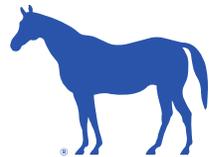


LFUCG OPIOID LITIGATION SETTLEMENT FUNDS

March 24, 2026

Mayor Linda Gorton's Prioritized Recommendations



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What are Opioid Abatement Funds?

- Opioid Abatement Funds are monies that stem from the national opioid settlement.
- The national opioid settlements are a series of legal agreements where opioid manufacturers and distributors, being held responsible for their role in exacerbating the opioid crisis, are paying billions of dollars to resolve lawsuits with state and local governments across the U.S. The funds are directed toward addiction treatment, prevention, and recovery efforts with an emphasis on supporting communities impacted by the epidemic. Kentucky is scheduled to receive well over \$980 million dollars over the course of several years. (<https://kyoaac.ky.gov/>)



Opioid Litigation

- In 2017, LFUCG joined with over 30,000 municipal plaintiffs around the country in a lawsuit against the distributors and manufacturers of opioids.

- Lawsuits proceeding along three tracks:
 - Trials
 - Settlements
 - Bankruptcies

Mayor's Opioid Abatement Commission

- The Commission was created with the mission to recommend appropriate uses for proceeds received regarding the National Opioid Litigation activities.
 - The commission met monthly for 2 years to review presentations, programs, and community needs.
 - Members completed the Recovery Ready Communities Assessment, leading to Lexington being recognized by the Governor as a Recovery Ready Community.
 - After several months of review and discussion, the commission deliberated and developed recommendations.
 - Recommendations were submitted to Mayor Gorton.
 - I carefully reviewed and prioritized recommendations based on available funding and long-term sustainability.



Settlement Fund Overview

- LFUCG currently holds almost \$9 million in opioid litigation funds.
- Approximately \$30 million is expected over 18 years with the first payment received in Dec. 2022.
- Timing of payments depends on bankruptcy proceedings and payout schedules.
- The expenditure of funds must align with opioid abatement purposes.





Eligible Uses (KRS 15.291)

- Intervention, treatment and recovery services
- Detoxification
- Access to opioid-abatement-related housing
- Transportation to treatment or recovery programs
- Employment training/educational services
- Creating/supporting call centers
- Supporting crisis stabilization centers
- Oversight of opioid treatment programs
- Scholarships/support for behavioral health
- Training for health care providers
- Preventing over-prescribing
- Prescription drug monitoring
- Education of law enforcement/first responders
- Opioid related emergency response services
- Mental health trauma
- Engaging nonprofits
- Recovery for pregnant women or women of childbearing age, and training for healthcare providers working with these women
- Neonatal Abstinence Syndrome prevention/treatment/education
- Wrap-around services
- Supporting housing
- Public education
- Drug-take back disposal
- Costs of administering opioid antagonist
- Pre-trial services that connect individuals to treatment/services
- Treatment and recovery courts
- Treatment/recovery to inmates or those recently leaving jail or on probation/parole
- But state law notes that this list is not exhaustive

Priority #1: Establish an Interest-Bearing Account

Interest-bearing account.
Allow funds to grow while
awaiting allocation.
Interest reinvested into
prevention, treatment, and
recovery.





Priority #2: Allocate funds for Supportive Housing and Integrated Treatment Services

- Invest in supportive housing with integrated treatment services.
- Align with Homelessness Task Force efforts.
- Temporary, transitional, and permanent supportive housing pertaining to abatement criteria.
- Inclusive of wraparound services and recovery supports.



Priority #3: Allocate Support for LFUCG Community Corrections

- Invest in Opioid Use Disorder (OUD), Substance Use Disorder (SUD), and Mental Health (MH) treatment inside Community Corrections.
- Medical Assisted Treatment (MAT) expansion and behavioral health counseling.
- Reentry planning and peer navigation.
- Reduce recidivism and overdose risk.



Priority #4: Launch a tiered Community Grant Program

- A grant program for local Non-Profits
- These funds will be offered in a tiered structure offering annual micro and biennial macro grant opportunities.



Priority #5: Invest in the LFUCG Substance Use Disorder Intervention (SUDI) Program

- Provide ongoing support to facilitate mobile naloxone distribution, programming and harm reduction efforts.



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*Substance Use Disorder
Intervention Program*



Priority #6: Host an Opioid Response and Recovery Symposium

- Pilot a community-wide opioid response and recovery symposium.
- Review spending, current programming and outcomes.
- Engage lived experience, community partners and addiction/behavioral health professionals.
- Assists in integrating subject matter experts and the community with identifying gaps.



Questions?



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