

**JEFFERSON COUNTY
BOARD OF COUNTY COMMISSIONERS**

AGENDA REQUEST

TO: Board of County Commissioners
Josh Peters, County Administrator

FROM: Heather Dudley-Nollette, Commissioner and Judy Shepherd, Finance Director

DATE: July 7, 2025

SUBJECT: Opioid Settlement Funds Workshop

STATEMENT OF ISSUE:

Opioid Settlement funds have multiple designations with different settlement amounts and timeframes. Initial funds were received in December, 2024 and are projected to continue in varying amounts over a 17-year period. The funds fall into the following three settlement categories: Pharmaceutical, Distributor and Manufacturer.

Counties and municipalities have the authority to designate how each type of funding will be appropriated within the local community to serve people affected by the opioid crisis. All funds must be distributed and utilized for opioid abatement per the guidelines established in the One Washington MOU, which can be found on the nationalopioidsettlement.com website by clicking on the following link: [One Washington Memorandum of Understanding between the Washington Municipalities](#).

In our region, the funds are administered by the State to the Salish Behavioral Health Administrative Services Organization (SBHASO). In Jefferson County, the BoCC chose to receive and distribute Opioid Settlement funds locally, rather than being distributed directly by the SBHASO. A 10% administrative fee is taken off the top of each distribution to cover the costs associated with administering and overseeing the appropriate use of the funds. Estimates of annual payments for each settlement were provided at the time of signing of the settlement documents. It takes some time to finalize the details of each settlement and gain court approval. Calculation of exact amounts depends on a somewhat complicated formula. Each settlement has an appointed administrator, who sends out a report for verification of exact amounts to be distributed near the time of distribution, and then asks for confirmation. The PAO then has outside counsel for the county verify the amount to be received by SBHASO. Once verified, the payments go to SBHASO, which then distributes them to the county.

In 2024, the BoCC specified that Pharmaceutical funds were to be held in Fund 131 and distributed to community programs benefiting people in Jefferson County suffering from the effects of chemical dependency (in accordance with the guidelines within the One Washington MOU) through an RFP process managed by the county's Behavioral Health Advisory Committee (BHAC). The BoCC then specified that the Distributor funds would be distributed for the administration and facilitation of the Behavioral Health Consortium (BHC). The "Manufacturer" funds have not yet been designated by the BoCC.

ANALYSIS:

PHARMACEUTICAL FUNDS:

As directed, the Behavioral Health Advisory Committee is preparing to issue an RFP in the Fall of 2025 for the funds received to date.

DISTRIBUTOR FUNDS:

On August 7, 2024, the Board of County Commissioners (BoCC) specified that “Distributor” funds be distributed for the administration and facilitation of the Behavioral Health Consortium (BHC) to support coordination and collaboration amongst Jefferson County’s behavioral health provider network. Per the BoCC’s direction in 2024, these Distributor funds are administered by Discovery Behavioral Healthcare (DBH). DBH offered to fulfill that role without any direct compensation and has been doing so since the funds were initially received.

A balance of \$29,877.07 remains in the fund budget, which is currently being held by DBH.

MANUFACTURER FUNDS:

In April 2025, Commissioner Dudley-Nollette facilitated a conversation that was attended by several shelter, behavioral health and other support service providers and advocates to discuss the need for and possible interest in establishing an “Urban Rest Stop”-style day center in Jefferson County. After multiple individual and group discussions, there seemed to be overwhelming support for the idea – along with many questions about how to accomplish the goal.

Since that time, the Commissioner toured a Clallam County health center that was established through their use opioid settlement funds to directly serve the population that is identified in the One Washington MOU as most affected by the opioid crisis and in need of care. This health center provides a day-service hub (with mobile service to multiple communities) that allows the behavioral health network of providers to work together to serve the individuals and families that they see in common.

Although Clallam County’s BoCC directed all of their opioid settlement funds to establish this health center, Jefferson County could decide to establish a similar day center through a variety of community partnerships. Possible revenue sources could include the expected Manufacturer funds from the opioid settlements, Pharmaceutical funds through the RFP process, and partnership with behavioral health providers to support operations and maintenance of a possible community day center.

A significant amount of additional research and analysis, as well as continued conversations with behavioral health providers would be required in order to consider the feasibility of beginning a day center of this kind in Jefferson County.

FISCAL IMPACT:

The County has received to date a total of \$690,969.78, which has been deposited into the General Fund, Community Services. This includes:

- Distributor: \$149,007.56
- Pharmaceutical: \$506,776.68
- Manufacturer: \$35,185.54

RECOMMENDATION:

The BoCC would ask the Behavioral Health Consortium (BHC) to continue their discussions and make a recommendation by November 3, 2025 about how to redirect the remaining and expected Distributor funds over the remainder of the distribution period (up to 17 years.) Any additional “Distributor” funds received

between now and November 3, 2025 would be held by the County in the General Fund Community Services line as they arrive and would accumulate for distribution until the BHC makes its recommendation.

The BoCC would then ask the behavioral health network to continue their analysis of the benefits of establishing an Urban Rest Stop-style day center and possibly an affiliated mobile unit. The BHC and BHAC would work with its members as well as with other community partners to create opportunities for behavioral health and other basic support service organizations to provide services at the day center, serving as a central service hub (from multiple behavioral health service providers) for people suffering from opioid related illnesses in alignment with the guidance provided in the One Washington MOU.

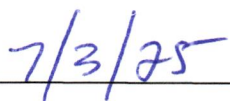
Commissioner Dudley-Nollette is willing to work with the behavioral health network through the BHC, the BHAC and other interested parties to explore the funding and operational models that would be required to establish an Urban Rest Stop-style day center. Any Manufacturer funds received would be held in the General Fund – within the Community Services line – until such a day center and/or mobile unit can be established. If the model is fully explored - but establishing a day center does not ultimately make sense (financially or as a service model), or otherwise is not on a clear path to completion by the end of March, 2026, then any accumulated Manufacturer funds would be distributed to Fund 131 and would be included in the next planned RFP cycle administered by the BHAC.

The BoCC would also direct the Finance Director to immediately move current Pharmaceutical funds and any additional Pharmaceutical funds as they are received into Fund 131 (as a separate subaccount to keep these dollars separate from the 1/10th of 1% funds that are distributed via separate RFP), with instructions to the Treasurer to invest those funds on an ongoing basis until they are ready to be issued via the RFP process.

REVIEWED BY:



Josh Peters, County Administrator



Date

Jefferson County Opioid Settlement Summary*Funds received to date as of July 3, 2025*

	Pharmacy	Manufacturer	Distributor	Combined Total
Dec 2023 Receipt			96,326.19	
Dec 2024 Receipt	287,843.68	35,185.54	11,832.62	
Mar 2025 Receipt	218,933.00		40,848.75	
Fund Totals	506,776.68	35,185.54	149,007.56	690,969.78

Disbursed	0.00	0.00	149,007.56
-----------	------	------	------------