



Cover Memorandum/Staff Report

File #: 26-0727

Agenda Date: 6/9/2026

Item #: 7.D.

TO: Mayor and Commissioners
FROM: Jeffrey L. Oris, CEcD, Assistant City Manager
THROUGH: Terrence R. Moore, ICMA-CM
DATE: June 9, 2026

MOTION TO APPROVE AN EXPENDITURE PLAN FOR OPIOID SETTLEMENT FUNDS FOR 2026-2027

Recommended Action:

The City Commission is asked to determine appropriate expenditures to include in the 2026-2027 Opioid Settlement Funds expenditure plan to be submitted to the State of Florida.

Background:

The City of Delray Beach, in addition to other municipalities and counties located throughout the the State of Florida, experienced the devastating effects of the opioid epidemic which arose as a result of the manufacture, distribution, and over-prescribing of opioid analgesics and resulted in opioid overdoses, addictions, and in many cases, death. In response to this epidemic, and to hold manufacturers and distributors of prescription opioids accountable for their respective contributions to the opioid crisis, legal action was filed by the State of Florida and a number of Florida cities and counties seeking damages from the resulting opioid epidemic. As a result of the Opioid Litigation, several named defendants agreed to payment of proceeds to settle various claims, much of which will be distributed over multiple years as part of a global settlement. The City of Delray Beach has continued to receive distributions from these Opioid Litigation settlements.

In 2025, the City adopted an Expenditure of Opioid Settlement Funds Policy to govern how the City would handle the funds distributed to it. Under this policy, the City has appointed an Opioid Settlement Advisory Committee (OSAC) to make recommendations to the City Commission ads to their Annual Opioid Settlement Fund Expenditure Plan by May of each year so that the City Commission can adopt such a plan in time for a July 1 submittal of the Plan to the State. It should be noted that this plan is designed to document how the City intends to spend the funds available to it. While submitted to the State through a web-based portal, the State does not approve the submission. It is also not an absolute submittal of how the funds will be spent as, according to the Florida Department of Children and Families (DCF), who administers the Opioid Settlement Funds, if the City cannot spend the funds as submitted or chooses to re-allocate the funds, it only needs to submit an updated plan with the new intended expenditures. The limitations of how the funds can be utilized are contained with the agreement for funds that the City entered into with the State of Florida and which we substantially included within our policy for the use of the funds. In simplistic terms, the funds can be used to intervene to prevent future use of opioids, treat those with a history of opioid use and related trauma, assist those whom have had an opioid use issue in having a setback in refraining from using opioids or other drugs in the future.

Given the allowable uses and seeking to provide a cost effective means to deal with the opioid issues in the City, the OSAC investigated different options as to how the available funds could be expended. Currently the City has \$395,524.93 available to expend. The OSAC invited and had joint discussions with the Delray Beach Drug Task Force seeking that groups input on potential expenditures. These meetings were fruitful and led to the submittal by the Drug Task Force of a report suggesting potential use of the funds based on the discussions and their members collective experience and understanding of where gaps existing in funding for drug related needs. To this end, the OSAC determined the best recommendation to the City Commission would be to fund a Mobile Integrated Health (MIH) unit to be housed in the Fire-Rescue Department. The group did have a secondary idea of how they would recommend expenditures, but the MIH program was unanimously the top priority. So as to not investigate this further if the City Commission did not want to pursue such a program, a presentation was made to the City Commission on May 19, 2026 regarding this program. With consensus of the Commission, OSAC investigated this idea further and ultimately, made a final recommendation to the Commission to use all available funds for an MIH program. When presented to the City Commission, the Commission indicated they were not in favor of such a recommendation based cost considerations.

Since the presentation of the OSAC's recommendation, staff has worked to provide a framework for an Expenditure Plan for the City Commission as a guidance to formulate a final Expenditure Plan for submittal to the State. The basics of this framework were presented to the OSAC at their most recent meeting on June 1st as it based on the Drug Task Force's report and the secondary priority discussion the Committee has prior to the original presentation to the Commission in February, 2025. Additional information including an increase in available funds and an updated cost estimate for the creation of a MIH program were taken into account with this framework as well. Currently, the City has \$395,524.93 available to expend. The Fire Chief has determined that a MIH program can be initiated with \$251,000 to pay for two new positions (the Fire-Rescue Chief believes that he can provide space, a vehicle, and equipment with existing inventory such that no significant additional expense beyond salaries and benefits will be needed).

Given the above, below are three options for potential Opioid Settlement Funds Expenditures for FY2026-2027 (based on the State's fiscal year beginning on July 1, 2026). The Commission is asked for the programs they wish to fund and at what level of financial commitment of Opioid Funds.

