

New Mexico Office of the State Auditor

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Opioid Settlement Expenditures by New Mexico State Agencies



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Executive Summary

New Mexico continues to face one of the nation's most severe overdose crises, and opioid settlement funds provide the state with a significant opportunity to fund efforts that reduce opioid-related harms. Beginning in 2023, New Mexico began receiving opioid litigation settlement payments that will total more than \$920 million. The state and local governments are expected to receive more than \$670 million of these funds through the late 2030s to invest in prevention, treatment, harm reduction, and recovery efforts.

The Office of the State Auditor's Government Accountability Office reviewed state expenditures and found:

- The Legislature created an investment, appropriation, and accountability structure through the Opioid Settlement Restricted Fund and Opioid Crisis Recovery Fund that has the potential to provide a sustainable stream of funds for opioid remediation activities led by state agencies.
- The Legislature appropriated approximately \$21 million in FY 2024, \$16.6 million in FY 2025, and \$16.8 million in FY 2026 to state agencies for opioid remediation activities.
- State agencies used opioid settlement funds to support housing assistance, treatment services, recovery supports, infant mental health programs, school wellness initiatives, correctional treatment programs, Tribal community programs, and workforce training.
- Agencies reverted approximately \$5.1 million (24.3 percent) of appropriated funds in FY 2024 but demonstrated significant improvements in deploying funds in the subsequent two years. Reversion rates declined to \$146,756 (0.9 percent) in FY 2025 and \$206,740 (1.2 percent) in FY 2026.
- Agencies attributed most reversions to implementation challenges, including staffing shortages, contracting delays, limited provider capacity, infrastructure constraints in rural and Tribal communities, and the time required to launch new initiatives.
- Agencies reported that proactive monitoring, data-driven management, early planning, stronger coordination, and streamlined administration improved implementation and reduced reversions.
- The substantial decline in reversions suggests agencies adapted their implementation strategies and improved stewardship of opioid settlement resources over time.

Effective future spending will depend on agencies' commitment to applying good governance practices and ability to adapt based on lessons learned. This report offers recommendations for state agencies and considerations for the Legislature on improving and supporting the administration of opioid remediation at the state level.

Introduction

New Mexico faces one of the most severe opioid use and drug overdose crises in the nation.¹ According to the state's Department of Health, in 2021 alone 1,029 New Mexicans died from drug overdose—about one person every 8.5 hours.² The New Mexico Department of Justice has also reported significant increases in deaths attributable to prescription opioids over the past 25 years and estimates that nearly 83,000 New Mexicans experienced opioid use disorder as of 2020.³

Beginning in 2023, New Mexico began receiving opioid litigation settlement payments that will total more than \$920 million. Opioid settlements are multibillion-dollar agreements with manufacturers, distributors, and pharmacies to compensate states, local governments, and victims for the harm caused by the opioid crisis. These funds present a critical opportunity to expand prevention, treatment, harm reduction, and recovery efforts across the state.

In June 2023, the Office of the State Auditor issued an advisory alerting local governments and independent public accounting firms of the need for strict oversight and accountability and adequate internal controls for opioid settlement funds.⁴

OSA's Government Accountability Office (GAO) publishes Transparency Reports to examine specific issues related to public spending and to identify trends and concerns that may help decision-makers, legislators, and the public better understand how public resources are being managed. This report focuses on opioid settlement funds the New Mexico Legislature appropriated to state agencies. This report evaluates appropriations, expenditures, reversions, and implementation practices. It does not assess the effectiveness of individual opioid remediation programs or the extent to which those programs reduced opioid-related harms.

Its objective is to summarize opioid settlement funds appropriated to New Mexico state agencies by the state Legislature. OSA published its first Transparency Report focused on the opioid settlement allocation to local governments in July 2026.⁵ To address this objective, GAO reviewed annual financial statement audit reports for FY 2023 through FY 2025 and requested information and data from state agencies that received opioid settlement appropriations.⁶ GAO also reviewed selected public reporting by state agencies, the New Mexico Department of Justice, the State Investment Council, and the Legislative Finance Committee related to opioid settlement funding and expenditures.

¹ *State Unintentional Drug Overdose Reporting System (SUDORS) Dashboard: Fatal Overdose Data*. Centers for Disease Control and Prevention, <https://www.cdc.gov/overdose-prevention/data-research/facts-stats/sudors-dashboard-fatal-overdose-data-accessible.html>.

² "Drug Overdose Deaths." New Mexico Department of Health, <https://ibis.doh.nm.gov/indicator/summary/DrugOverdoseDth.html> (2026).

