

**COUNTY OF MILWAUKEE**  
Inter-Office Communication

Date: May 21, 2026

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

From: Shakita LaGrant-McClain, Executive Director, DHHS

Subject: Report from the Executive Director, Department of Health and Human Services, requesting approval to expand the scope of previously awarded Opioid Settlement Funds, totaling \$1,412,501, from Substance Use Disorder (SUD) residential room and board services to the broader SUD system of care

File Type: Action Report

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**REQUEST**

The Department of Health and Human Services requests authorization to expand the use of previously awarded Opioid Settlement Funds, totaling \$1,412,501, from Substance Use Disorder (SUD) residential room and board services to the broader SUD system of care.

**POLICY**

The 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 OCC to enter into Settlement Agreements to receive funds from three Opioid Settlement distributors and five pharmacies. Additional settlements remain pending.

The Milwaukee County Mental Health Board (MHB) approved the receipt of revenue of \$1,412,501 in Opioid Settlement Funds for the room and board for residential SUD treatment on August 21, 2025. The Milwaukee County Board approved the allocation of these funds under File

25-465. The project period is January 1, 2026, through December 31, 2028. The original application was limited to funding room and board services.

Subsequent to the original award, the 2026 budget has changed significantly, including the elimination of tax levy support for the SUD system of care. In addition, other funding sources have either not been renewed or have implemented eligibility changes, resulting in gaps across the treatment continuum.

In response, BHS is proposing to integrate room and board funding into the broader SUD system of care and pursue funding on an annual basis. Establishing a three-year funding commitment at this level could limit flexibility and reduce the availability of funds for other priorities. Annual applications for the full SUD system of care would allow BHS to more effectively allocate resources, adapt to potential federal changes, and base funding decisions on more reliable, near-term data rather than multi-year projections.

Of the \$1,412,501 original allocation, \$353,125 will continue to be allocated to the SUD Residential Room and Board project with the balance of \$1,059,376 being allocated to the SUD System of Care contingent upon approval by the Mental Health Board consistent with Wis. Stat. §51.41 and as shown in the chart below.

**Table A: Proposed Reallocation of Opioid Settlement Funds**

<b>Project Name</b>	<b>Description</b>	<b>Original Allocation</b>	<b>Proposed Transfer</b>	<b>Adjusted Budget</b>
SUD Residential Room and Board	Building upon the opioid settlement project in Cohort 1 to increase SUD Residential Treatment capacity, this proposal focuses on establishing funding for the room and board portion of the treatment episode for that capacity, which has been and is being built (87 additional beds).	\$1,412,501	(\$1,059,376)	\$353,125
SUD System of Care	Treatment Services include Medication Assisted Treatment, Residential Treatment, Day Treatment, and Outpatient Treatment. Recovery Support Services include Recovery Support Coordination, Recovery Housing, Peer Support, Transportation Assistance, and Employment services.	\$0	\$1,059,376	\$1,059,376
<b>Total</b>		<b>\$1,412,501</b>	<b>\$0</b>	<b>\$1,412,501</b>

**ALIGNMENT TO STRATEGIC PLAN**

This item is directly related to 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 others.

**RECOMMENDATION**

The Executive Director recommends the Milwaukee County Board of Supervisors authorize the Department of Health and Human Services to expand the scope of previously awarded Opioid Settlement Fund projects from SUD residential room and board services to the broader SUD system of care with funding authorized to carry forward through December 31, 2028 consistent with the terms of the original award and contingent upon approval by the Mental Health Board per

Wis. Stat. §51.41. Of the \$1,412,501 original allocation, \$353,125 will continue to be allocated to the SUD Residential Room and Board project with the balance of \$1,059,376 being allocated to the broader SUD System of Care.

**FISCAL EFFECT**

The net fiscal impact is \$0. No tax levy appropriation is required.

**TERMS**

Funding would be authorized to be carried forward if necessary up until December 31, 2028, which is the end date of original Opioid Settlement award.

**VIRTUAL MEETING INVITES**

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**PREPARED BY**

Matt Fortman, DHHS Fiscal Administrator

**APPROVED BY:**

*Shakita LaGrant-McClain*

Shakita LaGrant-McClain, Executive Director, Department of Health and Human Services

**ATTACHMENTS:**

None

Cc: County Executive David Crowley  
Sup. Steve F. Taylor, Chair, Finance Committee  
Sup. Shawn Rolland, Chair, Health Equity, Human Needs, & Strategic Planning Committee  
Liz Sumner, Comptroller, Office of the Comptroller  
Mary Jo Meyers, Chief of Staff, County Executive's Office  
Kelly Bablitch, Chief of Staff, Milwaukee County Board of Supervisors  
Nicholas Sinram, Director, Office of Strategy, Budget, and Performance  
Steve Cady, Research and Policy Director, Office of the Comptroller  
Madeline Fruehe, Budget and Management Analyst, SBP