



CITY COUNCIL MEETING STAFF REPORT

Meeting Date: May 19, 2025		Subject: Utilizing Opioid Settlement Funds for Mental Health and Addiction Peer Support Services Staff Member: Amanda Guile-Hinman, City Attorney Department: Legal	
Action Required		Advisory Board/Commission Recommendation	
<input type="checkbox"/> Motion <input type="checkbox"/> Public Hearing Date: <input type="checkbox"/> Ordinance 1 st Reading Date: <input type="checkbox"/> Ordinance 2 nd Reading Date: <input type="checkbox"/> Resolution <input checked="" type="checkbox"/> Information or Direction <input type="checkbox"/> Information Only <input type="checkbox"/> Council Direction <input type="checkbox"/> Consent Agenda		<input type="checkbox"/> Approval <input type="checkbox"/> Denial <input type="checkbox"/> None Forwarded <input checked="" type="checkbox"/> Not Applicable Comments: N/A	
Staff Recommendation: N/A			
Recommended Language for Motion: N/A			
Project / Issue Relates To:			
<input checked="" type="checkbox"/> Council Goals/Priorities: Council identified a Public Safety Goal outcome to expand on-the-ground mental health resources as part of its 2025-27 Council Goals	<input type="checkbox"/> Adopted Master Plan(s):	<input type="checkbox"/> Not Applicable	

ISSUE BEFORE COUNCIL:

Consider pursuing a pilot program for the provision of mental health and addiction peer support services funded through the City's opioid settlement funds.

EXECUTIVE SUMMARY:

The City, as a recipient of funds from several settlements of national lawsuits concerning the manufacture and sale of prescription opioids, is required to use the settlement funds towards opioid abuse prevention, treatment, and/or education. This staff report examines whether to direct the City's opioid settlement funds to create a pilot project focusing on mental health and substance abuse peer support services. The concept of this pilot project is the result of the recommendation from a City-initiated informal task force consisting of representatives from the City (including a City Councilmember, City staff, and the City-contracted Clackamas County mental health specialist), Wilsonville Community Sharing, Heart of the City, Clackamas County Public Health Division, Tualatin Valley Fire & Rescue, and the West Linn-Wilsonville School District.

Staff will seek the following information and direction from City Council at the May 19, 2025 Work Session:

1. Whether to move forward with a pilot program for a local peer support specialist, or whether Council seeks further input or information before considering the pilot program.
2. If the answer to Question 1 is yes, whether to contract with Mental Health & Addiction Association of Oregon (MHA AO) for such services.
3. If the answer to Question 2 is yes, what information/data points Council is interested in tracking from MHA AO and what are the measures of success to evaluate the pilot program.

MHA AO will participate in the May 19, 2025 Work Session to provide additional information regarding its peer support program.

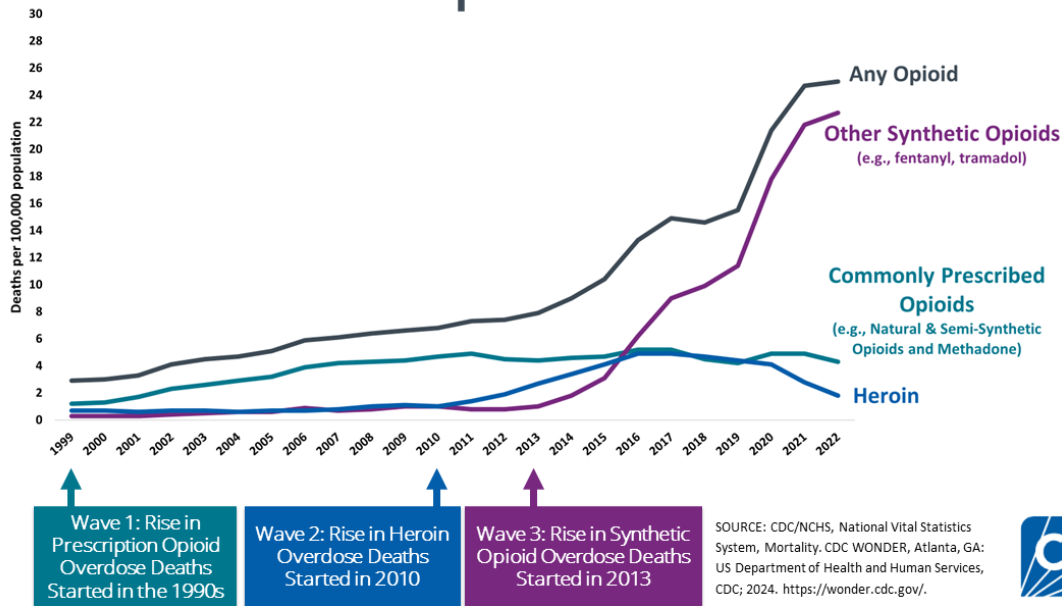
I. BACKGROUND

A. The Rise of the Opioid Crisis

According to the Centers of Disease Control and Prevention (CDC), since 1999 through 2022, reportedly 727,000 people have died from an opioid overdose – both from deaths involving prescriptions and illegal opioids. The first identified wave of opioid-related deaths began with increased prescribing of opioids in the 1990s. As described by the U.S. Department of Health and Human Services (HHS), this first wave is attributable to pharmaceutical companies reassuring the medical community that patients would not become addicted to opioid pain relievers, and healthcare providers began to prescribe them at greater rates.

