

2026

STOP

WASTING

OPIOID

SETTLEMENT

MONEY

Best Practices for Building Unallowable Opioid Settlement Spending Guidance

OPIOID POLICY INSTITUTE

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Authors & License

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We have no conflicts of interest related to this work.

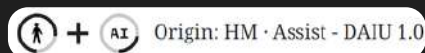
Responsible AI Disclosure

We tried using Claude to sort through and table the unallowable spending guidance. It was ok, but not the quality we needed, so we scrapped it. The 7 pages of tables were manually input and verified by JJKS & AP to ensure fidelity to the source materials. There might be errors in there, but they are human errors!

Claude and Mistral were used to help with word choice (e.g., *generate 4 different ways to say XYZ*). No text was used without human review (human-in-the-loop), and honestly, very little LLM content of this made it into the document “as-is.” We have found LLMs to be helpful when stuck. We also write for different audiences with different needs, which leads to a lot of “Help me say this slightly differently” and some decent starting points to edit for the final version.

We use LanguageTool to help with grammar and editing. It is a [privacy-oriented, EU-based company](#) that uses AI to offer suggestions. JJKS is bad at grammar; AI isn't. I think.

After using these tools, the author(s) reviewed and edited all content. We take full responsibility for the content of the publication.



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About the Opioid Policy Institute

We seek multifaceted solutions to address the complex opioid syndemic.

ACCOUNTABILITY



Opioid Settlement

Tracking \$55+ billion in settlement funds. Exposing [REDACTED], [REDACTED], [REDACTED], and [REDACTED] (WFAM). Collaborating to build community tech infrastructure for local settlement tracking.

Get involved →

PRIVACY



```
$ expose "surveillance_capitalism" --  
sector=addiction_treatment
```

We're investigating how digital health approaches exploit people seeking addiction treatment and support. We also provide technical support to protect people seeking care. Privacy is a clinical issue. We treat it like one.

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EDUCATION



Reporting on Addiction

We founded and continue to support this effort to improve how the media covers drug use and addiction. Our goal? Helping journalists tell accurate, empathetic, and impactful stories.

Visit project →

HARM REDUCTION



EXPOSING NALOXONE PROFITEERING

Tracking the price gouging, patent games, and lobbying keeping naloxone out of reach. Mutual aid and solidarity in action.

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FindBupe.org

Access to medications for opioid use disorder remains scarce. We built a crowdsourced tool to help people find buprenorphine at their community pharmacies.

Find or report pharmacy →

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Legislative testimony, public comment, and direct advocacy. Fighting for evidence-based policy at the state and federal level.

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Executive Summary

Rationale

Unallowable opioid settlement spending documents set clear boundaries. This supports planning, oversight, and enforcement efforts working to prevent opioid settlement waste, fraud, abuse, and misuse (WFAM).

Unallowable opioid settlement spending guidance also empowers decision-makers by giving them clear “left and right” limits whereby good spending is enumerated in “Exhibit E,” community needs assessments, and engagement efforts, and WFAM is characterized as non-Exhibit E spending listed in unallowable spending guidance.

By providing allowable *and* unallowable spending guidance, states can unlock funds waiting to be spent and realign spending toward the intention of the opioid settlement money: **reducing opioid-related death and disease by investing in evidence-based strategies.**

This whitepaper evaluates whether states have publicly available unallowable opioid settlement spending guidance and what this guidance contains.

Methodology

Unallowable spending documents were collected through a structured online search and outreach to government entities responsible for defining opioid settlement spending at the state level. We then conducted a comparison of the available unallowable opioid settlement spending documents to elucidate themes and gaps in existing guidance.

Key Findings

- Five states (California, Indiana, Kansas, South Carolina, and Virginia) publish unallowable spending lists.** ~90% of opioid settlement spending is happening in states that do not have unallowable spending lists.
- Common themes emerged:**
 - Broad categories of unallowable spending (e.g., law enforcement related, non-evidence-based or non-promising practices)
 - Specific unallowable items (e.g., K9s, AEDs, tasers, mobile device forensic tools).
- When paired with needs assessments, community engagement, and evaluation, **unallowable lists reduce ambiguity and strengthen accountability.**
- When paired with oversight and enforcement, **unallowable spending lists ensure funds target proven strategies and avoid WFAM.**
- Unallowable spending lists must be adaptable to include new evidence and new problem areas.**

Why This Matters

These findings underscore that while unallowable spending lists are a key resource to help shape spending, most decision-makers do not have this critical reference point when making spending decisions.

Unallowable spending guidance can function as a decision-making, compliance, and enforcement tool. By defining what cannot be funded, these documents help preserve settlement dollars for high-impact, evidence-based strategies that improve lives. This analysis provides policymakers and advocates with actionable insights to close guidance gaps and maximize the settlements' public health return.

Unallowable Spending Guidance Best Practices & Takeaways

Establishing and maintaining an unallowable opioid settlement spending list presents states with an opportunity to ensure the opioid settlement money goes towards building healthier, more resilient communities. All spending bodies share a common goal of combating the opioid syndemic and being a good steward of the opioid settlement funds. Decision makers want and need help spending this money. Releasing unallowable spending guidance is one way to ensure money reduces opioid-related death and disease. Unallowable spending complements existing efforts to prevent waste, fraud, abuse, and mismanagement of opioid settlement funds.

