



Agenda Report

Fullerton City Council

MEETING DATE: MARCH 18, 2025

TO: CITY COUNCIL / SUCCESSOR AGENCY

SUBMITTED BY: JONATHAN RADUS, CHIEF OF POLICE

PREPARED BY: LAUREN PARKHOUSE, SENIOR ADMINISTRATIVE ANALYST

SUBJECT: \$125,000 MEMORANDUM OF AGREEMENT WITH THE HOPE CENTER OF ORANGE COUNTY FOR MEDICATION ASSISTED TREATMENT SERVICES

SUMMARY

Memorandum of Agreement (Agreement) with the HOPE Center of Orange County for Medication Assisted Treatment (MAT) services between the Cities of Fullerton, Brea, Buena Park and Placentia using National Opioid Settlement (NOS) Funds.

PROPOSED MOTION

1. Authorize City Manager, or designee, to execute a Memorandum of Agreement between the HOPE Center of Orange County and the Cities of Fullerton, Brea, Buena Park and Placentia for Medication Assisted Treatment (MAT) Services utilizing National Opioid Settlement (NOS) Funds.
2. Authorize City Manager, or designee, to appropriate receipt and use of \$125,000 NOS funds for Year 1 of the Memorandum of Agreement within the Opioid Litigation Settlement Fund (Fund 21).
3. Authorize City Manager, or designee, to make future budget appropriations for legal costs incurred with administering NOS funds and compliance with available funds with the Opioid Litigation Settlement Fund (Fund 21).

ALTERNATIVE OPTIONS

- Approve the Proposed Motion
- Other options as brought forth by City Council.

STAFF RECOMMENDATION

Staff recommends approving the proposed motion.

CITY MANAGER REMARKS

The City Manager recommends approval. I am proposing that Fullerton partners with Brea, Buena Park and Placentia. The funds being used are Opioid Litigation Settlement funds.

PRIORITY POLICY STATEMENT

This item matches the following Priority Policy Statements:

- Fiscal and Organizational Stability
- Public Safety.

FISCAL IMPACT

This item generates no General Fund fiscal impact. The City of Fullerton receives National Opioid Settlement Funds from the State of California. Fullerton has received \$887,232.53 in NOS Funds since 2023 and must expend funds within five years of receipt.

National Opioid Settlement (NOS) Funds received by the City would fully cover the proposed Agreement with the Hope Center for Medication Assisted Treatment (MAT) Services. The Agreement has a three-year term and would support Hope Center Street Outreach Case worker costs, allocated among the participating cities. Fullerton's Year 1 allocation for FY 2024-25 would not exceed \$125,000. The total cost of services paid to the HOPE Center thereafter would not exceed \$250,000 annually. The City will continue receiving NOS funds through 2038.

BACKGROUND AND DISCUSSION

The National Opioid Settlement Funds are allocated to states for opioid crisis prevention, treatment and harm reduction. The State of California (CA) established the CA Subdivision Fund to provide funds to cities and counties (Participating Subdivisions) that elected to participate in these settlements. The State designated the CA Department of Health Care Services (DHCS) shortly thereafter to oversee funds by monitoring the Participating Subdivisions for spending compliance and ensure proper annual reporting. Participating Subdivisions must adhere to specific spending guidelines outlined in the National Opioid Settlement (NOS) Agreements Exhibit E and/or the High Impact Abatement Activities (HIAA) defined by DHCS. Participating Subdivisions must use no less than 50% of the funds received in each calendar year for one or more of the High Impact Abatement designated by DHCS, pursuant to California State Subdivision Agreements.

The City of Fullerton elected to participate in the National Opioid Settlements as a Participating Subdivision of the State of California securing \$887,232.53 in funds since 2023 with \$12,130 expended on eligible activities to-date. Staff expects three additional

settlements from Kroger, the Sackler Family and Purdue Pharma. Future allocations will continue annually through 2038 with a deadline to expend funds by 2043.

Allocations for the City of Fullerton to Date:

Settlement	Amount Received
Mallinckrodt	\$14,563.43
Janssen	\$129,164.34
Distributor	\$105,537.61
Walgreens	\$ 79,313.48
Teva	\$64,247.53
CVS	\$72,647.22
Allergan	\$70,640.30
Walmart	\$299,895.54
McKinsey	\$25,719.30
Endo	\$25,497.78
Total	\$887,232.53

The NOS funds are designated for specific uses as outlined in the National Opioid Settlement Agreement Exhibit E and the DHCS guidelines on High Impact Abatement Areas (HIAA). Funds will continue through the year 2038 with an additional five years after final allocation received for staff to ensure full expenditure of remaining funds. Staff will maintain compliance with DHCS annual expenditure reporting requirements and oversee fund distribution to align with approved uses. The following table projects the future City NOS allocations for the next five fiscal years:

Fiscal Year	Estimated Allocation
2025-2026	\$299,383.38
2026-2027	\$290,680.24
2027-2028	\$271,414.03
2028-2029	\$319,937.82
2029-2030	\$314,331.93
Total	\$1,495,742.40

HOPE Center of OC

Staff proposes entering into an agreement with the HOPE Center of OC and the Cities of Brea, Buena Park and Placentia to collectively fund a Clinical Manager, based on local Medication Assisted Treatment (MAT) clinic data from KCS Clinic. This specialist would focus on MAT services, Opioid Use Disorder (OUD) and Substance Use Disorder (SUD) services to address vulnerable population needs in Fullerton.

Fullerton recorded 49 unsheltered and ten sheltered individuals receiving MAT services at KCS Clinic between February 2024 and August 2024. This data helps calculate the

Fullerton's contribution to the HOPE Center is approximately \$125,000 for Year 1 of the Agreement, while the total agreement would not exceed \$250,000 per fiscal year for three years. This partnership is a data-driven initiative aligned with the HIAA guidelines set by DHCS and the parameters set within the Settlement Agreements. The initiative specifically supports vulnerable populations, including sheltered and unsheltered individuals, by providing targeted interventions such as MAT and wraparound support services as described under HIAA guidelines.

Additional cities may join the initiative through an amendment, subject to consensus of all participating cities. If new cities opt in, the funding formula would be recalculated, potentially reducing Fullerton's financial contribution. The formula would be updated annually at the start of each fiscal year based on data collected and provided by the HOPE Center. Fullerton's contribution may fluctuate between the current estimate and an approximately \$150,000 maximum depending on future data.

The HOPE Center was selected as a funding recipient due to its existing homeless outreach efforts within the City of Fullerton, making it well-positioned to expand its services to address opioid-related challenges amongst the unsheltered population.

Attachments:

- Attachment 1 – MOA with HOPE Center for MAT Services

cc: City Manager Eric J. Levitt