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An ordinance establishing requirements for the administration, transparency, and reporting of funds received by the Metropolitan Government in connection with litigation-related claims against opioid manufacturers, distributors and related entities.

WHEREAS, the Metropolitan Government of Nashville and Davidson County has received and is expected to continue receiving funds from opioid litigation and related settlements over multiple years; and

WHEREAS, the Office of Internal Audit issued an Audit of Opioid Settlement Funds on June 10, 2026, which identified areas for improvement in governance, financial reporting, monitoring, documentation, and evaluation; and

WHEREAS, opioid claim funds should be used in accordance with requirements set forth in any applicable agreements and based on public health data, community needs, and evidence-based practices; and

WHEREAS, opioid claim funds will be received and expended over multiple fiscal years and terms of office, and requirements for planning, transparency, performance measurement, and reporting should remain in place regardless of changes in administrative or advisory structures; and

WHEREAS, the Metropolitan Council desires to establish those requirements without altering the authority of the Metropolitan Board of Health under the Metropolitan Charter or applicable law.

~~WHEREAS, overdose deaths and substance use disorder remain acute public-health crises in Nashville and Davidson County and require coordinated, evidence-based, and community-centered responses; and~~

~~WHEREAS, opioid settlement funds present an important opportunity to invest in prevention, harm reduction, treatment, recovery support, community education, research, and systems improvements, but such investments must be guided by clear priorities, transparent public reporting, and measurable outcomes; and~~

~~WHEREAS, the University of Tennessee's Substance Misuse and Addiction Resource for Tennessee ("SMART") Initiative provides guidance and best practices for local governments seeking to implement cost-effective, evidence-based strategies to reduce harm from substance use and improve recovery outcomes; and~~

~~WHEREAS, public-facing dashboards and regular reporting improve accountability, help the public understand local needs, and allow for tracking of fatal and non-fatal overdoses, naloxone distribution, treatment capacity, and program performance models already in use at state and local levels in Tennessee; and~~

~~WHEREAS, the Tennessee Opioid Abatement Council maintains a public dashboard of grant awards and program descriptions, offering a useful framework for transparent reporting and coordination; and~~

~~WHEREAS, best practices for overdose and opioid-fund transparency call for clear metrics, timely data updates, accessible public reporting, and program inventories linked to outcomes enabling continuous improvement and community engagement; and~~

~~WHEREAS, a recently published the Office of Internal Audit found that governance, reporting, and monitoring of opioid settlement funds should be strengthened to improve transparency and the ability to assess program effectiveness; and~~

~~WHEREAS, the Opioid Settlement Steering Committee, previously established as part of a pilot project use of~~

~~settlement funds and aligned with the Behavioral Health and Wellness Advisory Council ("BHWAC") should be designated as the primary advisory body for opioid settlement fund use in Metro Nashville to the benefit of the community.~~

NOW, THEREFORE, BE IT ENACTED BY THE METROPOLITAN COUNCIL OF NASHVILLE AND DAVIDSON COUNTY:

Section 1. That Title 10 of the Metropolitan Code of Laws is hereby amended by adding a new Chapter 10.71 as follows:

Chapter 10.71 - Opioid Claim Funds

10.71.010 - Definitions and applicability.

A. For purposes of this chapter, "opioid claim funds" means funds that the metropolitan government is owed through resolution of opioid-related claims (i) regardless of whether paid as a county allocation managed by the Tennessee Opioid Abatement Council, a direct subdivision payment pursuant to the Tennessee State-Subdivision Opioid Abatement Agreement, a direct settlement payment with an opioid manufacturer or related entity defendant, or a bankruptcy claim distribution; and (ii) regardless of whether the funds are received as part of a judgment, settlement, or court-ordered or approved distribution.

B. "Funded activity" means a metropolitan government program, grant, contract, project, or initiative funded in whole or in part with opioid claim funds.

C. The Metro Public Health Department ("MPHD") shall administer this ordinance in coordination with other metropolitan entities as necessary.

D. Nothing in this ordinance shall alter or diminish the authority of the metropolitan board of health under the Metropolitan Charter or other applicable law.

10.71.020 - Opioid claim funds plan.

A. MPHD shall prepare and publish a plan for the use of opioid claim funds.

B. The initial plan shall be published within 180 days after the effective date of this ordinance.

C. The plan shall be reviewed annually and updated as needed to reflect available funding, community needs, public health data, settlement or other litigation-related requirements, and program performance.

D. The plan shall include:

1. An assessment of local opioid-related needs, service gaps, and priority populations or communities;

2. Priority strategies for prevention, harm reduction, treatment, recovery, and other allowable opioid abatement activities;

3. Criteria for funding decisions based on settlement or other litigation-related requirements, local data, community need, and evidence-based or evidence-informed practices;

4. Measurable objectives and a process for evaluating funded activities;

5. Administrative and staffing needs; and

6. A plan for the continuation or wind-down of programs, services, and employees of the metropolitan government as opioid claim fund revenues decline or end.