Explicit, proactive guidance is needed: Defining what is unallowable will help decision makers spend in ways that align with the intention of the opioid settlement money (reducing opioid-related death and disease). When developing guidance, start with examples from [California](#), [Indiana](#), [Kansas](#), [South Carolina](#), & [Virginia](#).

Responsive, reactive guidance is needed: An ongoing review of spending can identify problematic patterns. Update guidance to reflect emerging issues or provide clarification. A clear change log and dissemination strategy can help decision makers keep track of evolving guidance.

Prioritize public health approaches: The widespread prohibitions on traditional law enforcement equipment and activities signal a clear collective intent to shift funding away from supply-side enforcement and toward evidence, public health, and demand-side strategies. Unallowable spending guidance must support Exhibit E and the intention of the opioid settlements.

Unallowable spending streamlines planning, spending, evaluation, oversight, and enforcement efforts: Decision-makers tasked with spending opioid settlement money will benefit from clear, upfront guidance on what is, and what is not, allowable spending. This guidance also serves to help evaluation, oversight, and enforcement bodies consistently evaluate spending decisions.

NB, it is our perspective that the existing unallowable spending guidance is a great *start* to creating these lists, but there are examples of wasteful or harmful spending that are missing. For example, high-dose naloxone is missing. [Our Opioid Policy Institute WFAM newsletter covers this and more.](#) [Consider subscribing for our continuing conversations about these and other issues related to the opioid settlement money.](#)

[An up-to-date list of existing unallowable spending guidance is available. It includes the original files for review. Click here!](#)

Background

Governments across U.S. states, U.S. territories, and tribal entities are beginning to spend substantial financial resources drawn from the opioid settlements. However, these funds are not a no-strings-attached financial windfall. Regardless of the specifics of each individual settlement agreement, this money was awarded to states because of the harms experienced during the ongoing opioid syndemic. Therefore, all the money must go towards addressing those harms.

Opioid settlement funds present decision-makers with an opportunity to address the devastating impacts of the opioid syndemic through targeted strategies to reduce opioid-related death and disease. How this money is spent, and whether it is effective, will hinge upon the spending decisions made by thousands of decision-makers over 18 years. Each decision maker has varying levels of familiarity with the problems and solutions for this constantly evolving opioid syndemic. This makes the presence of durable and responsive guidance an important resource for planning, spending, evaluation, oversight, and enforcement.

Allowable Spending

A guiding framework of “allowable” spending was set forth in many of the opioid settlement agreements (often referred to as “Exhibit E”). Exhibit E is divided into a non-exhaustive list of “Core Strategies” and “Approved Uses.” While Exhibit E includes various evidence-based ways to spend opioid settlement money and is a fairly standard part of the settlements (although some settlements have separate agreements between the Attorney General’s office and spending authorities), the agreements do not have an accompanying explicit list of *unallowable* spending. This means that the “left and right” limits, or examples of allowed and unallowable spending, have not been articulated for decision-makers.

This lack of comprehensive guidance leaves a rotating group of decision-makers unclear about what does and does not qualify and has contributed to millions being unspent or spent on wasteful approaches, all while the opioid syndemic rages on. A lack of comprehensive guidance also exacerbates existing areas of confusion and conflict related to drug use and addiction: supply- vs. demand-side orientations and disagreement about evidence-based approaches.

What is the opioid syndemic?

A syndemic occurs when two or more epidemics interact and amplify each other’s harms. The opioid crisis has been a syndemic that is best observed through the opioid overdose epidemic and HIV/hepatitis C epidemics.

These are interconnected problems that require interconnected solutions across prevention, harm reduction, treatment, and recovery domains.

Supply vs. Demand Focus & Opioid Settlement Spending

Drug policy can be broadly classified into two economic frameworks: supply-side and demand-side approaches.

Supply-side efforts focus on the supply of drugs (e.g., cutting down on prescribing, drug dealing, or crop eradication).

Example: Opioid settlement supply-side spending can look like purchases for law enforcement equipment (e.g., K9 drug dogs, cameras, drones, guns) that support efforts to cut off the “supply” of drugs.

Demand-side efforts focus on the people who use drugs and reducing their “demand” for drugs.

Example: Opioid settlement demand-side spending can look like funding prevention (e.g., community-driven post-overdose response teams), harm reduction (e.g., low-cost/low-dose naloxone), treatment (e.g., increasing access to medications for opioid use disorder), and recovery approaches (e.g., peer recovery coaches) that work to improve individual and community health.

In policy circles, there remains a long-standing disagreement over which efforts (i.e., supply or demand) should be the focus of broader policy efforts. However, in scientific, medical, public health, and harm reduction circles, consensus has long supported demand-side approaches. Additionally, the architects of the opioid settlement agreement articulate that these funds should be allocated to evidence-based, demand-side efforts spanning prevention, harm reduction, treatment, and recovery. However, this framing is more subtle in Exhibit E because unallowable, supply-side approaches are not enumerated.

