

Item Title: Uncommit and Appropriate McKinsey & Co Opioid Settlement Funds

Specific Action Requested:

That the Board of Commissioners uncommit and appropriate \$331,532.88 of committed General Fund balance from the McKinsey & Co Settlement to fund opioid remediation strategies.

Item Summary:

Purpose: The Board of Commissioners approves all budget revisions.

Background: Wake County is receiving funding through national opioid litigation settlements to address the impact of the opioid crisis in our community. Through the primary North Carolina settlement agreements, Wake County will receive more than \$67 million over 18 years to support treatment, recovery, and other opioid remediation strategies.

In addition to those funds, Wake County received a separate, one-time payment of \$331,532.88 from the McKinsey & Co settlement. These funds must be used for approved opioid remediation purposes but are not subject to the same spending framework that governs the County's primary opioid settlement funds. This provides flexibility to invest in additional approved strategies responsive to identified needs.

Through prior strategic planning efforts, stakeholders highlighted the need for expanded opioid-related education and prevention. Wake County Behavioral Health will conduct a competitive procurement process to identify qualified proposers to implement eligible opioid remediation strategies aligned with settlement requirements.

This action uncommits and appropriates the McKinsey settlement funds so they may be awarded through a competitive process for eligible opioid remediation projects.

Board Goal: This action supports Community Health and Wellbeing Goal 3: By 2029, 5% more residents asked will indicate low barriers to healthcare and behavioral health services, such as access to providers, insurance coverage, affordability, and appointment wait times.

Fiscal Impact: This action increases the FY 2026 Behavioral Health Department budget by \$331,532.88, aligning with the Opioid Settlement Spending Plan. The source of the revenue is a settlement agreement with McKinsey & Co. This action appropriates one-time, non-

recurring settlement funds and does not create any ongoing obligation or impact to the General Fund.

Additional Information:

The overdose crisis remains one of the worst public health emergencies our country has faced in decades, and one that has deeply affected Wake County. According to NCDHHS (2025), between 2011 and 2024, 1,974 people died from an overdose in Wake County, including an estimated 158 individuals in 2024, a 35% decrease from 2023. While overdose deaths have declined in recent years due to public health efforts, they remain higher than they were before the COVID-19 pandemic. This promising trend underscores the importance of ongoing investments in overdose prevention and support for people with opioid use disorder in Wake County.

North Carolina is part of a historic agreement that will bring \$1.5 billion to the state that will provide much needed relief to communities impacted by opioids. These funds will be used to support early intervention, treatment, recovery support, and other life-saving programs and services. In November 2021, Wake County agreed to participate in the national settlement and will receive approximately \$67.7 million over the next 18 years.

Separately, a settlement agreement with McKinsey & Co resulted in a one-time payment of \$331,532.88 to Wake County. These funds must be used for approved opioid remediation purposes as outlined in Exhibit E (“List of Opioid Remediation Uses”) of the settlement agreement. In June 2025, the Board of Commissioners committed these funds to fund balance for future appropriation.

Unlike the County’s primary opioid settlement funds, the McKinsey settlement funds are governed directly by the terms of that agreement and must be used for eligible opioid remediation activities. This provides flexibility to invest in additional approved strategies responsive to identified needs. Through prior strategic planning efforts, stakeholders highlighted the need for expanded opioid-related education and prevention. Wake County Behavioral Health will conduct a competitive procurement process to identify qualified proposers to implement eligible opioid remediation strategies aligned with settlement requirements.

Attachments:

1. Wake County FY26-FY27 Opioid Settlement Funding Plan
2. Budget Memo - FY2026 Human Services
3. Exhibit E (List of Opioid Remediation Uses)