With increased prescription of opioid medications, widespread misuse of both prescription and non-prescription opioids occurred before it became clear that opioid medications could, in fact, be highly addictive. In 2017, HHS declared the opioid crisis a public health emergency. Below is a graphic from the CDC explaining the three waves of the opioid overdose deaths.

Three Waves of Opioid Overdose Deaths



B. Manufacturer/Distributor Settlements

Many opioid manufacturers, distributors, and other parties have been sued for their alleged roles in causing or contributing to the opioid crisis. Due to the number of suits filed, many were consolidated into federal multi-district litigation (MDL) matters. An MDL suit allows for broad (nationwide) resolution of a matter for all parties who agree to join, and can be strategically advantageous to ensure that settlement funds are shared by all impacted parties. For the opioid-related suits, settlements were conditioned on a high percentage of states and localities of a certain size to agree to the settlements and release future claims against the settling parties. Most jurisdictions in Oregon, including the City of Wilsonville, agreed to the settlements.

Since Wilsonville, like many other cities and counties in Oregon, had not sued the opioid manufacturers or distributors, Wilsonville entered into an agreement with the State of Oregon whereby funds attributable to Oregon (based on a calculation developed in the settlement) would be split 45% to the State and 55% to the participating Oregon subdivisions (counties and cities of a certain size that agreed to the settlement). A copy of the Oregon Subdivision Agreement is attached hereto as **Attachment A**. Each Oregon subdivision was assigned a percentage for the receipt of settlement funds. Settlement funds are paid over a period of 18 years, and distributions must be spent in accordance with the terms of the settlements within five (5) years of receipt, or the funds must be returned to the State. Attached hereto as **Attachment B** is an exhibit from the settlements listing the ways settlement funds may be used. The City is required to report out how the funds are being spent in accordance with the settlements.

To date, the City has collected approximately \$130,000 in settlement funds from the various settlements. The City has not yet spent any of the funds and will need to begin spending the funds by 2026 to avoid returning the funds to the State.

II. City Informal Task Force Recommendation

As the City contemplated how to spend its opioid settlement funds, at the direction of the City Council, a group of interested parties met over the course of approximately one year to explore different options that would meet one or more of the allowed expenditures listed in **Attachment B**. This group included the following representatives:

- Then-Councilor Joann Linville, who also served on the State of Oregon Prevention, Treatment and Recovery Board that oversees how the State spends its opioid settlement funds
- Clackamas County Mental Health Specialist Brenda Evans
- Leigh Crosby, Wilsonville Community Sharing
- Lyn Whelchel, Heart of the City
- Sandi Williams, Heart of the City
- Apryl Herron, Clackamas County Public Health Division
- Cassandra Ulven, Tualatin Valley Fire & Rescue
- Dr. Jennifer Spencer-Iiams, Assistant Superintendent of High Schools, West Linn-Wilsonville School District
- City staff (Bryan Cosgrove, Rob Wurpes, Amanda Guile-Hinman)

This informal task force discussed first-hand and reported experiences of the impact of the opioid crisis in Wilsonville to help guide what uses of the settlement funds may be most helpful to the community. The group also examined the resources currently available, as provided by the County, School District, and emergency services, to ensure that the funds could be utilized to supplement, rather than duplicate, services already provided.

Particularly based on the feedback from the City-contracted Clackamas County Mental Health Specialist and local non-profit service providers, the group decided to further explore whether a locally based mental health and substance use peer support specialist would add value to the support services currently available and accessible in Wilsonville. The Oregon Health Authority defines a peer support specialist as “an individual providing services to another individual who shares a similar life experience with the peer support specialist....” See OHA website: <https://www.oregon.gov/oha/ei/pages/thw-pss.aspx>.

Other considerations like education campaigns, supplies of naloxone, and staff training, were determined to either: be available through other sources or less impactful than a peer support specialist, given the on-the-ground experiences of the City-contracted Clackamas County Mental Health Specialist and local non-profit service providers.

