

Minnesota Management and Budget

FY 2024-25 Biennial Budget Change Item

Change Item Title: Office of Addiction and Recovery

Fiscal Impact (\$000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	750	750	750	750
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	750	750	750	750
FTEs	4	4	4	4

Recommendation:

The Governor recommends ongoing annual funding of \$750,000 starting in FY 2024 for an Office of Addiction and Recovery (OAR) to work across the state government to align efforts and break down barriers to substance use disorder (SUD) services and recovery. The funds will resource the Addiction and Recovery Director (ARD), provide staff for the OAR to conduct data and policy analysis and public engagement, and provide funding for build out and maintenance of an all-SUD funds database. The OAR staffs both the Governor’s Subcabinet on Opioids, Substance Use, and Addiction as well as the Governor’s Advisory Council on Opioids, Substance Use, and Addiction.

Rationale/Background:

Substance Use Disorder, including alcohol and opioids, affects every community in Minnesota. According to the Kaiser Family Foundation, 6.1% of Minnesota adults and 1.7% of adolescents reported having an alcohol use disorder in 2018-2019. Additionally, during that same period, 2.7% of Minnesota adults and 3.4% of adolescents reported an illicit drug use disorder. These numbers have likely only increased since the pandemic. According to the Centers for Disease Control (CDC), nearly 1,500 Minnesotans lost their lives to drug overdoses in 2021, more than twice as many as in 2018. Fentanyl, a synthetic opioid much more potent than other narcotics, was involved in nearly 60% of those overdoses. The 881 fentanyl deaths represent more than a fourfold increase since 2018. Black and Native American populations are disproportionately impacted by SUD, particularly in overdoses. Native Minnesotans are more than nine times as likely to die of an overdose and Black Minnesotans more than three times as likely to die as their white counterparts.

In response to this crisis, the Governor and Legislature created an Addiction and Recovery Director (ARD) to lead a subcabinet consisting of 8 state agencies and to lead an advisory council on Opioids, Substance Use, and Addiction [[Minn Stat. 4.046](#)]. The legislation creating this subcabinet and position also called for the Director to propose to the legislature a permanent Office of Addiction and Recovery.

Currently Minnesota’s SUD prevention, treatment, and recovery system is fragmented across the multiple governmental and non-governmental entities including numerous state agencies, the Opioid Epidemic Response Advisory Committee (OERAC), counties and local governments, and others. The OAR will serve as a statewide SUD planning and policy office that looks across the enterprise and multiple actors and works to coordinate and align efforts. The OAR will enhance coordination between agencies and other actors, look for new interagency opportunities, promote innovative programs, conduct robust public engagement, provide oversight of programs, and maintain a database of relevant program spending and evidence-based practices.

Proposal:

This dedicated funding creates a sustainable platform for coordination, innovation, data sharing, and public engagement around opioids and other substance use disorders. This funding will support a core team including 4 FTEs (a Director, Deputy Director, and two coordinators) as well as fund and maintain an all-SUD funds database that will track addiction and substance use disorder spending statewide.

This funding will allow the OAR to build and maintain strong interagency and intergovernmental partnerships, work directly with impacted communities, and increase the effectiveness and accountability of SUD prevention, treatment, and recovery programs.

Impact on Children and Families:

Substance use disorder has a tremendous impact on youth and families. SUD is a significant factor in out of home placements, and studies have shown can lead to unmet developmental needs, impaired attachment, economic hardship, legal problems, emotional distress, and sometimes violence.

Equity and Inclusion:

Black and Native American populations are disproportionately impact by SUD, particularly in overdoses. Native Minnesotans are more than nine times as likely to die of an overdose and Black Minnesotans more than three times as likely to die as their white counterparts.

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

Yes

No

Results:

The Office of Addiction and Recovery is working with MMB to develop enterprise-wide metrics to track progress. The Governor’s Advisory Council on Opioids, Substance Use, and Addiction and other public engagement strategies will be utilized to help inform that process and those metrics.

Statutory Change(s): N/A