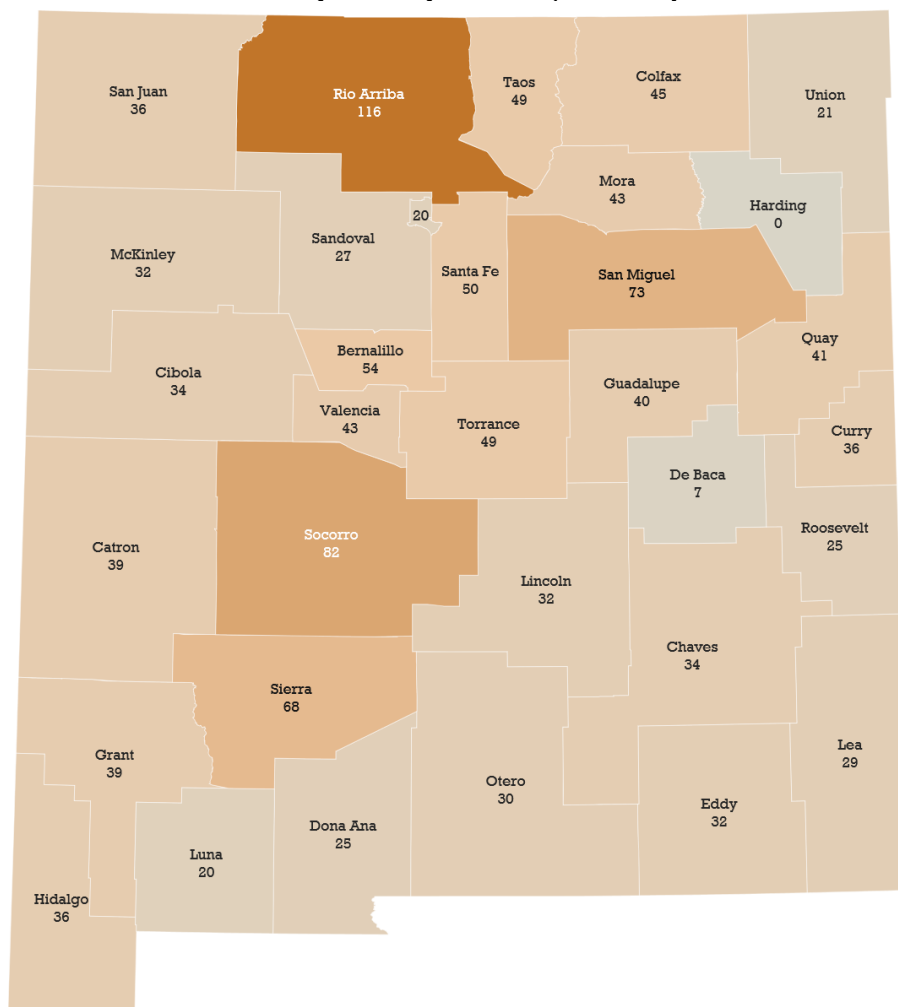
³ "Opioid Guide." New Mexico Department of Justice, https://nm DOJ.gov/wp-content/uploads/New-Mexico-Department-2024-Opioid-Guide_20250423.pdf.

⁴ New Mexico Office of the State Auditor, "OSA Audit Advisory: New Mexico Opioid Settlement Funds," June 30, 2023, <https://www.osa.nm.gov/wp-content/uploads/2024/03/Opioid-Advisory.pdf>.

⁵ This report is available on OSA's website: <https://www.osa.nm.gov/accountability-office/transparency-reports/>.

⁶ These agencies included Healthcare Authority (HCA), the Department of Health (DOH), the Early Childhood Education and Care Department (ECECD), the Public Education Department (PED), the Children Youth and Families Department (CYFD), the Corrections Department (NMCD), and the University of New Mexico's (UNM) Health Sciences Center.

Overdose Deaths by County Per 100,000 People 2019-2023



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Figure 1: OSA GAO-generated, based on data retrieved from NM-IBIS.

Background

New Mexico's drug overdose death rate has remained one of the highest in the nation for most of the last two decades. The map on this page shows the number of drug overdose deaths per 100,000 people in each New Mexico county between 2019 and 2023. Among New Mexico's 33 counties, 23 had overdose death rates above the U.S. rate of 30.4 per 100,000, including four counties—Rio Arriba, San Miguel, Socorro, and Sierra—with rates at least double the national rate.⁷ The New Mexico Department of Health (DOH) estimated in 2019, 74 percent of all overdose deaths involved opioids.⁸ DOH data also indicate overdose harms increased during the first half of 2025 in three northern counties: Rio Arriba, Santa Fe, and Taos. Compared with the same period in the previous year, drug overdose deaths increased by 48 percent in Rio Arriba County, 104 percent in Santa Fe County, and 340 percent in Taos County. Fentanyl was linked to most overdose deaths in these counties.⁹

Amidst this public health crisis, New Mexico's opioid settlements resulted from litigation alleging opioid manufacturers, distributors, and pharmacies contributed to widespread opioid misuse and resulting harms, including overdose deaths. Payments resulting from these settlements will ultimately total more than \$880 million distributed in a mixture of initial lump sums and annual distributions through the late 2030s under various national and state settlement agreements. According to the New Mexico Department of Justice, in May 2026 the Attorney General reached an additional settlement that will add

⁷ "Health Indicator Data and Statistics." New Mexico Indicator Based Information System (NM-IBIS), <https://ibis.doh.nm.gov/indicator/view/DrugOverdoseDth.Cnty.html>. Death rates are rounded to the nearest whole number.

⁸ "Opioid Safety & Overdose Prevention." New Mexico Department of Health, <https://www.nmhealth.org/about/erd/ibeb/pos/>.

⁹ "Rise in overdose deaths and ER visits in three Northeast counties," New Mexico Department of Health, September 18, 2025, <https://www.nmhealth.org/news/awareness/2025/9/?view=2275>.

more than \$40 million in funds, bringing the anticipated total to more than \$920 million.¹⁰ Appendix A identifies selected legal, public health, treatment, audit, and planning resources that may be useful to local governments, legislators, and members of the public seeking information about opioid settlement funds and the opioid crisis in New Mexico.

