

COUNTY OF MILWAUKEE
Inter-Office Communication

Date: August 2023

To: Marcelia Nicholson, Chairwoman, Milwaukee County Board of Supervisors

From: Joe Lamers, Director, Office of Strategy, Budget and Performance
Heather Wolfgram, Strategy and Performance Project Manager, Office of Strategy, Budget and Performance

Subject: Report from the Director, Office of Strategy, Budget and Performance, requesting additional allocations of \$1,653,769 in Opioid Settlement Funds to support recommended projects in FY23-FY25

File Type: Action Report

REQUEST

The Office of Strategy, Budget and Performance requests fund authorization for \$1,653,769 in supplemental Opioid Settlement Funds for three proposals aimed at addressing the opioid crisis in Milwaukee County for fiscal years 2023, 2024, and 2025.

POLICY

The Milwaukee County Board authorized the Office of Corporation Counsel (OCC) to retain outside counsel under a contingency fee arrangement and to file suit against opioid manufacturers and distributors as the OCC deemed appropriate in [File 17-722](#).

2021 State Act 57 created Section 165.12, Wisconsin State Statutes (State Statutes), relating to the settlement of all or part of the Litigation. Section 165.12(4)(b)2, State Statutes, provides the proceeds from the Settlement Agreement must be deposited in a segregated account (the Opioid Abatement Account), and may be expended only for approved uses for opioid abatement, as provided in the Settlement Agreements.

BACKGROUND

The Milwaukee County Board approved Resolutions [21-1127](#) and [23-490](#) which authorized Milwaukee County Office of Corporation Counsel (OCC) to enter into Settlement Agreements to receive funds from two separate lawsuits. The settlements resulted in a net of \$102 million to be paid to Milwaukee County over the next 18 years.

On average, Milwaukee County will receive approximately \$5.67M in settlement disbursements annually.

Table A: Summary of Opioid Settlement Awards

| Settlement | Wisconsin Total | Milwaukee County Total | Milwaukee County Net (after attorney fees) |
|-------------------|------------------------|-------------------------------|---|
| First Settlement | \$420 million | \$71 million | \$56.6 million |
| Second Settlement | \$321 million | \$56.7 million | \$45.4 million |
| Total | \$721 million | \$127.7 million | \$102 million |

Allocation Process – Request for Additional Funds

Milwaukee County gathered input from County stakeholders and facilitated a process to make initial allocation recommendations for the Opioid Settlement Funds. This process was presented to Supervisors during the December 2022 board cycle in [File 22-1135](#).

In February 2023, the Milwaukee County Board adopted [File 23-114](#) granting fund authorization for \$11 million for 15 projects from four County departments. The budget for these projects is just under \$4 million annually for fiscal years 2023-2025 as outlined in Table A below.

The award of a second settlement has provided Milwaukee County with an opportunity to provide additional funds to the currently funded projects. Milwaukee County departments with approved projects were provided an opportunity to request supplemental funds if the funds were to be used for one of the following purposes:

- expand the reach of the project or the number of participants served
- enhance a component of the project
- add complementary services, while maintaining the scope of the project.

New projects will be considered through a future funding allocation process. Milwaukee County expects to receive an average of \$5.67 million per year for 18 years. These first 15 projects have an estimated annual spend of \$3.7- \$3.9 million. Therefore, the total amount recommended through the Supplemental Funding Request will not exceed \$5.71 million which equates the difference between the amount already authorized for 2023-2025 and the \$5.67 million annual average.

Table B: Projects Recommended for Supplemental Funding in FY 2023, 2024 & 2025

| Project Title | Remediation Category | Lead Department | Authorized Amount | Supplemental Request Amount | Total Project Amount |
|--|----------------------|-----------------|-------------------|-----------------------------|----------------------|
| Medical Examiner (ME) Staffing Needs | Other Strategies | ME | \$1,904,942 | \$385,599 | \$2,290,541 |
| Residential Substance Abuse Treatment Capacity | Treatment | DHHS | \$1,071,140 | \$750,000 | \$1,821,140 |
| Harm Reduction Supplies | Harm Reduction | DHHS | \$392,719 | \$518,170 | \$910,889 |
| Total Supplemental Amount Requested: | | | | \$1,653,769 | |

Supplemental Requests

A summary of the three projects requesting additional resources can be found below. It is important to note that these projects address different remediation categories.