The rationale for demand-side spending is twofold: 1. Consensus among scientific, medical, public health, and harm reduction groups; 2. Spending this money on evidence-based, demand-side approaches avoids the money being used to cause further harm to an already harmed group of individuals. People who have been negatively impacted by the supply-side responses to the opioid syndemic should not be further harmed by this money that is meant to help them. This is an intuitive and justice-oriented argument. Money won on behalf of harmed individuals must not be used to further harm them.

This means that, while Exhibit E is focused on demand-side efforts, the reality is that many supply-side interventions have been and will continue to be funded with opioid settlement money as enumerated on the [Opioid Policy Institute Opioid Settlement Waste, Fraud, Abuse, and Mismanagement \(WFAM\) database](#). One way to prevent this harmful, misaligned spending is explicit guidance indicating what is “unallowable.”

*Vague spending categories in Exhibit E can produce misaligned investments. For example, opioid settlement funding designated for “community drug disposal programs” (Core Strategy G.4) has been used to mail drug disposal pouches to entire communities, **regardless of whether the household has opioids.***

This is wasteful.

Evidence-Based Approaches & Opioid Settlement Money

Another persistent challenge in drug policy is the uneven application of and funding for evidence-based approaches, particularly as it intersects with supply- and demand-side responses. Supply-side activities often rely on outputs that are straightforward with a long history of measurement and reporting that convey “impact,” such as quantities of drugs seized or arrests made. In contrast, evidence-based demand-side interventions frequently involve outcomes that are more complex, longer-term, and harder to summarize with a single metric, such as opioid overdoses prevented or successful treatment interactions. Systems to measure these demand-side interventions are often lacking due to this complexity and a historical underinvestment in public health data systems.

Compounding this challenge, the evidence base for effective opioid interventions is often dispersed across research and clinical literature that may not be easily accessible or immediately actionable for non-specialist decision-makers. This creates structural barriers that hold back consistent spending on evidence-based approaches and reinforces the need for clearer guidance that translates research into practical decision-making frameworks.

In addition to the misconduct that led to national opioid settlements, many communities entered the current opioid syndemic without sufficient evidence-based infrastructure across the full continuum of care. Gaps in prevention, harm reduction, treatment, and recovery services limited communities' ability to respond effectively as opioid-related harms escalated, including overdose deaths, infectious disease transmission, and other health consequences associated with opioid addiction. As the syndemic surged and supply-side interventions gained popular support in response to the devastation, evidence-based demand-side approaches were frequently marginalized. Over time, this has contributed to continued investment in interventions with limited or mixed evidence of effectiveness, particularly when those approaches are familiar, highly visible, or easier to implement. Examples span the continuum, from treatment models that rely on short-term detoxification without access to medications for opioid use disorder (much easier to create compared to the training and barriers that exist for medications for opioid use disorder) to prevention programs that have not demonstrated meaningful or sustained impacts on substance use or addiction outcomes (parents fear of an opioid overdose translating into fear-based education for kids).

While evidence-based approaches exist across prevention, treatment, harm reduction, and recovery, historical precedent has often played a larger role in funding decisions than current evidence. Prior funding alone does not establish effectiveness or justify continued investment, particularly when resources are limited and the harms of the opioid syndemic remain severe. The opioid settlement money provides an opportunity to re-evaluate how a community has been responding (or not responding) to the various aspects of the syndemic. This money can forge a new, evidence-based path. But, as we know, systems change is difficult and slow, even under the best circumstances.

High-dose naloxone and nalmefene opioid overdose reversal products may fulfill the “evidence-based requirements” set forth in the spending guidance.

However, these products have also been shown to be harmful, unnecessary, costly, and not preferred by the impacted community members.

Unallowable spending lists help guide decision makers to avoid wasteful spending.

Our Purpose

In many jurisdictions, opioid settlement spending decisions are made by multidisciplinary bodies with varied expertise. Without explicit guidance identifying what falls outside the scope of appropriate use, funding decisions may default to familiar or previously funded non-evidence-based, supply-side interventions, even when stronger evidence-supported, demand-side interventions exist. These dynamics highlight the need for clear, responsive guardrails that translate evidence into practical and consistent spending guidance. We sought to understand how many states have unallowable guidance documents and what they say.

Methods

We conducted a thorough examination of public-facing state guidance documentation to identify and characterize existing “unallowable” spending guidance from states and US territories. Searches were conducted in December 2025 with Kagi: “[location]” opioid settlement “unallowable” OR “prohibited” OR “not allowable”. Additionally, messages were sent to relevant government entities that could have a role in managing what is allowed or unallowed related to opioid settlement money.

Results

State Adoption of “Unallowable” Spending Lists

Five states (5) have published publicly available explicit guidance detailing items or activities that are prohibited, unallowable, or do not qualify for opioid settlement funding: **California, Indiana, Kansas, South Carolina, & Virginia**. Approximately 90% of opioid settlement spending is happening in states that do not have unallowable spending lists. An up-to-date list of existing unallowable spending guidance is available on this [database. It includes the original files for review.](#)

Unallowable Spending Themes

There were common themes across the existing unallowable spending guidance:

Supply-Side Opioid Abatement and Remediation is Unallowable: The core purpose of the funds is to directly address the “demand-side” aspects of the opioid syndemic (e.g., prevention, harm reduction, treatment, and recovery). Existing unallowable guidance documents explicitly state that the funds are not intended for “supply side” efforts like drug interdiction, apprehension, or search and seizure activities that further harm people negatively impacted by the opioid syndemic (**Table 1**).