Option 1: \$125,500.00 - Mobile Integrated Health Unit (represents 50% of the necessary funds for this program's first year)

\$135,000.00 - Workforce and Job Assistance Grants

\$135,024.93 - Affordable and Supportive Housing Grants

Option 2: \$150,000.00 - Workforce and Job Assistance Grants

\$245,524.93 - Affordable and Supportive Housing Grants

Option 3: Framework from Either Option 1 or Option 2 but putting all of the funding for grants into a single pool of funds. From this fund any provider who wishes to apply for grants for either Workforce and Job Assistance OR Supportive Housing can submit to the pool and the applications that will provide the best return and/or most desired outcomes will be funded.

About the options: The MIH program cannot be fully funded as its mission would include assistance of other residents, not just those with opioid-related issues.

Eligibility under the Settlement Agreement: Exhibit A - Schedule A. Core Strategies-G.4 and E.5. (and possibly other items possible as the program is implemented)

Exhibit B. Schedule B. Item C.9, C.11, C.12, C.15 (and possibly other items possible as the program is implemented)

All other suggested funding would be in the form of grants to outside agencies with the experience and record of success to implement the desired programs. Preferably, these funds would expand

The reach of existing programs currently administered by the potential grantees. The City's role would be to administer the grants and ensure the funding was spent in compliance

with any grant agreements

Workforce and Job Assistance Grants would be designed to bridge the gap between treatment, employment, and long term stability for individuals in recovery or for the removal of barriers to employment

(The intent is to provide services similar to those outlined in the "Project Trailblazer" and "Removing Employment Barrier" suggestions in the Delray Beach Drug Task Force's Recommendation Plan.

Eligibility under the Settlement Agreement: Exhibit A - Schedule A. Core Strategies-B.4 and E.4 possibly others to be identified in grant applications

Items Exhibit B: Schedule B. Support People in Treatment and Recovery - #1, #2, #3, #8 (and other items possible under grant applications)

Affordable and Supportive Housing Grants would be designed to ensure those in early recovery have appropriate housing that supports their treatment and recovery.

Eligibility under the Settlement Agreement: Exhibit A - Schedule A. Core Strategies-B.4 and E.4 possibly others to be identified in grant applications

Items Exhibit B: Schedule B. Support People in Treatment and Recovery - #1, #2, #3, #8 (and other items possible under grant applications)

All grants would be awarded to treat Delray Beach residents participating in programs provided. Conspicuously absent in these suggestions is funding for treatment. Discussions at OSAC and with individuals familiar with the recovery community indicated that there is funding for treatment available (while probably not enough) however, the current need to for support for those in treatment which minimizes the potential they will not be able to enter or complete initial recovery programs. Without a place to live or help in providing for their children, recovery would be difficult. Along the same thought, not having a job and having too much time on their hands and minimal financial resources also significantly impairs longer term success of recovery.

Also not accounted for are prevention/education programs. This is because, as previously indicated to the City Commission, the City currently has available \$947,566 in Caron Foundation settlement funds. This funding is currently replenished at an amount equal to or greater than what is anticipated in Opioid funds. It has further been indicated that these funds can only be used for drug education programs. It is not efficient to use Opioid funds for education programs while there is so much available from the Caron Foundation settlement.

These options are provided to the City Commission for the final formulation of an Expenditure of Opioid Settlement Funds Plan. The Commission is free to accept one of these options, use the

framework of what to fund but change the dollar amounts to be available for each, or the Commission may create a completely different plan based on other programs it would like to fund in the amounts acceptable to them (provided the programs meet the guidelines of the settlement agreement with the State of Florida

- ATTACHMENTS:
- 1) Opioid Settlement Agreement with the State of Florida
 - 2) City of Delray Beach Expenditure of Opioid Settlement Funds Policy
 - 3) Anticipated Opioid Funds Over the Life of the Distributions
 - 4) Available Opioid Funding for FY 2026-27
 - 5) Recommendation of the Opioid Settlement Fund Advisory Committee
 - 6) Delray Beach Drug Taskforce's Recommendation Plan
 - 7) Detailed Labor Costs for MIH Startup.

City Attorney Review:

N/A

Funding Source/Financial Impact:

Funds are received from the Global Opioid Settlement. Should the City wish to fund the MIH program, a matching 50% will be required to fully fund this program.

Timing of Request:

The City's annual plan for the expenditure of the opioid settlement funds for the upcoming year is to be submitted to the State's electronic reporting system before July 1, 2026.