssen distributions. Payments from the Mallinckrodt and Purdue bankruptcies will not be reduced by the 7% holdback.
2. Memorandum of Understanding between the Attorney General and Maine's litigating school districts
 - a. 3% of the Recovery Council's fund must be awarded as grants to Maine school administrative units for spending on special education purposes. The school administrative units in your communities may be eligible to benefit from these earmarked funds.
3. List of Approved Uses of all opioid abatement funds
 - a. This is the menu of activities and services for which opioid abatement funds may be used.
 - b. Note that these opioid abatement funds are only available for a limited time and will decrease over time. For example, the Janssen funds pay out over 10 years but the payments for years 2-4 are front-loaded into the first year. The Distributor funds pay out over 18 years. Our office is working to prepare modeling of the maximum payments to Maine and your communities for each year. However, these are limited

³ For more information about the national attorney fee funds, see Ex. R to each of the Distributor and Janssen settlements, available on the Attorney General's website: <https://www.maine.gov/ag/>.

funds intended to have maximum impact, as determined by the best available evidence, on Maine's opioid crisis. Planning for the impact of these funds should anticipate that they will run out.

c. The MOU expressly permits cities and counties to partner with others for using these funds. Cities and Counties may benefit from more efficient or more effective use of abatement funds by partnering with other cities and counties, with the State, or with nonprofits or foundations with expertise in opioid abatement. Such partnerships may help with accessing guidance or recommendations about best practices, lessons learned in other communities, and highly effective abatement services.⁶ Partnerships may also identify work that is already sufficiently funded and work that needs additional funding. Partnerships may also help to reduce or minimize administrative expenses. Communities may begin working now on partnering with others to maximize the benefits of these limited funds. In addition, the national settlement administrator has noted that Cities and Counties may elect to reallocate their payment – and future payments. In Maine, these funds may be reallocated to another participating subdivision or to the Maine Recovery Council. If you are interested in this option, please contact the Attorney General's office and we can discuss it further.

Distributor Payment 1 (April 2, 2022) Disbursement to Maine

Total Payment to ME (State and Subdivisions):	ME Subdivisions share - 30% (gross):	Recovery Council share - 50%: Attorney Fee Backstop Holdback - 7% <u>(\$105,707.25)</u>	Attorney General share -20% \$2,516,839.40	\$1,006,735.76
		ME Subdivisions share (net):	\$1,404,396.38	

County/Municipality	% of Local Gov't Pymts	\$ of Local Gov't Pymts
ANDROSCOGGIN COUNTY	0.016799536	\$23,593.21
AROOSTOOK COUNTY	0.040537116	\$56,930.18
Auburn city	0.026283333	\$36,912.22
Augusta city	0.036779546	\$51,653.06
Bangor city	0.052042873	\$73,088.82
Biddeford city	0.027393997	\$38,472.03
BRUNSWICK TOWN	0.0161113929	\$22,630.34
Calais city	0.00836905	\$11,753.46
CUMBERLAND COUNTY	0.035025702	\$49,189.97
FALMOUTH TOWN	0.012353279	\$17,348.90
FRANKLIN COUNTY	0.019717572	\$27,691.29
GORHAM TOWN	0.01458294	\$20,480.23
HANCOCK COUNTY	0.03849434	\$54,061.31
KENNEBEC COUNTY	0.049959268	\$70,162.62
KENNEBUNK TOWN	0.002185679	\$3,069.56
KNOX COUNTY	0.02101037	\$29,506.89
Lewiston city	0.043451007	\$61,022.44
LINCOLN COUNTY	0.021621728	\$30,365.48
ORONO TOWN	0.002094181	\$2,941.06
OXFORD COUNTY	0.038454419	\$54,005.25
PENOBCOT COUNTY	0.067801028	\$95,219.52
PISCATAQUIS COUNTY	0.012760852	\$17,921.29
Portland city	0.072016026	\$101,139.05
Rockland city	0.006184398	\$8,685.35
Saco city	0.004366518	\$6,132.32
SAGADAHOC COUNTY	0.019708147	\$27,678.05
Sanford city	0.026908216	\$37,789.80
SCARBOROUGH TOWN	0.01836377	\$25,790.01
SOMERSET COUNTY	0.036977198	\$51,930.64
South Portland city	0.022275994	\$31,284.33
STANDISH TOWN	0.000664146	\$932.72
WALDO COUNTY	0.024723925	\$34,722.19
WASHINGTON COUNTY	0.026998374	\$37,916.70
Waterville city	0.02813281	\$39,509.62
WELLS TOWN	0.002541312	\$3,569.01
Westbrook city	0.01541615	\$21,650.39
WINDHAM TOWN	0.001935482	\$2,718.18
YORK COUNTY	0.067950503	\$95,429.44
YORK TOWN	0.021005084	\$29,499.46
Total	100.000000000100%	\$1,404,396.38

