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Testimony in Support of L.D. 258 An Act Making Unified Appropriations and Allocations from the General Fund and Other Funds for the Expenditures of State Government and Changing Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 2023, June 30, 2024 and June 30, 2025

Good morning Senator Rotundo, Representative Sachs, and members of the Appropriations and Financial Affairs Committee, and good morning Senator Baldacci, Representative Meyer, and members of the Health and Human Services Committee. My name is Aaron M. Frey, and I have the privilege of serving as Maine's Attorney General. I am here today to provide information on the Maine Recovery Fund, which is an item found at page A-121 in the Governor's General Fund Recommended Biennial Budget 2024-2025.

The Maine Recovery Fund ("Fund") was established by the 130th Maine Legislature to receive funds obtained from settled opioid litigation. P.L. 2022, ch. 661, §5; 5 M.R.S. §203-B. This account houses these funds until they are to be distributed by the Maine Recovery Council ("Council") on uses approved by the court settlements.

Presently, the Fund has received deposits from 3 different settlements with 5 defendants. As of this date, there is \$14,389,348.68 in the Fund awaiting distribution by the Council. The structure of all current settlements involves payments being made over a term of years. Information about payments that have been received and payments that are anticipated may be found on the Office of the Attorney General ("OAG") webpage.¹

In addition to the information about settlement payments received and anticipated, there is also information on the OAG webpage detailing the work of the Council.²

I have been in contact with the Council Chair. It is developing a process to distribute the funds and working on a collaborative approach to allow these funds to be used within the guidelines of the settlement and State statute in the hopes of saving lives.

There are no initiatives proposed for the Fund in the biennial budget.

¹ <https://www.maine.gov/ag/opioids/settlement-payments.html>

² <https://www.maine.gov/ag/recovery-council/index.shtml>

Estimated Mallinckrodt Bankruptcy Payments to Maine Recovery Council*

*These payments are estimates that are subject to increases or reductions under certain conditions.¹

	Total 2022-2030	2022	2023	2024	2025	2026	2027	2028	2029	2030
Maine Payment	\$5,813,895.32	\$824,590.05	\$645,750.39	\$657,530.25	\$593,276.48	\$595,418.27	\$595,418.27	\$595,418.27	\$595,418.27	\$711,075.06
50% - Maine Recovery Council	\$2,906,947.66	\$412,295.03	\$322,875.20	\$328,765.12	\$296,638.24	\$297,709.14	\$297,709.14	\$297,709.14	\$297,709.14	\$355,537.53
3% for SAU special education	\$87,208.43	\$12,368.85	\$9,686.26	\$9,862.95	\$8,899.15	\$8,931.27	\$8,931.27	\$8,931.27	\$8,931.27	\$10,666.13

1. Payments may increase due to litigation being pursued by the Mallinckrodt MDT II on behalf of NOAT II (the trust paying states and subdivisions) or other potential receipts by the MDT II.

Payments may decrease due to 1) administration or other expenses, or 2) options of Mallinckrodt to pre-pay its obligations to its creditors under certain circumstances.

For more information see the Opioid Master Disbursement Trust II (MDT II) report ending Sept. 30, 2022. www.opioidmasterdisbursementtrust.com/Mallinckrodt

Actual Payments to Maine Recovery Council for Opioid Abatement Activities

As of 1Q 2023

NOAT II distributable amount \$153,000,000.00
Maine share 0.53545%

Payment	Payment Date	Payment Amount	Payment Amount	Payment Amount	Payment Amount	Payment Amount	Payment Amount	Payment Amount	Payment Amount	Payment Amount
2022 Maine Payment	1Q 2023	\$819,235.57								
50% - Maine Recovery Council		\$409,617.79								
3% for SAU special education		\$12,288.53								
2023 Maine Payment	2023		TBD							
50% - Maine Recovery Council			TBD							
3% for SAU special education			TBD							
2024 Maine Payment	2024			TBD						
50% - Maine Recovery Council				TBD						
3% for SAU special education				TBD						