



Memo

To: Mayor and City Council
CC: Tracey Nicholson-Douglas, City Administrator
From: Consuella Barbour, Deputy City Administrator
Date: March 30, 2023
Re: Request to sign agreement for acceptance of opioid funds

The purpose of this memorandum is to provide the City Council with staff recommendations regarding the acceptance of opioid funds from the settlement with national drug companies and to sign the agreement regarding the acceptance of funds.

Project Summary

Many local governments and their residents have been harmed by the epidemic of opioid addiction and the proliferation of opioid deaths. Certain pharmaceutical manufacturers, distributors, and dispensers have engaged in unlawful conduct related to the manufacture, marketing, promotion, distribution, and dispensing of opioids which caused these harms. Many of Maryland's local governments secured legal representation and filed suits against certain manufacturers and distributors, seeking to hold them accountable for their unlawful conduct and to obtain funds to be used to abate the epidemic. The settlement negotiations arising from the lawsuits filed against Teva, Allergan, Walmart and Walgreens have resulted in national settlements that invited participation by all states and many local subdivisions. The national settlement agreements provide for each State to receive a specified share of the overall settlement proceeds, and specifically tie the dollar amount allocated to each State to the percentage of participation by such State and its qualifying subdivisions. In order to facilitate full participation in the national settlement agreements, and thereby maximize recovery from the national settlements for the benefit of their residents, the State of Maryland and its local governments have negotiated a separate State-Subdivision Agreement to address the allocation of the settlement funds received by the State of

Maryland in the national settlement. The State-Subdivision Agreement allocates funds directly and indirectly (through grant opportunities) to the City of Hyattsville, and while this share of the settlement proceeds will not be sufficient to abate the widespread harm of the epidemic, such funds will nevertheless enable the City of Hyattsville to significantly increase the reach and effectiveness of ongoing abatement efforts. Receipt of such funds by the City of Salisbury is contingent upon 1) execution of and entry into the Settlement Participation and release of claims arising from the opioid lawsuits and set forth in Exhibit 1; and 2) execution of and entry into the State-Subdivision Agreement set forth in Exhibit 2, both of which exhibits are incorporated as if fully set forth herein.

Staff Recommendations:

The staff recommends that the Council authorize the City Administrator to execute a settlement participation and release resulting from a national settlement negotiated by and between certain opioid distributors and state and local governments, and further authorizing the City Administrator to enter into an agreement with the state of Maryland providing for direct and indirect allocation of specified settlement proceeds to the City of Hyattsville, Maryland.