Requirement for Evidence-Based Practices: States mandate that funded initiatives be grounded in proven or promising strategies (**Table 2**).

Taken together, the constraints outlined in the unallowable spending guidance reinforce the role of settlement funds in investing in evidence-based, demand-focused strategies.

Comparative Analysis of General Unallowable Expenditures

Across the unallowable spending guidance, there were some shared specific examples of unallowable opioid settlement spending. Broadly, this guidance was divided into law enforcement (**Table 1**) and non-law-enforcement examples (**Table 2**).

Unallowable Law Enforcement Expenditure Guidelines

The role of law enforcement in responding to the opioid syndemic is complex and multifaceted. Whether, and to what extent, opioid settlement funds should be used to support law enforcement activities remains a critical and contested question.

Exhibit E, the allowable spending framework, includes scant mention of law enforcement (i.e., supply-side approaches) when listing opioid remediation strategies and approved uses. The law enforcement-related examples in Exhibit E primarily focus on training and education related to evidence-based prevention, harm reduction, treatment, and recovery supports as allowable spending directed towards law enforcement.

Existing unallowable spending guidance indicates a clear and consistent consensus that opioid settlement funds should not be used to support traditional law enforcement tools or supply-side activities. This is not a blanket prohibition on law enforcement-related spending. Instead, it reflects a deliberate narrowing of allowable uses, in concordance with Exhibit E, limiting funding to activities that directly support opioid abatement through public health-oriented approaches. As a result, the scope of permissible law enforcement spending under the settlements is significantly constrained in states with these documents. There is an emphasis placed on diversion, treatment linkage, and other demand-side strategies rather than interdiction, investigation, or enforcement.

Table 1. Unallowable Law Enforcement Expenditure Guidelines (part 1)

Prohibited Item/Activity	State				
	California	Indiana	Kansas	South Carolina	Virginia
Officer Health and Wellness Not Tailored to Secondary Trauma Associated with Responding to Opioid-Related Emergencies	Prohibited	Not mentioned	Prohibited	Not mentioned	Not mentioned
Correctional Facility Drug Identification Equipment	Prohibited	Not mentioned	Prohibited	Not mentioned	Not mentioned
Body Scanners	Prohibited	Not mentioned	Not explicitly mentioned	Not mentioned	Not mentioned
Cost of Incarcerating Individuals	Not mentioned	Not mentioned	Prohibited	Not mentioned	Prohibited

[An up-to-date list of existing unallowable spending guidance is available. It includes the original files for review. Click here!](#)

Table 1. Unallowable Law Enforcement Expenditure Guidelines (part 2)

Prohibited Item/Activity	State				
	California	Indiana	Kansas	South Carolina	Virginia
Apprehension Activities and Equipment	Prohibited	Prohibited	Prohibited	Prohibited	Prohibited
<i>BolaWrap</i>	Prohibited	Not explicitly mentioned	Not explicitly mentioned	Prohibited	Not explicitly mentioned
<i>Canine Units (Kg)</i>	Prohibited	Prohibited	Prohibited	Prohibited	Not explicitly mentioned
<i>Vests</i>	Not explicitly mentioned	Prohibited	Not explicitly mentioned	Prohibited	Prohibited
<i>Body Armor</i>	Not explicitly mentioned	Not explicitly mentioned	Not explicitly mentioned	Not explicitly mentioned	Prohibited
<i>Guns</i>	Not explicitly mentioned	Prohibited	Prohibited	Prohibited	Prohibited
<i>Radios</i>	Not explicitly mentioned	Prohibited	Not explicitly mentioned	Not explicitly mentioned	Prohibited
<i>Radio Batteries</i>	Not explicitly mentioned	Prohibited	Not explicitly mentioned	Not explicitly mentioned	Not explicitly mentioned
<i>Uniforms</i>	Not explicitly mentioned	Prohibited	Not explicitly mentioned	Prohibited	Prohibited
<i>Police Vehicles</i>	Not explicitly mentioned	Prohibited	Prohibited	Prohibited	Prohibited
<i>Batons</i>	Not explicitly mentioned	Prohibited	Not explicitly mentioned	Prohibited	Not explicitly mentioned
<i>Rifle Suppressors</i>	Not explicitly mentioned	Prohibited	Not explicitly mentioned	Not explicitly mentioned	Not explicitly mentioned
<i>Tasers</i>	Not explicitly mentioned	Prohibited	Not explicitly mentioned	Prohibited	Not explicitly mentioned
<i>Upfitting Police Vehicles</i>	Not explicitly mentioned	Prohibited	Not explicitly mentioned	Prohibited	Not explicitly mentioned
Paying for Prosecution Evidence Gathering	Prohibited	Prohibited	Prohibited	Prohibited	Prohibited