New Mexico’s Opioid Settlement Structure

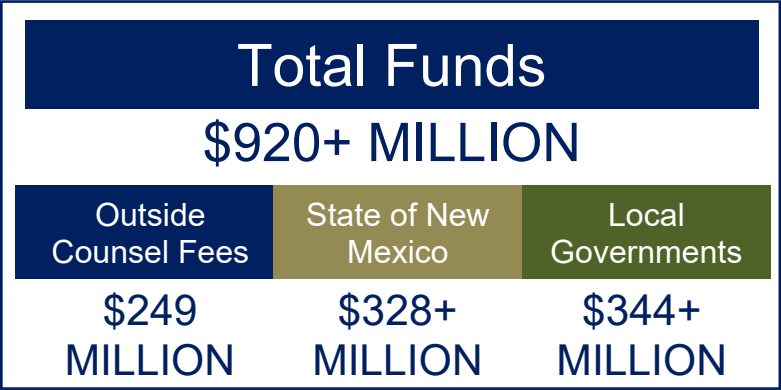


Figure 2: New Mexico’s opioid settlement fund allocations. GAO generated based on LFC and NM DOJ information.

To govern the distribution of opioid settlement funds, New Mexico and participating local governments entered into the New Mexico Opioid Allocation Agreement (NMOAA).¹¹ The NMOAA establishes how settlement funds are allocated between the state and participating local governments and sets basic requirements for how settlement funds must be managed and spent. Under the NMOAA, after settlement administration costs and specified set-asides, 45 percent of opioid settlement

funds are allocated to the state, which is appropriated by the Legislature to state agencies, and 55 percent are allocated to participating local governments. This report focuses on the state share, which is appropriated by the Legislature.¹² The figure shows the breakdown of New Mexico’s opioid settlement funds. The NMOAA requires that opioid settlement funds be used only for allowable opioid-related expenditures, including prevention, treatment, harm reduction, recovery, and related opioid abatement activities.¹³

Financial Reporting and Audit Accountability Requirements

The NMOAA links oversight of opioid settlement funds to the annual audit process under the State Audit Act, §§ 12-6-1 through 12-6-15, NMSA 1978. Local government funds and the state fund are audited as part of the annual audit process to provide reasonable assurance that disbursements are consistent with the terms of the NMOAA. If an audit identifies an expenditure that is inconsistent with the agreement, the state or local government must redirect an equivalent amount from another permissible revenue source to an opioid-related expenditure. Until the State Auditor confirms the redirection is

¹⁰ "New Mexico Attorney General Raúl Torrez Secures Over \$40 Million Settlement from Purdue Pharma and Sackler Family in Opioid Case," New Mexico Department of Justice, May 1, 2026, <https://nm DOJ.gov/press-release/new-mexico-attorney-general-raul-torrez-secures-over-40-million-settlement-from-purdue-pharma-and-sackler-family-in-opioid-case/>.

¹¹ New Mexico Office of the Attorney General and Participating Local Governments, *New Mexico Opioid Allocation Agreement*, March 7, 2022, <https://nationalopioidsettlement.com/wp-content/uploads/2022/03/2022.03.15-NEW-MEXICO-OPIOID-ALLOCATION-AGREEMENT.pdf>.

¹² OSA published its report on the local government share on July 15, 2026, available at <https://www.osa.nm.gov/accountability-office/transparency-reports/>.

¹³ Exhibit E in the NMOAA identifies core abatement strategies (Schedule A) and includes a list of approved opioid remediation uses under the categories of treatment, prevention, and other strategies (Schedule B).

complete, the state or local government is ineligible to receive additional distributions, and future payments may be held in escrow. As of FY 2026, OSA has not identified any instances of misuse reported in state agency audit findings.

Statutory Framework for Distributing the State's Share of Opioid Settlement Funds

In 2023, New Mexico's Legislature created the Opioid Settlement Restricted Fund and the Opioid Crisis Recovery Fund (respectively, Sections 6-4-28 and 6-4-29, NMSA 1978) to govern how the state's share of opioid settlement revenues is received, invested, and appropriated to state agencies.

The Opioid Settlement Restricted Fund is the state's holding fund for opioid settlement revenues received under the New Mexico Opioid Allocation Agreement. It is non-reverting, held separately from the general fund, and receives settlement proceeds, appropriations, donations, and investment earnings. Reporting from the State Investment Council, which is responsible for investing the fund's assets, shows the Opioid Crisis Restricted Fund had a balance of \$133,022,549 as of June 30, 2026.¹⁴ Money in this fund is distributed to the Opioid Crisis Recovery Fund using a percentage-of-market-value formula to help preserve the fund principal and provide a sustainable funding stream for opioid remediation activities through annual appropriations.

The Opioid Crisis Recovery Fund is the state's spending fund. Money in the Opioid Crisis Recovery Fund can only be expended by legislative appropriation and only for opioid remediation expenditures. Section 6-4-29(B), NMSA 1978 states that "priority shall be given to appropriations that support evidence-based statewide and regional programs that seek to abate opioid use disorders and any co-occurring substance use disorders or mental health conditions." Section 6-4-29(D), NMSA 1978, identifies permissible uses, including treatment and recovery services, overdose prevention, harm reduction initiatives, connections to care, criminal justice interventions, services for pregnant and parenting individuals, prescriber education, first-responder training, and research and evaluation of opioid-abatement programs. Figure 3 shows the basic structure for distributing the state share of opioid settlement funds through the Opioid Settlement Restricted Fund and the Opioid Crisis Recovery Fund.