E. MPHD shall annually identify implementation priorities based on available funds, anticipated receipts,

existing obligations, community needs, program performance, and settlement or other litigation-related restrictions.

F. The plan and annual priorities do not constitute an appropriation or supersede any authorization required by the Metropolitan Charter, this code, state law, or any applicable settlement or other opioid claim fund-distribution agreement.

10.71.030 - Administration.

A. MPHD shall designate an employee or official ("coordinator") to coordinate administration and reporting of opioid claim funds. This section does not require a new Metropolitan Government position.

B. The coordinator, or their designee, shall:

1. Coordinate compliance with settlement or other opioid claim fund-distribution agreements, state requirements, and restrictions on the use of opioid claim funds;

2. Collect and analyze available local data to identify priorities and community needs;

3. Monitor administration of funded activities;

4. Monitor performance measures; and

5. Maintain the public dashboard and coordinate the annual report and public input required by this ordinance.

10.71.040 - Transparency Dashboard.

A. Within 180 days after the effective date of this ordinance, MPHD shall establish and maintain a public Opioid Claim Funds Transparency Dashboard ("dashboard").

B. The dashboard shall include:

1. The amount and source of opioid claim funds received by the Metropolitan Government;

2. The amounts expended and remaining;

3. For each funded activity:

a. The recipient or administering entity;

b. The amount of funding;

c. The purpose and funding period;

d. The current status; and

e. Performance measures and available results;

4. Metropolitan Government positions funded in whole or in part with opioid claim funds, including the position classification or program and the amount or portion of personnel costs supported by those funds;

5. The source of dashboard data and the date of the most recent update; tabularly based financial and program data in a downloadable format; and

6. Historical information, when available, on opioid claim funds received, allocated or awarded, and expended before the effective date of this ordinance; and

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7. For any expenditure used to reimburse the Metropolitan Government for a prior opioid remediation or abatement expense, the amount, purpose, and fiscal year of the original expenditure; and

8. Requests for proposals that are issued and to be paid for using opioid claim funds;

9. The findings and recommendations in an audit of opioid settlement funds published by the division of metropolitan audit; and

10. The results of any review conducted by the division of metropolitan audit after the effective date of this ordinance, accompanied by any official response by MPHD or other divisions of the metropolitan government.

C. Financial information on the dashboard shall be updated at least quarterly.

D. Nothing in this section requires disclosure of information made confidential or exempt from public disclosure by law.

10.71.050 - Annual report.

A. MPHD shall prepare an annual opioid claim funds report for the metropolitan council and metropolitan board of health and publish it on the dashboard.

B. The first report shall be submitted within 180 days after the effective date of this ordinance. Thereafter, the report shall be submitted within 120 days after the end of each metropolitan government fiscal year.

C. The report shall include:

1. Beginning and ending balances and receipts during the reporting period, identified by source;

2. Amounts received, allocated or awarded, expended, and remaining during the reporting period;

3. A program-by-program accounting of material expenditures and outstanding obligations;

4. Performance measures and available results for funded activities, including progress toward the plan;

5. Metropolitan Government positions funded in whole or in part with opioid claim funds and the amount of such funding used for personnel costs;

6. A plan for the continuation of or wind-down of programs, services, and employees of the Metropolitan Government as opioid claim fund revenues decline or end;

7. The status of recommendations in the June 10, 2026 Office of Internal Audit report and any subsequent audit or review until each recommendation is resolved or closed;

8. Funding and program priorities for the next reporting period; and

9. If an advisory committee or other advisory body concerning opioid claim funds existed during the reporting period, a summary of its formal recommendations and the administration’s disposition of those recommendations.

10.71.060 - Performance and public input.

A. Each funded activity shall include measurable performance indicators, including outputs and outcomes where practicable.

B. MPHD shall review program performance at least annually and use the results to inform future funding

decisions. Results shall be reported on the dashboard and in the annual report.

C. Before adopting the initial plan or materially revising it, MPHD shall provide at least one publicly noticed opportunity for public input. Written or electronic comments shall also be accepted.

D. Public input may be coordinated with a meeting or process of the metropolitan board of health, an advisory body established by the executive branch, or another appropriate public forum.

10.71.070 - Compliance.

A. The Metropolitan Government shall administer opioid claim funds in accordance with applicable state law and any applicable opioid claim fund-distribution agreement, such as but not limited to any applicable requirements of the Tennessee Opioid Abatement Council or the Tennessee State-Subdivision Opioid Abatement Agreement.

