

Introduced by:	Mayor
Date:	05/03/22
Hearing:	05/17/22
Action:	Introduced and Set for Public Hearing on 08/09/22
Vote:	9 Yes, 0 No, 0 Absent
Date:	08/09/22
Action:	Enacted as Amended
Vote:	9 Yes, 0 No, 0 Absent

**KENAI PENINSULA BOROUGH  
ORDINANCE 2021-19-50**

**AN ORDINANCE ACCEPTING AND APPROPRIATING THE OPIOID SETTLEMENT  
FUNDS AND ESTABLISHING THE OPIOID SETTLEMENT FUND GRANT  
PROGRAM**

**WHEREAS,** the State of Alaska (the “state”) has agreed to a settlement agreement with three major distributors (Cardinal, McKesson and AmerisourceBergen) and one marketer and manufacturer (Johnson & Johnson) of opioids as part of a national settlement agreement; and

**WHEREAS,** Resolution 2021-074 authorized the Kenai Peninsula Borough (Borough) to join the settlement as one of the nine political subdivisions of the state; and

**WHEREAS,** approximately \$58 million in settlement funds will be distributed to the State of Alaska; and

**WHEREAS,** the payments will be distributed annually over the next 18 years; and

**WHEREAS,** under the default terms of the national settlement agreements, 15% of the settlement funds, or approximately \$8.7 million, will be distributed over 18 years to the nine political subdivisions that signed-on to the agreement, this fund is referred to as the “Subdivision Fund”; and

**WHEREAS,** per the settlement, the allocation of the Subdivision Fund distributions will be based on population with the Borough set to receive 9.4922% of the ~\$8.7 million over 18 years (the distribution based on population is as follows: Anchorage will receive 47.6578%, Mat-Su Borough - 15.4726%, Fairbanks North Star Borough – 10.9627%, Juneau – 5.2324%, Fairbanks 5.1226%, Ketchikan – 2.2406%, Kodiak – 2.1839%, Wasilla – 1.6351%); and

**WHEREAS,** in addition, 15% of the settlement funds will go directly to the state (“State Fund”) and 70% of the settlement funds will be distributed to the Abatement Accounts Fund, which will be under the control and direction of the state; and

**WHEREAS,** Borough staff initiated meetings with various community stakeholders to see public input in order to create a plan to distribute the funds; and

**WHEREAS,** the Borough has an existing internal process for managing and distributing grant funds and the funds can be distributed throughout the Kenai Peninsula Borough; and

**WHEREAS,** this ordinance appropriates the settlement funds distributed by the state to the Borough for opioid remediation purposes as defined, outlined, and allowed pursuant to the Final Distributor Settlement Agreement; and

**WHEREAS,** the Assembly finds that it is in the best interests of the Kenai Peninsula Borough to start an Opioid Settlement Fund Grant Program to distribute the funds in the manner below:

1. Given the limited number of funds, the total number of annual grants issued under this grants program will be limited to five grants.
2. All opioid settlement funds will be distributed through this program.
3. The grant program will be managed and directed by the Community and Fiscal Projects Manager.
4. Eligible Entities:
  - a. Nonprofit Entities.
  - b. Medical providers and mental health providers with active licenses to practice under their respective Alaskan Boards with no actions against their licenses in the prior three years, and who are not in arrears in any amounts owed to the Kenai Peninsula Borough.
  - c. Businesses who employ medical providers or mental health providers with active licenses to practice under their respective Alaskan Boards with no actions against their licenses in the prior three years, and who are not in arrears in any amounts owed to the Kenai Peninsula Borough.
  - d. Native Tribes and Corporations that have not received opioid settlement funds previously, and have by resolution waived immunity from suit for claims arising out of activities of the council related to the grant
  - e. For any entity to be considered eligible under this category all entities must be current on all legal filings at the Federal, State, and Local levels and may not be in arrears in any balances due to the Kenai Peninsula Borough.

5. Services by the entities must be provided to the Kenai Peninsula Borough residents.
6. Additional funds received mid-year can be applied to existing grantees as appropriated by the Assembly, and as allowed under the applicable settlement agreement.
  - a. The Assembly may elect to hold mid-year receipts until a subsequent year for increased grant distributions, should funding restrictions permit.
7. Notification of Grants will be placed on the Grants webpage, under the Mayor's Office homepage, on the Kenai Peninsula Borough's website.

**NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH:**

**SECTION 1.** That \$29,167.84 in opioid settlement funds are accepted and appropriated to account 271.94910.OPD22.49999, for use for the Opioid Settlement Fund Grant Program.

**SECTION 2.** The Opioid Settlement Fund Grant Program is hereby established. The program will be managed by the Community and Fiscal Project Manager in a manner consistent with this ordinance.

**SECTION 3.** That appropriations made in this ordinance are project length in nature and as such do not lapse at the end of any particular fiscal year.

**SECTION 4.** That this ordinance shall be effective immediately upon its enactment.

**ENACTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 9TH DAY OF AUGUST 2022.**

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Brent Johnson, Assembly President

ATTEST:

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Johni Blankenship, MMC, Borough Clerk

05/03/22 vote on motion to introduce and set for public hearing on 08/09/22:

Yes: Bjorkman, Chesley, Cox, Derkevorkian, Ecklund, Elam, Hibbert, Tupper, Johnson

No: None

Absent: None

08/09/22 vote on motion to enact as amended:

Yes: Bjorkman, Chesley, Cox, Derkevorkian, Ecklund, Elam, Hibbert, Tupper, Johnson

No: None

Absent: None