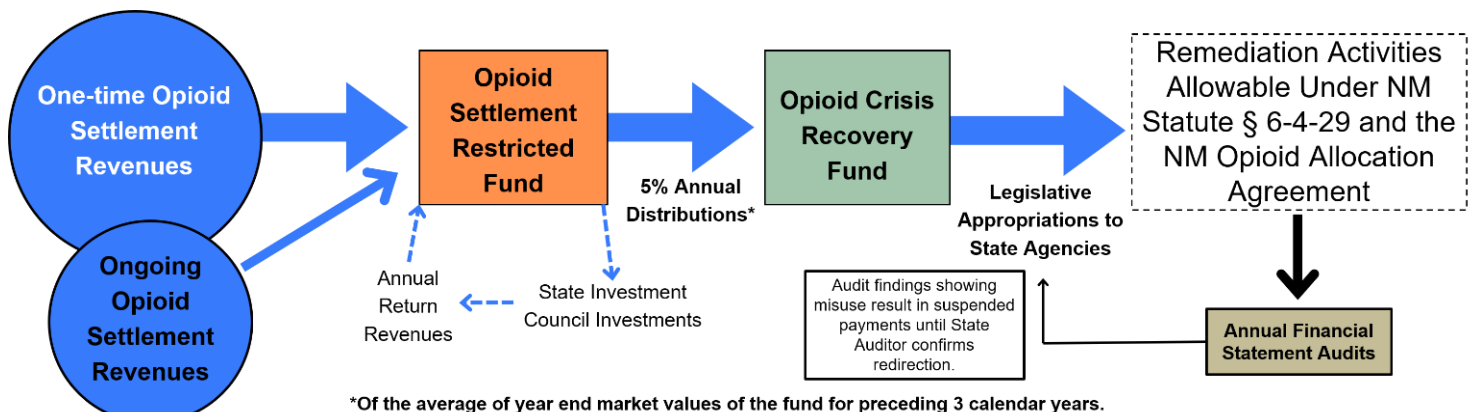


Figure 3: State Opioid Settlement Fund Structure. Source: GAO analysis of legislative information and the NMOAA.

¹⁴ New Mexico State Investment Council, "Investment Holdings Report," page 10, June 30, 2026, <https://api.realfire.rtsclients.com/PublicFiles/7c4d03015a164367930068bfbb95f6a0/b70a3886-e9a5-4ff6-8b8e-10511f2bdec2/IHR%202026.06.30.pdf>.

Observations

Although agencies that received legislative appropriations from the Opioid Crisis Recovery Fund implemented a diverse range of opioid remediation activities, expenditure and reversion patterns show implementation challenges varied across agencies and fiscal years. These patterns also provide insight into both the administrative and operational challenges of deploying opioid settlement funds and the practices agencies used to improve utilization over time.

State Agency Spending Focused on Multiple Opioid Remediation Initiatives, Such As Housing Assistance, Treatment, Infant and Childcare Support, and Education

Seven state agencies received legislative appropriations from the state's share of opioid settlement funds in FY 2024, compared with five in FY 2025, and four in FY 2026.

- **Healthcare Authority (HCA)** received the largest appropriations over this period, and focused on a wide variety of programs, including housing assistance, telehealth services, certified community behavioral health clinics, support for families whose child was born substance exposed, and other ongoing costs of the opioid epidemic.
- **Department of Health (DOH)** focused its funds on Medication-Assisted Treatment (MAT) in public health offices, support for tribal communities, harm reduction activities, such as statewide Naloxone saturation, a life-saving medication that rapidly reverses an opioid overdose.
- **Early Childhood Education and Care Department (ECECD)** received funds in FY 2024 for both childcare assistance and infant mental health support, and appropriations for the following two years for infant mental health support.
- **Public Education Department (PED)** received funds in FY 2024 and FY 2025 for pilot programs for wellness rooms in public and charter schools.
- **Children Youth and Families Department (CYFD)** received an appropriation in FY 2024 intended to improve reporting and adherence to plans of safe care for substance exposed newborns and to expand and build capacity for the safe care in-home parent skills-based program but did not spend any of its funds.
- **Corrections Department (NMCD)** received an appropriation in FY 2024 to provide MAT in correctional facilities.
- **University of New Mexico's (UNM) Health Sciences Center** received funds each year for Project ECHO, which focuses on increasing the capacity of health workers in rural and underserved areas through a virtual learning model.

Agencies Reverted Over 24 Percent of Total Appropriated Funds in FY 2024 but Demonstrated Significant Improvement in Utilizing Funds After the First Year

According to GAO’s analysis of information provided by agencies and DFA, some agencies that received legislative appropriations of opioid settlement funds reverted funds at relatively high rates in FY 2024. That year, agencies collectively had a 24.3 percent reversion rate. However, reversions dropped significantly to 0.9 percent of total appropriated opioid settlement funds in FY 2025 and to 1.2 percent in FY 2026. Figure 4 shows the total amount of opioid settlement funds appropriated to state agencies in FYs 2024-2026 and the total amount reverted each year.