B. MPHD shall coordinate as needed with the Tennessee Opioid Abatement Council, the Tennessee Department of Mental Health and Substance Abuse Services, the Tennessee Department of Health, and other state or local agencies regarding reporting, data, approved abatement strategies, and opioid claim fund requirements.

C. Opioid claim funds shall be used only for opioid remediation or abatement purposes authorized by applicable law and any applicable settlement or other opioid claim fund-distribution agreement. Opioid claim funds shall not be used for general governmental purposes unrelated to opioid remediation or abatement.

D. Opioid claim funds may be used to reimburse prior expenditures only when the underlying expenditure qualifies as opioid remediation or abatement under applicable law or the applicable settlement or other opioid claim fund-distribution agreement. Any funds realized by the Metropolitan Government through such reimbursement shall remain dedicated to opioid remediation or abatement purposes.

10.71.080 - Sunset.

This chapter shall sunset following the issuance of the annual report that reflects the final expenditure of opioid claim funds.

Section 2. That the Metropolitan Council hereby goes on record as requesting that the Office of Internal Audit conduct a follow-up review of the findings and recommendations in the June 10, 2026, Audit of Opioid Settlement Funds within three years after the effective date of this ordinance.

Section 3. This ordinance shall take effect from and after its final passage and approval, the welfare of the Metropolitan Government of Nashville and Davidson County requiring it.

~~Section 1. There is hereby established an Opioid Settlement Steering Committee ("the Committee") as part of the Metropolitan Public Health Department. The Committee shall consist of eleven voting members. The Committee shall monitor the expenditure of opioid settlement funds received or awarded to the Metropolitan Government, assess program efficacy, and ensure funding is administered as consistent with the needs of Nashville and Davidson County residents. The Committee shall recommend the use of opioid settlement funds to ensure the funds are used in appropriate ways that (a) emphasize prevention, harm reduction, treatment, and recovery strategies; (b) follow evidence-based practices; (c) maximize transparency and impact; and (d) support continuous improvement informed by accurate and timely data.~~

~~Section 2. The Committee shall consist of eleven voting members and three nonvoting ex officio members. The eleven voting members shall include: one member appointed by the Chief of the Nashville Fire Department and confirmed by the Metropolitan Council; one member appointed by the Chief of the Metropolitan Nashville Police Department and confirmed by the Metropolitan Council; five members appointed by the Mayor and confirmed by the Metropolitan Council, one of whom shall be a representative from a~~

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hospital emergency department; and four members selected by the Metropolitan Council. The nonvoting ex officio members shall include the Director of Health or the Director's designee, one representative of the Metropolitan Council Public Health and Safety Committee, and one designee of the Metropolitan Finance Director. All appointed voting members shall have experience with public health policy, medicine, substance use disorder and addiction treatment, mental health services, drug misuse prevention programs, or drug court diversion, behavioral health, harm reduction, community care, health equity, or lived experience with opioid use disorder. The Committee shall:

1. Recommend a multi-year strategic funding plan aligned with evidence-based best practices, including those identified by the UT SMART Initiative;

2. Develop and publish clear funding priorities and decision criteria that address disparate needs of differing affected communities;

3. Recommend performance metrics and evaluation methods for all funded programs;

4. Receive and review, at least quarterly, financial reporting of opioid settlement funds, including funds received, appropriated, allocated, contracted, invoiced, expended, and remaining, as prepared or reviewed by the Department of Finance;

5. Require a disclosure and recusal process for members connected to funded or applicant organizations.

Voting members of the Committee shall serve for terms of three years. No more than two voting members may be appointed who also serve on the BHWAC, as formed in Mayor David Briley's Executive Order No. 003.

Section 3. The Metropolitan Government of Nashville and Davidson County shall employ an Opioid Settlement Coordinator to oversee and ensure that all opioid settlement funds are expended in accordance with the terms and restrictions established in the applicable settlement agreements. Responsibilities of this position shall include, but are not limited to, coordinating and facilitating meetings of the Opioid Settlement Steering Committee; collecting, analyzing, and reviewing county-level data to identify local priorities and inform funding decisions; administering and overseeing grant awards to community organizations; monitoring program performance metrics and outcomes; and developing and maintaining a transparent process for communicating settlement fund allocations, expenditures, and outcomes to county leadership and the public.

Section 4. Within 150 days of the formation of the Committee, the Metropolitan Public Health Department, in coordination with the Committee and the Department of Finance, shall establish a publicly accessible Opioid Settlement Transparency Dashboard. The dashboard shall list all funded projects, include standardized metrics, provide visualizations and downloadable data, and document data sources, definitions, and update schedules.

Section 5. Prior to the Committee's recommendation of any multi-year strategic funding plan, the Committee shall hold at least two public hearings, including one evening meeting and one virtual option.