[An up-to-date list of existing unallowable spending guidance is available. It includes the original files for review. Click here!](#)

Table 1. Unallowable Law Enforcement Expenditure Guidelines (part 3)

Prohibited Item/Activity	State				
	California	Indiana	Kansas	South Carolina	Virginia
Evidence-Gathering or Investigation Equipment	Prohibited	Prohibited	Prohibited	Prohibited	Prohibited
<i>TruNarc Handheld Narcotics Analyzer</i>	Prohibited	Not explicitly mentioned	Not explicitly mentioned	Prohibited	Not explicitly mentioned
<i>Mass Spectrometer for Interdiction</i>	Not explicitly mentioned	Prohibited	Not explicitly mentioned	Prohibited	Not explicitly mentioned
<i>Cell Phone Extraction Software and Equipment</i>	Not explicitly mentioned	Prohibited	Not explicitly mentioned	Prohibited	Not explicitly mentioned
<i>Body Cameras</i>	Not explicitly mentioned	Prohibited	Not explicitly mentioned	Not explicitly mentioned	Not explicitly mentioned
<i>Fingerprint Scanners</i>	Not explicitly mentioned	Prohibited	Not explicitly mentioned	Prohibited	Not explicitly mentioned
<i>Pill Counters</i>	Not explicitly mentioned	Prohibited	Not explicitly mentioned	Prohibited	Not explicitly mentioned
<i>Drones</i>	Not explicitly mentioned	Not explicitly mentioned	Prohibited	Not explicitly mentioned	Not explicitly mentioned
Paying for Law Enforcement Activities Related to Interdiction or Criminal Processing	Prohibited	Prohibited	Prohibited	Prohibited	Prohibited
<i>Fuel for Drug Incinerators</i>	Not explicitly mentioned	Prohibited	Not explicitly mentioned	Not explicitly mentioned	Not explicitly mentioned
<i>Parking Ticket Books</i>	Not explicitly mentioned	Prohibited	Not explicitly mentioned	Not explicitly mentioned	Not explicitly mentioned
<i>Tow Away Signage</i>	Not explicitly mentioned	Prohibited	Not explicitly mentioned	Not explicitly mentioned	Not explicitly mentioned

An up-to-date list of existing unallowable spending guidance is available. It includes the original files for review. [Click here!](#)

Table 1. Unallowable Law Enforcement Expenditure Guidelines (part 4)

Prohibited Item/Activity	State				
	California	Indiana	Kansas	South Carolina	Virginia
Law Enforcement Training Not Specific to Opioid Remediation	Prohibited	Not mentioned	Prohibited	Not explicitly mentioned	Prohibited
Paying for Law Enforcement Search and Seizure Activities	Prohibited	Prohibited	Prohibited	Not mentioned	Prohibited
Direct and Indirect Costs That Are Violations of Other Administration Policies [§]	Prohibited	Not explicitly mentioned	Prohibited	Not explicitly mentioned	Not explicitly mentioned
Campaign Contributions	Not explicitly mentioned	Not explicitly mentioned	Prohibited	Not explicitly mentioned	Not explicitly mentioned
Cost of Response to Opioid-Related Emergencies	Not mentioned	Not mentioned	Not mentioned	Not mentioned	Prohibited
Costs Associated with Recruiting, Hiring, and Basic Training of Law Enforcement Officers	Not mentioned	Not mentioned	Prohibited	Not mentioned	Prohibited

Prohibited reflects activities or expenditures explicitly identified by unallowable spending guidance as not allowable or not qualifying for opioid settlement funding under that source.

Not Explicitly Mentioned reflects individual items from a broader category (e.g., Virginia mentions “any cost connected to criminal intervention, including intelligence gathering, investigations, response to criminal activities, and the cost of incarcerating individuals” and specific police equipment including “uniforms, body armor, radios, weapons, and vehicles” but not specifically K9 drug dogs even though this could be reasonably inferred from the other statements as unallowable). Therefore, we marked it as *not explicitly mentioned*, but it is likely prohibited. Something can only be *not explicitly mentioned* if the broad category was mentioned but a specific piece of equipment was not mentioned.

Not Mentioned reflects activities or expenditures where they were not explicitly mentioned and might not be covered (i.e., it could *not* be reasonably inferred as unallowable after reviewing the guidance).

[§]**Direct and Indirect Costs That Are Violations of Other Administration Policies** was explicitly mentioned by Virginia, but we assume that this would apply to other states as well, so we marked it as “*not explicitly mentioned*,” but it is likely prohibited.

Both “*Not Explicitly Mentioned*” & “*Not Mentioned*” could be incorrect assumptions by the Opioid Policy Institute. [Open to feedback!](#)

[An up-to-date list of existing unallowable spending guidance is available. It includes the original files for review. Click here!](#)

Unallowable Non-Law Enforcement Expenditure Guidelines

Unallowable opioid settlement guidance related to non-law enforcement spending is broad to capture a range of wasteful ways this money can be spent.

Across the existing unallowable spending guidance, there was a clear and consistent consensus: opioid settlement funds should not be used for items like AEDs, unrelated medical equipment, or other expenditures with no connection to opioid remediation. The specificity of these prohibitions leaves little ambiguity for decision-makers navigating what is and is not appropriate.