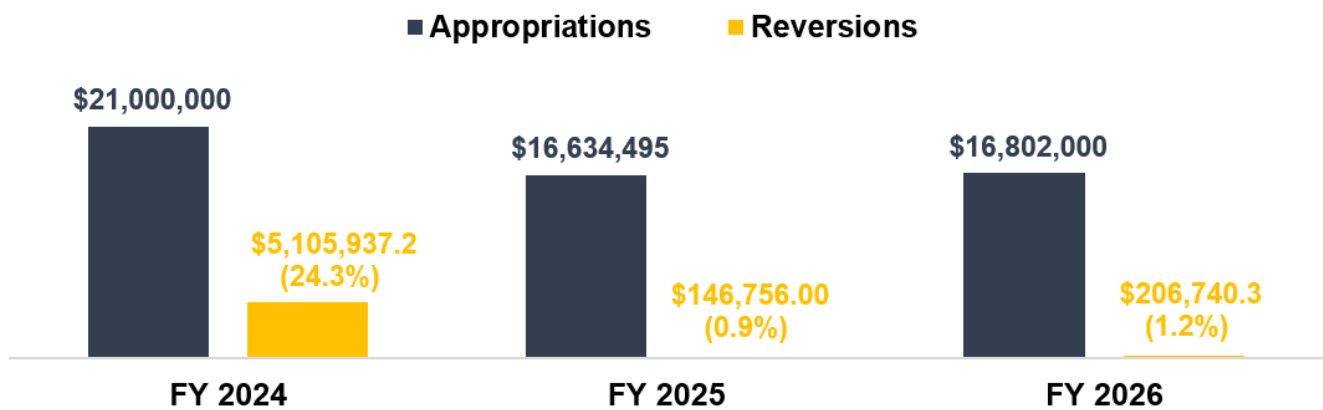


Figure 4: Total State Agency Opioid Settlement Fund Appropriations and Reversions in FYs 2024-2026. Source: GAO analysis of financial audit data and state agency and DFA information.

The table below shows the total amount each agency received from legislative appropriations each year, and the total amount reverted at the end of each year. Appropriation amounts are rounded to the nearest dollar. While reversions may indicate implementation challenges, they do not necessarily mean programs failed. In many cases, reversions occurred during the first year of new initiatives that required hiring staff, establishing contracts, developing partnerships, or building service capacity. The significant decline in reversions in subsequent years suggests agencies identified ways to address many of these startup challenges.

AGENCY	FY 2024		FY 2025		FY 2026	
	Appropriation	Reversion	Appropriation ¹⁵	Reversion	Appropriation	Reversion
CYFD	\$2,000,000	\$2,000,000	\$0.00	\$0.00	\$0.00	\$0.00
CD ¹⁶	\$1,000,000	\$0.00	\$0.00	\$0.00	\$0.00	\$0.52
DOH	\$3,500,000	\$376,334	\$3,399,374	\$41,756	\$3,500,000	\$175,000 ¹⁷
ECECD	\$6,000,000	\$783,330	\$971,250	\$0.00	\$1,000,000	\$60
HCA	\$6,500,000	\$1,877,100	\$10,321,372	\$105,000	\$10,502,000	\$31,680

¹⁵ FY 2025 data show final amounts after reductions to appropriations DFA made later in the fiscal year. These reductions occurred because opioid settlement revenues were lower than originally projected.

¹⁶ The Legislature extended NMCD’s \$1,000,000 FY 2024 appropriation to FY 2025 and FY 2026 to provide additional time to spend the funds. Extensions are often used to prevent reversions.

¹⁷ At the time of OSA’s request for information, DOH estimated it would spend about 95 percent of the \$3,500,000 appropriation in FY 2026, meaning approximately \$175,000 would revert.

PED	\$200,000	\$69,173	\$194,250	\$0.00	\$0.00	\$0.00
UNM	\$1,800,000	\$0.00	\$1,748,249	\$0.00	\$1,800,000	\$0.00
Total	\$21,000,000	\$5,105,937	\$16,634,495	\$146,756	\$16,802,000	\$206,740

Reversion rates also varied significantly by agency, year, and individual programs. For example:

- CYFD reverted the entirety of its \$2,000,000 appropriation in FY 2024. CYFD did not respond to OSA's request for information, and GAO could not independently determine the factors that contributed to the reversions.
- UNM did not revert any funds.
- Agencies with higher reversions in FY 2024, including HCA, DOH, ECECD, and PED, had significantly lower rates in the subsequent years.

Appendix B shows each agency's appropriation amounts, major program areas, reversion amounts, and reversion percentage for FYs 2024, 2025, and 2026.

Agencies Attributed Reversions Primarily to Capacity and Timing Challenges

Agencies generally attributed reversions to factors associated with the challenges of standing up and implementing new initiatives. Examples include workforce shortages, limited community infrastructure, startup delays associated with new programs, contracting and administrative barriers, and timing constraints that reduced the period available to expend funds before end-of-year reversions occurred. In multiple cases, agencies needed time to establish contracts, hire personnel, develop partnerships, build local capacity, and coordinate with providers before funds could be fully spent. These challenges were pronounced in rural and Tribal communities where existing service capacity was already limited.

Limited capacity was a significant challenge for multiple agencies.