Subdivisions with Consolidated Allocations - Qualified Subdivisions Only

State	County	City	Consolidated State Allocation
ME	ANDROSCOGGIN COUNTY	Lewiston city	1.67995535986%
ME	ANDROSCOGGIN COUNTY	Auburn city	4.34510069568%
ME	ANDROSTOOK COUNTY		2.6283327826%
ME	CUMBERLAND COUNTY	Portland city	4.0537116218%
ME	CUMBERLAND COUNTY	South Portland city	3.5025701951%
ME	CUMBERLAND COUNTY	SCARBOROUGH TOWN	2.275994495%
ME	CUMBERLAND COUNTY	BRUNSWICK TOWN	1.863769930%
ME	CUMBERLAND COUNTY	Westbrook city	1.6113929261%
ME	CUMBERLAND COUNTY	GORHAM TOWN	1.5416150467%
ME	CUMBERLAND COUNTY	FALMOUTH TOWN	1.4583940317%
ME	CUMBERLAND COUNTY	WINDHAM TOWN	1.2353278939%
ME	CUMBERLAND COUNTY	STANDISH TOWN	0.1935482073%
ME	FRANKLIN COUNTY		0.066145731%
ME	HANCOCK COUNTY		1.9717572454%
ME	KENNEBEC COUNTY	Augusta city	3.848494340111%
ME	KENNEBEC COUNTY	Waterville city	4.9959263985%
ME	KENNEBEC COUNTY		3.6779545807%
ME	KNOX COUNTY		2.8132809688%
ME	KNOX COUNTY	Rockland city	2.1010369789%
ME	LINCOLN COUNTY		0.518439803%
ME	OXFORD COUNTY		2.1621727981%
ME	PENOBSCOT COUNTY	Bangor city	3.8454418782%
ME	PENOBSCOT COUNTY	ORONO TOWN	6.7803027597%
ME	PENOBSCOT COUNTY		5.2042873123%
ME	PENOBSCOT COUNTY		0.2094180890%
ME	PISCATAQUIS COUNTY		1.2760851978%
ME	SAGADAHOC COUNTY		1.9708346889%
ME	SOMERSET COUNTY		3.6977198467%
ME	WALDO COUNTY		2.4722925078%
ME	WASHINGTON COUNTY	Gais city	2.6998574469%
ME	WASHINGTON COUNTY	Biddeford city	0.8369049504%
ME	YORK COUNTY	Sanford city	6.7950503019%
ME	YORK COUNTY	YORK TOWN	2.7393997300%
ME	YORK COUNTY	Saco city	2.6908215844%
ME	YORK COUNTY	WELLS TOWN	2.1005084476%
ME	YORK COUNTY	KENNEBUNK TOWN	0.4366518238%
ME	YORK COUNTY		0.2541311729%
ME	YORK COUNTY		0.2185679049%

EXHIBIT

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May 3