Table 2. Unallowable Non-Law Enforcement Expenditure Guidelines (part 1)

Prohibited Item/Activity	State				
	California	Indiana	Kansas	South Carolina	Virginia
Paying for Non-FDA-Approved Medications	Prohibited	Prohibited	Not mentioned	Prohibited	Not mentioned
Paying for Unrelated Medical Equipment, Services, or Medications	Prohibited	Prohibited	Prohibited	Prohibited	Prohibited
<i>AEDs</i>	Prohibited	Prohibited	Not explicitly mentioned	Prohibited	Not explicitly mentioned
<i>First Aid Kits</i>	Prohibited	Prohibited	Not explicitly mentioned	Prohibited	Not explicitly mentioned
<i>Extrication Equipment</i>	Prohibited	Not explicitly mentioned	Not explicitly mentioned	Not explicitly mentioned	Not explicitly mentioned
<i>Gloves</i>	Prohibited	Prohibited	Not explicitly mentioned	Prohibited	Not explicitly mentioned
<i>Electrodes</i>	Not explicitly mentioned	Prohibited	Not explicitly mentioned	Not explicitly mentioned	Not explicitly mentioned
<i>Ambulance</i>	Not explicitly mentioned	Not explicitly mentioned	Not explicitly mentioned	Not explicitly mentioned	Prohibited
<i>Stretchers</i>	Not explicitly mentioned	Not explicitly mentioned	Not explicitly mentioned	Not explicitly mentioned	Prohibited
<i>Cardiac Monitors</i>	Not explicitly mentioned	Not explicitly mentioned	Not explicitly mentioned	Not explicitly mentioned	Prohibited
<i>Ventilators</i>	Not explicitly mentioned	Not explicitly mentioned	Not explicitly mentioned	Not explicitly mentioned	Prohibited

[An up-to-date list of existing unallowable spending guidance is available. It includes the original files for review. Click here!](#)

Table 2. Unallowable Non-Law Enforcement Expenditure Guidelines (part 2)

Prohibited Item/Activity	State				
	California	Indiana	Kansas	South Carolina	Virginia
Scheduled Medications (I - V) or Equipment to Store, Inventory Management, or Security for These Medications	Not mentioned	Not mentioned	Not mentioned	Not mentioned	Prohibited
Paying for Unrelated Infrastructure/Capital Projects	Prohibited	Prohibited	Prohibited	Prohibited	Not mentioned
<i>Sheds</i>	Not explicitly mentioned	Prohibited	Not explicitly mentioned	Not explicitly mentioned	Not mentioned
<i>Garage Doors</i>	Not explicitly mentioned	Prohibited	Not explicitly mentioned	Not explicitly mentioned	Not mentioned
Paying for Unrelated Equipment	Prohibited	Prohibited	Prohibited	Prohibited	Prohibited
Paying, Implementing, or Investing in Broad Activities or Expenses Not in Exhibit E	Prohibited	Prohibited	Prohibited	Prohibited	Not mentioned
Rent for Administrative Services	Not mentioned	Not mentioned	Not mentioned	Prohibited	Not mentioned
Foster Care/Kinship Care	Not mentioned	Not mentioned	Not mentioned	Prohibited	Not mentioned
Activities That Are Funded Through Other Programs or Grants	Not mentioned	Prohibited	Not mentioned	Prohibited	Not mentioned

[An up-to-date list of existing unallowable spending guidance is available. It includes the original files for review. Click here!](#)

Table 2. Unallowable Non-Law Enforcement Expenditure Guidelines (part 3)

Prohibited Item/Activity	State				
	California	Indiana	Kansas	South Carolina	Virginia
Kitchen and Janitorial Supplies (Unless They Are Direct Program Supplies)	Not mentioned	Not mentioned	Not mentioned	Prohibited	Not mentioned
Non-opioid Abatement Program Supplies	Not mentioned	Not mentioned	Not mentioned	Prohibited	Not mentioned
<i>Diapers</i>	Not mentioned	Not mentioned	Not mentioned	Prohibited	Not mentioned
<i>Wipes</i>	Not mentioned	Not mentioned	Not mentioned	Prohibited	Not mentioned
<i>Structure Toys</i>	Not mentioned	Not mentioned	Not mentioned	Prohibited	Not mentioned
General Auditing	Not mentioned	Not mentioned	Not mentioned	Prohibited	Not mentioned
Completion of 990 Forms	Not mentioned	Not mentioned	Not mentioned	Prohibited	Not mentioned
Promotional Materials (e.g., Embroidery or Screen Printing)	Not mentioned	Prohibited	Not mentioned	Not mentioned	Not mentioned
“Vape” Sensors	Not mentioned	Prohibited	Prohibited	Not mentioned	Not mentioned
Drug Testing	Not mentioned	Prohibited	Not mentioned	Not mentioned	Not mentioned
Insurance Coverage	Not mentioned	Not mentioned	Not mentioned	Prohibited	Not mentioned
Meals for Trainings/Meetings	Not mentioned	Not mentioned	Not mentioned	Cannot exceed \$3/person	Not mentioned