- DOH experienced delays in hiring key personnel and implementing new initiatives.
- ECECD reported insufficient internal resources to manage fund disbursement.
- Healthcare providers participating in HCA programs faced workforce shortages and competing operational demands that limited participation in opioid-related initiatives.

Rural, frontier, and Tribal communities experienced additional barriers to implementation.

- HCA's Housing Assistance Program was challenged by limited affordable housing availability in rural areas.
- DOH reported that Tribal communities faced substantial barriers due to limited medical and behavioral health infrastructure, requiring additional startup and capacity-building efforts before services could be fully implemented.
- Communities with the greatest service needs often had the least pre-existing infrastructure able to deploy funding.

New projects required more startup time than anticipated.

- DOH reported delays associated with establishing contracts, hiring staff, launching pilot projects, and implementing new services.

- Several DOH initiatives required significant coordination among partners before services could begin.
- Early implementation periods often involved planning and infrastructure development instead of direct service delivery.
- NMCD reported that its FY 2024 appropriation was extended to FY 2025 and again to FY 2026, which allows for additional time to spend funds to prevent reversions.

Administrative and funding timing issues reduced spending.

- PED reported that some local education agencies and charter schools received funding too late in the fiscal year to fully spend it.
- Local administrative requirements, including board approvals, budget adjustments, reimbursement deadlines, and staff turnover, also delayed DOH expenditures.
- Contracting and procurement timelines also contributed to delayed implementation in some DOH initiatives.

In some cases, program participation and utilization were lower than expected.

- HCA's Screening, Brief Intervention, and Referral to Treatment (SBIRT) Expansion Program experienced lower provider participation despite outreach efforts and available incentives.
- DOH reported lower-than-anticipated utilization of its medication access program during the program's first year.

Agencies Identified Important Practices and Lessons Learned That Reduced Reversions and Strengthened Implementation

Agencies identified lessons learned and best practices that helped reduce reversions and resulted in more successful implementation of opioid settlement-funded initiatives. These include proactive oversight, early planning, regular communication and coordination, data-informed decision-making, and administrative structures aligned with program capacity. Agencies that performed regular monitoring, developed spending plans, engaged stakeholders early, and adapted based on performance data and lessons learned, reported improved fund utilization and reduced reversions. Several agencies also emphasized the importance of tailoring program implementation to local conditions, particularly in Tribal, rural, and underserved communities.

Monitoring expenditures, tracking progress, and using performance data helped improve spending.

- HCA reported that enhanced oversight and monitoring contributed to significantly reduced reversions in FY 2025 and FY 2026. This included:
 - Increased monitoring of provider utilization and spending throughout implementation, and reallocated funding toward providers demonstrating greater demand and implementation capacity.
 - Utilizing historical and provider performance data to inform future funding decisions.

- PED monitored spending progress through monthly check-ins with local education agencies to track spending and reimbursement requests.

Early planning and regular coordination helped reduce delays.

- DOH convened leadership and subject-matter experts early to establish priorities and implementation strategies.
- DOH also used regular coordination meetings to support project startup, staffing efforts, and communication across its program areas.
- PED identified issuing Requests for Applications (RFAs) early—as soon as possible following a legislative session—as an important factor in maximizing available implementation time.
- PED also trained staff on internal award and appropriation processes to improve efficiency.

Adjusting administrative structures to streamline management helped improve efficiency and oversight.

- PED reported that centralizing management of expenditures eliminated local administrative barriers and resulted in full expenditure of available funds following initial reversions.
- ECECD reported that contracting with a third-party administrator to manage provider contracts improved implementation efficiency.
- UNM adjusted programming based on available funding information to help ensure full implementation.

Clear spending plans and ongoing accountability supported implementation.

- PED required realistic budgets, spending trackers, implementation timelines, and reimbursement schedules.
- Monthly check-ins helped officials identify challenges early.
- Mid-year reviews created opportunities to reallocate funds when recipients' progress was slow.

Strategies tailored to community needs strengthened program effectiveness, particularly in Tribal and underserved areas.

- DOH directed resources toward culturally appropriate Tribal-focused initiatives, and Tribal partners adopted national and local best practices, including stigma-reducing efforts, to fit community needs.
- Capacity-building efforts helped address infrastructure limitations and support long-term implementation.
- Opioid settlement funding enabled expansion of services and interventions in communities with significant unmet needs.

Conclusion

New Mexico continues to face one of the nation's most severe overdose crises, and opioid settlement funds provide the state with a significant opportunity to fund efforts that reduce opioid-related harms. The investment, appropriation, and accountability structure established through the Opioid Settlement

Restricted Fund and Opioid Crisis Recovery Fund has the potential to provide a sustainable stream of funds for opioid remediation activities led by state agencies. However, because settlement funds are finite and will be distributed over many years, effective implementation and careful stewardship are particularly important to ensuring these funds are translated into programs that produce a lasting and positive impact on New Mexico's opioid crisis. The significant reduction in reversion rates among opioid settlement funds appropriated to state agencies is an encouraging sign agencies are implementing these funds into programming. Sustaining these results will depend on a continued commitment from state agencies to apply good governance practices and adapt based on lessons learned.

Recommendations and Considerations

Based on the audit analysis and agency responses reviewed for this report, GAO identified several recommendations state agencies and policymakers may wish to consider for future opioid settlement-funded programs.

