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GOVERNOR

DEPARTMENT OF HEALTH AND HUMAN SERVICES
LANSING

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MDHHS seeks to partner with local governments on projects designed to address substance use disorder

Coordinating investments strengthens impact, extends reach of opioid settlement dollars

LANSING, Mich. – The Michigan Department of Health and Human Services (MDHHS) has launched a new initiative inviting local governments receiving opioid settlement dollars to propose joint projects to address substance use disorder (SUD) prevention, reduce overdose risk, expand treatment access and support long-term recovery. The initiative encourages governments to identify opportunities for coordinated investment with MDHHS to strengthen community impact and extend the reach of opioid state and local settlement dollars.

“Michigan continues to be a leader in addressing substance use disorder, with the state’s overdose death rate declining by 47% since 2021,” said Dr. Natasha Bagdasarian, chief medical executive and chair of the Michigan Opioids Task Force. “Public health officials, state agencies and community partners have been working tirelessly to reverse overdose trends. By pooling our resources and working together, we will be able to save even more lives.”

Michigan is slated to receive more than \$1.8 billion from national opioid settlements by 2040, with half being distributed to the State of Michigan and the other half being distributed directly to local governments across the state. Because both levels of government are leveraging these resources to address the same gaps and priorities in responding to substance use, partnering allows for more impactful and sustainable solutions.

“Michigan communities know where local and regional gaps exist and what solutions are needed,” said Thomas Stallworth, MDHHS senior advisor, member of the Michigan Opioid Task Force and leader in Michigan’s response to the opioid crisis. “This initiative is about building on those insights and working together on projects that help both state and local governments move closer to shared goals, whether its preventing addiction, reducing the number of fatal overdoses or creating community supports that help people sustain recovery.”

Through this initiative, local governments may propose collaborative projects that align with Michigan’s statewide overdose strategy and are allowable under national opioid settlement agreements. These include efforts to expand prevention programming for youth, strengthen harm reduction services, build the SUD workforce capacity, improve treatment access and support recovery housing or peer-based services.

“Michigan’s counties are leading intentional and community-driven efforts to address the drug overdose crisis, and they understand the unique needs of their residents,” said Amy Dolinky,

director of opioid services, Michigan Association of Counties. “This initiative creates an opportunity to maximize the impact of settlement funds and build solutions that are more coordinated, sustainable and responsive to local needs.”

In the first few years of settlement spending, state-local partnerships have naturally emerged, Stallworth said, and this initiative seeks to build on these types of projects and continue to improve coordination on future investments. Examples include:

- **William Schma House:** A 48-unit permanent supportive recovery housing development in Kalamazoo, designed to provide stable, affordable housing combined with wraparound recovery services to help individuals sustain recovery. This project is slated to begin construction soon and is supported by settlement funds from the state, Kalamazoo County and other partners.
- **Harm reduction services:** Many cities and counties have leveraged funds to support harm reduction service delivery in their communities. In addition to funding many of these local organizations, MDHHS has leveraged its settlement allocation to make it easy and free for these organizations to order naloxone and other supplies through a statewide portal.
- **Technical assistance:** Between 2023 and 2025, MDHHS funded a collaborative consisting of Michigan State University, Wayne State University and the University of Michigan to provide technical assistance to counties. This included completing dozens of county needs assessments to inform local planning and spending efforts, hosting several webinars on topics related to settlements and strategic SUD response and evaluation planning. Starting this year, the Michigan Association of Counties received state funding to expand their technical assistance services directly supporting counties with planning and spending their settlement funds.

Beginning in August, MDHHS will begin accepting [letters of intent](#) from local governments on a rolling basis. Submissions that use the specified letter of intent format must be sent to MDHHS-opioidsettlementhelp@michigan.gov by 11:59 p.m. on the 15th of the month. Selected proposals will move forward into more detailed planning and contracting phases.

More information about the initiative can be [found here](#).

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