[An up-to-date list of existing unallowable spending guidance is available. It includes the original files for review. Click here!](#)

Table 2. Unallowable Non-Law Enforcement Expenditure Guidelines (part 4)

Prohibited Item/Activity	State				
	California	Indiana	Kansas	South Carolina	Virginia
Paying Salaries and Benefits for Non-opioid Remediation Activities	Prohibited	Not mentioned	Prohibited	Prohibited	Not mentioned
Positions that Provide Direct Billable Services	Not mentioned	Not mentioned	Not mentioned	Prohibited	Not mentioned
Executive Directors Who Provide Direct Service (25% cap)	Not mentioned	Not mentioned	Not mentioned	Prohibited	Not mentioned
Indirect Cost Cap	10%	Not mentioned	Not mentioned	5%	Not mentioned
Non-evidence-based or Promising Practices for Opioid Abatement	Not mentioned	Prohibited	Prohibited	Prohibited	Not mentioned
Education or Training Not Specifically Focused on SUD, Crisis Intervention, or Related Behavioral Health/Mental Health Topics	Not mentioned	Not mentioned	Prohibited	Not mentioned	Prohibited
Costs of Recruiting, Hiring, and Basic Training of Firefighters and EMS Providers	Not mentioned	Not mentioned	Prohibited	Not mentioned	Prohibited

Prohibited reflects activities or expenditures explicitly identified by unallowable spending guidance as not allowable or not qualifying for opioid settlement funding under that source.

Not Explicitly Mentioned reflects individual items from a broader category (e.g., Virginia mentions "any cost connected to criminal intervention, including intelligence gathering, investigations, response to criminal activities, and the cost of incarcerating individuals" and specific police equipment including "uniforms, body armor, radios, weapons, and vehicles" but not specifically K9 drug dogs even though this could be reasonably inferred from the other statements as unallowable). Therefore, we marked it as *not explicitly mentioned*, but it is likely prohibited. Something can only be *not explicitly mentioned* if the broad category was mentioned but a specific piece of equipment was not mentioned.

Not Mentioned reflects activities or expenditures where they were not explicitly mentioned and might not be covered (i.e., it could *not* be reasonably inferred as unallowable after reviewing the guidance).

⁵**Direct and Indirect Costs That Are Violations of Other Administration Policies** was explicitly mentioned by Virginia, but we assume that this would apply to other states as well, so we marked it as *"not explicitly mentioned,"* but it is likely prohibited.

Both "Not Explicitly Mentioned" & "Not Mentioned" could be incorrect assumptions by the Opioid Policy Institute. [Open to feedback!](#)

[An up-to-date list of existing unallowable spending guidance is available. It includes the original files for review. Click here!](#)

Conclusion

The opioid settlement funds are not a financial windfall. They are a singular, non-renewable resource meant to reverse the widespread harms of the opioid syndemic in our communities by investing in robust, evidence-based prevention, harm reduction, treatment, and recovery support systems. Spending opioid settlement money effectively requires the implementation of a rigorous strategic framework to ensure that the funds are not squandered. This framework must include both allowable and unallowable spending. This is not a radical concept. Grants typically include what is allowed and not allowed. While Exhibit E already defines what is allowable for opioid settlement money. This analysis sought to understand if states define unallowable spending and how they are approaching it.

This comparative analysis demonstrates that there is limited guidance related to unallowable spending. **Only 5 of 56 U.S. states and territories had publicly available or shared any unallowable spending guidance: California, Indiana, Kansas, South Carolina, & Virginia.** Approximately 90% of opioid settlement spending is happening without clear guidance related to what is not allowed.

Among the 5 states with unallowable spending guidance, there were patterns. The supply-side interventions (e.g., evidence-gathering activities and equipment, apprehension activities and equipment, and interdiction and processing activities and equipment) were frequently listed as unallowable for opioid settlement spending. Additionally, non-opioid-related equipment and approaches (e.g., AEDs, non-FDA-approved medications) were identified as unallowable.

The current lists provide a helpful baseline for states and territories without unallowable spending guidance. However, over the full 18 years that opioid settlement money will be distributed, a “set it and forget it” list may not adequately cover the full range of unallowable spending. Best practice for an unallowable spending document is for it to be both proactive (respond to known issues) and reactive (as unknown unknowns become known). South Carolina explicitly mentions that the list is subject to review and update on the document. Over email, California confirmed that the lists are living documents. Flexibility and a clear change log tracking when items are added or clarified can help decision makers stay up to date on the most current guidance. While local unallowable spending lists may be a good stopgap, a statewide list will have the broadest impact within any given area.

~90% of opioid settlement decision makers do not have unallowable spending guidance

Limitations

Our search strategy, while successful for the five states, might have missed available documents. It is also possible that there are non-public guidance documents we missed and were not provided to us when we reached out to state officials. Even though we contacted each relevant state body, we did not hear back from all parties (40% response rate). Additionally, non-state entities may have this guidance, but it did not appear in the search or outreach.