Recommendations for State Agencies

The following are recommendations for state agencies administering opioid settlement-funded programs:

1. Develop implementation plans for opioid settlement-funded initiatives that include staffing, contracting, operational milestones, expenditure timelines, and risk mitigation strategies before funds are distributed.
2. Use periodic expenditure monitoring and performance reviews to identify underutilized appropriations early and take corrective action when implementation challenges emerge.
3. Where appropriate, document and share effective implementation strategies across agencies and local governments, including approaches related to stakeholder engagement, provider support, contract management, expenditure monitoring, and reducing duplication.
4. When serving rural, frontier, Tribal, or capacity-limited communities, incorporate implementation support and capacity-building activities into program design when appropriate.
5. Develop sustainability plans for programs funded with opioid settlement resources, identifying how successful initiatives will be maintained after settlement revenues decline.

Considerations for the Legislature

The following are potential considerations for the Legislature for improving on and supporting the administration of opioid remediation at the state level:

1. Consider whether certain opioid settlement-funded initiatives involving new programs, infrastructure development, workforce expansion, or community capacity-building may benefit from multi-year appropriations or expenditure authority.
2. Consider whether future appropriations could benefit from requiring or encouraging agencies to identify implementation readiness factors, such as staffing, contracting requirements, and provider capacity during budget development.

3. Consider whether periodic statewide reporting on opioid settlement expenditures and implementation progress would help policymakers identify emerging challenges and share successful practices across agencies.
4. Consider whether agencies receiving opioid settlement appropriations should establish measurable outcome metrics and report annually on expenditures, outputs, and outcomes.
5. Consider allocating a small percentage of opioid settlement funds for evaluation and performance measurement to support lessons learned, adjustments to future spending, and accountability.

Appendix A: Selected Resources Related to Opioid Remediation in New Mexico

This appendix identifies selected legal, public health, treatment, audit, and planning resources that may be useful to local governments, legislators, providers, community organizations, and members of the public seeking information about opioid settlement funds and the opioid crisis in New Mexico.

Legal, Governance, and Oversight Resources

- **New Mexico Opioid Allocation Agreement.** Primary governing document for the local government share of opioid settlement funds, including local allocations, allowable uses (Exhibit E), the LG Abatement Fund requirement, and audit accountability provisions. Link: <https://nationalopioidsettlement.com/wp-content/uploads/2022/03/2022.03.15-NEW-MEXICO-OPIOID-ALLOCATION-AGREEMENT.pdf>.
- **National Opioid Settlement, New Mexico page.** Central source for New Mexico settlement documents, including executed judgments, the NMOAA, and the addendum. Link: <https://nationalopioidsettlement.com/states/new-mexico/>.
- **New Mexico Department of Justice Opioid Guide.** State summary of settlement history, allocation amounts, allowable uses, and audit requirements. Link: <https://nmdoj.gov/wp-content/uploads/New-Mexico-Department-2024-Opioid-Guide-updated-6.17.2026.pdf>.
- **NMSA Section 6-4-28, Opioid Settlement Restricted Fund.** Structure for the state share and the statutory exclusion of local government funds from the restricted fund. Link: <https://law.justia.com/codes/new-mexico/chapter-6/article-4/section-6-4-28/>.
- **NMSA Section 6-4-29, Opioid Crisis Recovery Fund.** Statutory definition of opioid settlement expenditures and the state's priority program categories. Link: <https://law.justia.com/codes/new-mexico/chapter-6/article-4/section-6-4-29/>.
- **New Mexico Office of the State Auditor, Audit Report Search.** Public database for searching local government annual financial audit reports. Link: <https://www.osa.nm.gov/auditing/audit-report-search/>.
- **New Mexico Office of the State Auditor, Audit Rule.** Guidance and requirements for financial audits for government agencies in New Mexico, including testing requirements for opioid settlement expenditures. Link: <https://www.osa.nm.gov/auditing/for-agencies/audit-rule/>.

Public Health Data and Statewide Resources

- **National Opioid Settlement Tracker.** National comparison tool on opioid settlement governance, expenditure reporting, advisory structures, and grantmaking. Link: <https://www.opioidsettlementtracker.com/everything>.
- **New Mexico Health Care Authority (HCA), Behavioral Health Services Division.** Provides statewide behavioral health contacts, peer recovery resources, and the broader behavioral health system. Link: <https://www.hca.nm.gov/about-the-department/behavioral-health-services-division/>.

- **New Mexico Overdose Prevention and Pain Management Advisory Council.** Information on the statewide advisory council, current membership, recommendations, and meeting materials related to overdose prevention and pain management standards and education efforts. Link: <https://www.nmhealth.org/about/erd/ibeb/pos/advcl/>.
- **New Mexico Overdose Fatality Review.** Statewide initiative funded through opioid settlement dollars to identify system gaps and produce public recommendations to prevent overdose deaths. Link: <https://prod.nmhealth.org/about/erd/ibeb/ofr/>.
- **The Office of Substance Abuse Prevention (OSAP): New Mexico Prevention Website.** Part of the Behavioral Health Services Division and developed to provide information about OSAP funded programs and initiatives, including documents and resources relevant to substance misuse prevention efforts across the state. Link: <https://nmprevention.org/>.
- **New Mexico Opioid Hub.** Overseen by the Behavioral Health Services Division. Aims to improve access to treatment, reduce unmet treatment needs, and reduce opioid overdose-related deaths through the provision of prevention, treatment, and recovery services. Link: https://yes.nm.gov/s/new-mexico-opioid-hub?language=en_US.

