

RESOLUTION NO.

WHEREAS, City Council adopted Resolution No. 20180534-038 that recognized the growing opioid epidemic as an emerging public health and safety crisis; and

WHEREAS, the resolution directed the City Manager to review litigation against the producers, distributors, and promoters of prescription opioids and identify options for the City to support the ongoing litigation; and

WHEREAS, earlier this year, a coalition of States and political subdivisions, including the State of Texas, reached settlement agreements with four companies to resolve ongoing litigation and claims related to the opioid crisis. One agreement is with opioid manufacturer Johnson & Johnson (J&J). The other agreement is with three pharmaceutical distributors: AmerisourceBergen Drug Corporation (ABDC), Cardinal Health, Inc., and McKesson Corporation, collectively referred to as “Distributors”. The two agreements provide for \$26 million in payments over 18 years;

WHEREAS, the State of Texas, along with 42 other states reached an allocation agreement to determine the allocation of funds distribution in the two settlements. Per that allocation agreement, Texas' share of settlement funds from the two agreements totals almost \$1.5 billion. Distribution within the state is determined through an intrastate agreement that was reached between the State and the litigating subdivisions. The intrastate agreement entitled Texas Opioid Abatement Fund Council and Settlement Allocation Term Sheet (hereafter, the Texas Term Sheet), is attached as Attachment 1; and

WHEREAS, the Texas Term Sheet generally allocates 15 percent of Texas’ financial share from the two settlements to political subdivisions who sign onto the Texas Term Sheet and sign participation agreements for the two settlements. The

Term Sheet includes Exhibit B, which lists an estimated distribution amount per each participating county and municipal subdivision. The specific amounts identified in Exhibit B may change depending upon the total number of participating political subdivisions;

NOW, THEREFORE,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:

City Council supports, approves and adopts the Texas Term Sheet per the terms negotiated in the Agreement;

BE IT FURTHER RESOLVED:

City Council supports the City of Austin's participation through the City Manager in both the J&J and Distributor Settlements to allow the City of Austin to receive its allocation of settlement funds for use in opioid mitigation measures.

ADOPTED: _____, 2021 **ATTEST:** _____

Myrna Rios
Interim City Clerk