Section 6. The Committee shall submit an initial strategic plan and dashboard specifications to the Metropolitan Council within 120 days of formation.

Section 7. Each funded program must identify measurable outcomes and report them through the dashboard and annual report to the Metropolitan Council. The Metropolitan Council requests that the Office of Internal Audit initiate a follow-up audit on the issues identified in the June 2026 audit report within three years of the Committee's formation. The findings of this audit shall be reported through the dashboard and as part of an annual report to the Metropolitan Council.

Section 8. The Metropolitan Government shall comply with state law and coordinate with the Tennessee Opioid Abatement Council, the Tennessee Department of Mental Health and Substance Abuse Services,

~~Tennessee Department of Health, and statewide dashboards.~~

~~Section 9. The Committee shall sunset within three years from the effective date of this ordinance, unless extended by resolution of the Metropolitan Council.~~

~~Section 10. This ordinance shall take effect on September 1, 2026, the welfare of The Metropolitan Government of Nashville and Davidson County requiring it.~~

Analysis

This ordinance, as substituted, establishes requirements for the administration, transparency, and reporting of funds received by the Metropolitan Government in connection with litigation-related claims against opioid manufacturers, distributors and related entities ("opioid claim funds"). The ordinance creates a new section in the Metropolitan Code related to opioid clams funds, which would be administered by the Metropolitan Public Health Department ("MPHD"). This ordinance would be coordinated with Executive Order No. 61, which establishes an Opioid Claim Advisory Committee of the Metropolitan Government.

The ordinance outlines how opioid claim funds would be administered. MPHD would adhere to state laws and fund distribution agreements and coordinate as needed with the Tennessee Opioid Abatement Council. The substitute ordinance states that opioid claim funds would be used only for opioid remediation or abatement purposes authorized by applicable law and any applicable agreement. Prior expenditures may be reimbursed only when they qualify as opioid remediation or abatement under an applicable law or agreement. Each funded activity shall be evaluated by measurable performance indicators. MPHD shall review program performance at least annually, publish that data, and use it to inform future funding decisions.

The substitute ordinance directs MHPD to prepare and publish a plan for the use of opioid claim funds within 180 days of the effective date of this ordinance. This plan shall be updated annually and assess local opioid-related needs and priorities, strategies for prevention, harm reduction, treatment, and recovery, criteria for funding decisions, measurable objectives and a process to evaluate fund activities, administrative and staffing needs, and a plan for the continuation and wind-down of related programs. MPHD would identify implementation priorities based on available funds, anticipated receipts, existing obligations, community needs, program performance, and settlement or other litigation-related restrictions. MPHD shall provide at least one publicly noticed opportunity for public input before the initial plan is adopted or materially revised.

MPHD would designate an employee or official to coordinate administration and reporting of opioid claim funds. That employee shall coordinate compliance with settlement or other opioid claim fund-distribution agreements, state requirements, and other restrictions, collect and analyze available local data, monitor administration of funded activities and performance measures, maintain a public dashboard, and coordinate the annual report and public input required by this ordinance.

Separately, MPHD would be directed to publish and maintain a public dashboard to include the amount and source of opioid claim funds received by the Metropolitan Government, the amounts of funds expended and remaining, details about each funded activities, Metropolitan Government positions funded in whole or in part with opioid claim funds, financial and program data, historical information, when available, on opioid claim funds received, allocated or awarded, and expended before the effective date of this ordinance, the amount, purpose, and fiscal year of the reimbursed expenditures, requests for proposals that are issued and to be paid

for using opioid claim funds. the findings and recommendations in an audit of opioid settlement funds published by the Division of Metropolitan Audit; and the results of any review conducted by the Division of Metropolitan Audit after the effective date of this ordinance, accompanied by any official response by MPHD or other divisions of the Metropolitan Government. Any financial information shall be updated quarterly.

The substitute ordinance also requires an annual report that describes balances, receipts, and amounts received, allocated, awarded expended, and remaining during a reporting period. The report would also provide a program-by-program accounting of expenditures and obligations, performance measures toward funded activities, the number of positions funded through opioid claims funds, a plan for winding down programs and services when opioid claims funds end, the status of recommendations in a June 10, 2026 Office of Internal Audit report and any subsequent audit or review, future funding and program priorities, and a summary of any recommendations made by the Opioid Claim Advisory Committee.

This ordinance would sunset after the final expenditure of opioid claim funds is made and an annual report is issued reflecting that expenditure.

Separately, the ordinance makes a non-binding request that the Office of Internal Audit conduct a follow-up review of the findings and recommendations in the June 10, 2026, Audit of Opioid Settlement Funds within three years after the ordinance’s effective date.