Treatment, Harm Reduction, Community Service, and Strategy Resources

- **The Healthcare Authority: A Dose of Reality.** Statewide campaign focused on opioid addiction prevention, treatment, and recovery to help ensure New Mexicans have access to quality health care and essential support services. Link: <https://www.doseofreality.com/>.
- **New Mexico Opioid Safety and Overdose Prevention.** Landing page for opioid safety, fentanyl information, naloxone resources, and overdose prevention materials. Link: <https://www.nmhealth.org/about/erd/ibeb/pos/>.
- **New Mexico Treatment Finder.** Treatment locator for local resources, medication for opioid use disorder services, naloxone access, and the New Mexico Crisis and Access Line. Link: <https://www.nmhealth.org/about/erd/ibeb/pos/awnm/tf/>.
- **New Mexico Harm Reduction Program.** Information on naloxone, fentanyl test strips, xylazine resources, overdose prevention training, referrals, and the NM Pathways program. Link: <https://www.nmhealth.org/about/phd/idb/hrp/>.
- **New Mexico Harm Reduction publications.** Overdose response materials, naloxone instructions, fentanyl and xylazine fact sheets, and related handouts. Link: <https://www.nmhealth.org/about/phd/idb/hrp/publications/>.
- **CDC, Public Health Considerations for Strategies and Partnerships.** Current CDC resource on evidence-based overdose prevention strategies for states and local communities. Link: <https://www.cdc.gov/overdose-prevention/php/public-health-strategy/index.html>.
- **CDC, Evidence-Based Strategies for Preventing Opioid Overdose.** Reference for examples of interventions with an evidence base. Link: <https://www.cdc.gov/overdose-prevention/media/pdfs/2024/03/Evidence-based-strategies-for-prevention-of-opioid-overdose.pdf>.

Appendix B: Opioid Crisis Recovery Fund Appropriations to State Agencies in Fiscal Years 2024, 2025, and 2026

The table shows each agency's appropriation amounts, major program areas, reversion amounts, and reversion percentage for FYs 2024, 2025, and 2026. GAO developed the table based on information in agencies' annual financial statement audit reports, agency-provided information, and the General Appropriation Acts of 2023, 2024, and 2025.

Agency	Fiscal Year	Major Program Areas	Appropriation	Reversion	Percent Reverted
CYFD	2024	Plans of safe care	\$1,000,000	\$1,000,000	100.00%
CYFD	2024	Safe care in-home parent skills building program	\$1,000,000	\$1,000,000	100.00%
CD	2024	MAT in prisons	\$1,000,000	\$0.52	0.00%
DOH	2024	MAT for opioid use disorder	\$2,500,000.00	\$220,288.57	8.81%
DOH	2024	MAT for tribal members related to opioid use disorder	\$1,000,000.00	\$156,045.72	15.60%
ECECD	2024	Childcare assistance	\$5,000,000.00	\$0.00	0.00%
ECECD	2024	Infant mental health	\$1,000,000.00	\$783,330.00	78.33%
HCA	2024	Certified Community Behavioral Health Clinic program	\$1,500,000.00	\$700.00	0.05%
HCA	2024	Housing assistance	\$2,000,000.00	\$545,300.00	27.27%
HCA	2024	Screening, intervention, and referral expansion	\$2,000,000.00	\$1,266,400.00	63.32%
HCA	2024	Telehealth expansion	\$1,000,000.00	\$64,700.00	6.47%
PED	2024	Wellness rooms	\$200,000.00	\$69,172.92	34.59%
UNM	2024	Project ECHO	\$1,800,000.00	\$0.00	0.00%
FY 2024 Totals			\$21,000,000.00	\$5,105,937.21	24.3%
DOH	2025	MAT for opioid use disorder	\$3,399,374.00	\$41,756.00	1.23%
ECECD	2025	Infant mental health	\$971,250.00	\$0.00	0.00%
HCA	2025	Plans of safe care navigators	\$1,786,128.02	\$0.00	0.00%
HCA	2025	Opioid epidemic costs	\$5,341,872.82	\$0.00	0.00%
HCA	2025	Housing Assistance	\$2,222,121.97	\$105,000.00	4.73%
HCA	2025	Behavioral Health Telehealth	\$971,249.60	\$0.00	0.00%
PED	2025	Wellness rooms	\$194,249.92	\$0.00	0.00%
UNM	2025	Project ECHO	\$1,748,249.00	\$0.00	0.00%
FY 2025 Totals			\$16,634,495.00	\$146,756.00	0.9%
DOH	2026	MAT for opioid use disorder	\$3,500,000.00	\$175,000	5.00%
ECECD	2026	Infant mental health	\$1,000,000.00	\$60.27	0.01%
HCA	2026	Plans of safe care navigators	\$1,714,000.00	\$0.00	0.00%
HCA	2026	Opioid epidemic costs	\$5,500,000.00	\$0.00	0.00%
HCA	2026	Housing Assistance	\$2,288,000.00	\$31,680.00	1.38%
HCA	2026	Behavioral Health Telehealth	\$1,000,000.00	\$0.00	0.00%
UNM	2026	Project ECHO	\$1,800,000.00	\$0.00	0.00%
FY 2026 Totals			\$16,802,000	\$206,740.27	1.2%