When the group decided to further consider a peer support specialist, the Clackamas County Public Health Division representative and the City-contracted Clackamas County Mental Health Specialist each suggested MHA AO as a possibility based on MHA AO's work with Clackamas County. The County contracts with MHA AO to provide some peer support services in the County. MHA AO representatives presented their peer support services program to the group in 2024. The group ultimately determined that MHA AO's peer support services program could add significant value to the community for the following reasons:

- Peer support services will support the services that are provided by City-contracted Clackamas County Mental Health Specialist Brenda Evans, whose work focuses primarily on individuals in crisis, rather than individuals who may be experiencing mental health or substance use challenges but are not in active crisis.
- Peer support services are designed to work holistically with an individual over a longer period of time, increasing the likelihood of connecting the individual with needed services
- Peer support services have direct connections with other service providers and information
- Peer support services are also a resource for community-facing City staff (Library, Parks and Recreation, Transit) and local non-profit organizations
- While Clackamas County has contracts for peer support services, the contracted support is not sufficient to accommodate the needs of the entire county
- MHA AO has peer support specialists experienced in both mental health and substance use assistance and offers 1:1 services (as opposed to peer support groups)

The City-contracted Clackamas County Mental Health Specialist Brenda Evans provided the following statement in support of peer support services:

"I support the decision to hire a peer support specialist for Wilsonville city. People who experience mental health and substance abuse issues, need support. Peer support specialists have extensive training and lived experience to meet an individual needs, where they are at, when other providers can't reach them in the same capacity. I have been a treatment provider for crisis services the past 12+ years and healing happens in community, not isolation. Through peer support, individuals who are struggling in our community can more successfully gain that step toward healing and recovery."

More information about MHA AO is available at its website: <https://www.mhaoforegon.org/>.

MHA AO estimates that one full-time equivalent peer support specialist will cost approximately \$123,800 for one fiscal year, which will consume most of the City's current balance of opioid settlement funds. Attached hereto as **Attachment C** is an estimated budget for a peer support specialist. Although the City will continue to receive opioid settlement funds over the next several years, the funds are not sufficient to fully fund this program if the Council desires to continue the

program beyond the first fiscal year. Staff has started exploring other funding sources if Council will want to continue the program, including:

- Contacting representatives of the State who administer the State opioid settlement funds regarding possible grant opportunities
- Contacting nearby jurisdictions about an agreement for shared peer support services
- Utilizing federal funds granted to SMART for security measures, which SMART staff has confirmed with the Federal Transit Administration would be an acceptable use of the funds

Staff's goal for seeking continued funding is to limit any needs placed on the General Fund for these services.

III. Council Direction

If Council generally supports the peer support specialist pilot program, City staff seeks the following additional direction:

- **Whether Council is interested in contracting with MHAAO for such services**

Based on MHAAO's specific services (1:1 mental health and substance use peer support services), and its active engagement with Clackamas County and in the larger Portland-metro area, City staff would recommend that Council approve an exemption from competitive procurement to directly contract with MHAAO.

- **What information/data points Council is interested in tracking from MHAAO and what are the measures of success to evaluate the pilot program**

By way of example, Clackamas County's contract with MHAAO included the following monthly reporting:

1. Referrals received for those at risk of an overdose or with a substance use disorder
2. For those referred to treatment and recover support services, the following information:
 - a. Type of treatment the individual is referred
 - b. Number of naloxone kits distributed/harm reduction supports provided
 - c. Individuals who received peer support
 - d. Individuals linked to housing
 - e. Individuals linked to primary or behavioral health care
 - f. Individuals linked to employment

- **Does Council need any further information before proceeding?**

EXPECTED RESULTS:

Based on feedback from local non-profit service providers and the City-contracted Clackamas

County Mental Health Specialist, staff anticipates that a locally based peer support specialist will offer services that supplement and aid other services currently available in the community.

TIMELINE:

If Council desires to consider a contract with MHAAO, staff will bring forward a resolution for Council to approve an exemption from competitive procurement and contract with MHAAO in June 2025 for services to commence in fiscal year 2025-26.

Thereafter, MHAAO will undertake a recruitment process and has indicated that a City representative may be involved in interviews, which City staff would recommend that City-contracted Clackamas County Mental Health Specialist Brenda Evans participate, if available.

City staff has identified that the peer support specialist could have space in ParkTech – where Wilsonville Community Sharing is located – for meetings with individuals. Wilsonville Community Sharing is supportive of this.

CURRENT YEAR BUDGET IMPACTS:

Opioid settlement funds will be utilized for the one-year pilot project. As indicated above, staff is actively seeking other funding sources for future years.

COMMUNITY INVOLVEMENT PROCESS:

As detailed above, staff engaged with several organizations, including service providers, County staff, the school district, and emergency services, to consider how to use the opioid settlement funds in the most impactful manner.

POTENTIAL IMPACTS OR BENEFIT TO THE COMMUNITY:

A peer support specialist can positively impact community members' experiences by assisting individuals who are experiencing mental health and/or substance use challenges, and walking with them in engaging in support services.

ALTERNATIVES:

Clackamas County has contracts for several different types of peer and family support services. Information regarding the contracted services can be found at:

<https://www.clackamas.us/behavioralhealth/support.html>

CITY MANAGER COMMENT:

N/A

ATTACHMENTS:

- A. Oregon Subdivision Agreement
- B. Allowed Uses of Opioid Settlement Funds
- C. Budget Estimate for Peer Support Specialist