Table C: Project Summary Chart

| Harm Reduction Supplies (DHHS) | |
|---------------------------------------|---|
| Project Summary | This proposal intends to utilize the settlement dollars to purchase harm reduction supplies that will reduce the number of opioid-related deaths in Milwaukee County. The Community Access to Recovery Services (CARS) division of BHS will partner with Vivent Health’s Lifepoint program to increase Milwaukee County residents’ access to harm reduction and prevention supplies via a distribution website. |
| Supplemental Request | Supplemental funds will impact the project by ensuring vending machines are properly stocked and are safer by mounting machines to the wall and installing shatterproof glass. Additional funds will also expand the scope of community education around harm reduction. |
| Supplemental Request Amount | \$518,170 |
| Total Project Amount | \$910,889 |
| Remediation Category | Harm Reduction |

| Staffing Needs (ME) | |
|--|--|
| Project Summary | The office of the Medical Examiner requests funding for three positions (1.0 FTE Forensic Pathologist, 1.0 FTE Medicolegal Death Investigator, 1.0 FTE Forensic Chemist). These positions support the scope of work of the Medical Examiner's Office and the investigation into drug-related deaths. Additionally, in order to be competitive in recruiting a Forensic Pathologist, funding is requested for student loan forgiveness. |
| Supplemental Request | Supplemental funds will cover two additional contracted forensic pathologists and two contracted forensic investigators from MCW in fiscal years 2023, 2024 and 2025 (estimated cost of \$563,500). These costs are offset by vacancy savings related to Medical Examiner positions funded with opioid settlement dollars as approved in File 23-114 (\$177,901 reduction due to vacancies). |
| Supplemental Request Amount | \$385,599 |
| Total Project Amount | \$2,290,541 |
| Remediation Category | Other Strategies |
| Residential Substance Abuse Treatment Capacity (DHHS) | |
| Project Summary | This proposal is designed to increase residential treatment capacity by making two \$175,000 start-up investments per year for three years to six different agencies who can develop new residential substance abuse treatment facilities and thereby significantly reduce the wait list of individuals in need of evidence-based, life-saving treatment for their opioid use disorder. |
| Supplemental Request | Supplemental funds will increase funding available for the two residential treatment centers (the original \$175,000 request will increase to \$300,000 for three years with supplemental funds). |
| Supplemental Request Amount | \$750,000 |
| Total Project Amount | \$1,821,140 |
| Remediation Category | Treatment |

A complete project summary chart can be found in Appendix A

The three supplemental funding requests submitted by DHHS and the ME's Office provide approximately \$1.6 million in additional funds. Funds will be transferred to departments following County Board approval in September 2023. Proposed budgets include expense line items that will be expended by December 31, 2025.

Milwaukee County maintains resources in the Opioid Settlement Trust Account to fund the supplemental requests. Given the \$5.67 million annual average from the two opioid settlements, the Office of Strategy, Budget and Performance recommends these additional allocations.

ALIGNMENT TO STRATEGIC PLAN

This item is directly related the County's strategic goals 2A: *Determine what, where, and how we deliver services to advance health equity* and 3A: *Invest "upstream" to address root causes of health disparities*. The County seeks proposals that aim to address the opioid crisis utilizing multiple, innovative strategies including treatment, harm reduction, prevention and other strategies. Further, proposals must address one of the funding objectives derived from statewide listening sessions and recommendations from the City/County Opioid Heroin Task Force.

FISCAL EFFECT

Approval of this action will provide a total of \$1,653,769 in supplemental Opioid Settlement Funds to three projects for fiscal years 2023, 2024, 2025 in the Department of Health and Human Services and the Medical Examiner's Office.

VIRTUAL MEETING INVITES

Joe Lamers, joseph.lamers@milwaukeecountywi.gov;
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Claire Miller, claire.miller@milwaukeecountywi.gov; and
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PREPARED BY:

Heather Wolfgram, Strategy and Performance Project Manager

APPROVED BY: *Joe Lamers*

Joseph Lamers, Strategy, Budget & Performance Office Director

ATTACHMENTS:

Attachment A: Milwaukee County Opioid Proposals Summary Chart
Attachment C: PowerPoint
Attachment D: Fiscal Note
Attachment E: Resolution

cc: Kelly Bablitch, Chief of Staff, Milwaukee County Board of Supervisors
Janelle M. Jensen, Legislative Services Division Manager, Office of the County Clerk