This whitepaper does not touch on supplantation guidance that also, very broadly, speaks to the principle that this money should be used to increase services, not replace existing funding for services. In some states, supplantation is “not allowed.” This whitepaper also does not cover generic grant guidance offered by states (e.g., not spending government grant money on political campaigns) because not all spending is within the grant structure.

Lastly, we acknowledge that there are thoughtfully designed approval structures that could be perceived as a replacement for unallowable spending lists. For example, some states have opioid settlement money approval or challenge processes. In Colorado, Maryland, and Oregon, spending must be proactively justified as falling within allowable uses and is reviewed by an oversight board for compliance. This could obviate the need for an unallowable list in states with this structure. In Arizona, the state or a group of counties may challenge the spending done by the state or other counties. This brings a self-policing model to ensure the money is spent in accordance with the settlement agreements. This could obviate the need for an unallowable list in states with this structure.

In states with approval/challenge structures, unallowable spending lists should be seen as complementary to existing efforts because they will make those processes more effective and efficient. For example, explicit and responsive allowable *and* unallowable spending guidance is clarifying for decision makers, thereby preventing some of this problematic or delayed spending in the first place. Exhibit E is sufficiently broad that it is frequently misapplied, as shown in our [Opioid Policy Institute Opioid Settlement Waste, Fraud, Abuse, and Mismanagement \(WFAM\) database](#). Efficiency gains are found through reducing instances where local officials approve an idea and then have it rejected later down the line. Therefore, a system with an explicit and responsive unallowable spending list reduces delays in effective spending and reduces resources wasted on ineffective spending. Unallowable spending lists support planning, oversight, and enforcement efforts.

Unallowable Spending Guidance Best Practices & Takeaways

Establishing and maintaining an unallowable opioid settlement spending list presents states with an opportunity to ensure the opioid settlement money goes towards building healthier, more resilient communities. All spending bodies share a common goal of combating the opioid syndemic and being a good steward of the opioid settlement funds. Decision makers want and need help spending this money. Releasing unallowable spending guidance is one way to ensure money reduces opioid-related death and disease. Unallowable spending complements existing efforts to prevent waste, fraud, abuse, and mismanagement of opioid settlement funds.

Explicit, proactive guidance is needed: Defining what is unallowable will help decision makers spend in ways that align with the intention of the opioid settlement money (reducing opioid-related death and disease). When developing guidance, start with examples from [California](#), [Indiana](#), [Kansas](#), [South Carolina](#), & [Virginia](#).

Responsive, reactive guidance is needed: An ongoing review of spending can identify problematic patterns. Update guidance to reflect emerging issues or provide clarification. A clear change log and dissemination strategy can help decision makers keep track of evolving guidance.

Prioritize public health approaches: The widespread prohibitions on traditional law enforcement equipment and activities signal a clear collective intent to shift funding away from supply-side enforcement and toward evidence, public health, and demand-side strategies. Unallowable spending guidance must support Exhibit E and the intention of the opioid settlements.

Unallowable spending streamlines planning, spending, evaluation, oversight, and enforcement efforts: Decision-makers tasked with spending opioid settlement money will benefit from clear, upfront guidance on what is, and what is not, allowable spending. This guidance also serves to help evaluation, oversight, and enforcement bodies consistently evaluate spending decisions.

NB, it is our perspective that the existing unallowable spending guidance is a great *start* to creating these lists, but there are examples of wasteful or harmful spending that are missing. For example, high-dose naloxone is missing. [Our Opioid Policy Institute WFAM newsletter covers this and more. Consider subscribing for our continuing conversations about these and other issues related to the opioid settlement money.](#)

[An up-to-date list of existing unallowable spending guidance is available. It includes the original files for review. Click here!](#)

About the Opioid Policy Institute

We seek multifaceted solutions to address the complex opioid syndemic.

ACCOUNTABILITY

Opioid Settlement

Tracking \$55+ billion in settlement funds. Exposing [REDACTED], [REDACTED], [REDACTED], and [REDACTED] (WFAM). Collaborating to build community tech infrastructure for local settlement tracking.

Get involved →

PRIVACY

```
$ expose "surveillance_capitalism" --  
sector=addiction_treatment
```

We're investigating how digital health approaches exploit people seeking addiction treatment and support. We also provide technical support to protect people seeking care. Privacy is a clinical issue. We treat it like one.

[./learn_more](#)

EDUCATION

Reporting on Addiction

We founded and continue to support this effort to improve how the media covers drug use and addiction. Our goal? Helping journalists tell accurate, empathetic, and impactful stories.

Visit project →

HARM REDUCTION

EXPOSING NALOXONE PROFITEERING

Tracking the price gouging, patent games, and lobbying keeping naloxone out of reach. Mutual aid and solidarity in action.

Join us →

ACCESS

FindBupe.org

Access to medications for opioid use disorder remains scarce. We built a crowdsourced tool to help people find buprenorphine at their community pharmacies.

Find or report pharmacy →

ADVOCACY

POLICY ADVOCACY

Legislative testimony, public comment, and direct advocacy. Fighting for evidence-based policy at the state and federal level.

Watch & read →

Have questions? Did we mess up?

We're here to help!

[Fill out our quick contact form.](#)

We're happy to answer any questions or just chat.

Visit opioidpolicy.org