

Kenai Peninsula Borough

Legal Department

MEMORANDUM

TO: Brent Johnson, Assembly President
Members, Kenai Peninsula Borough Assembly

THRU: Mike Navarre, Mayor *MN*
Brandi Harbaugh, Finance Director *BH*
Rachel Chaffee, Community & Fiscal Projects Manager *RC*

FROM: Sean Kelley, Borough Attorney *SK*

DATE: February 9, 2023

RE: Resolution 2023-016 Authorizing the Mayor to Participate in Additional Opioid Settlements (Mayor)

In response to the opioid epidemic, thousands of state and local governments across the country joined together to file lawsuits against opioid manufactures and pharmaceutical distribution companies to hold those companies accountable for their misconduct. In 2022, the Borough agreed to participate in and signed on to what is known as the Distributor Settlements (Amerisource Bergen and Cardinal Health Opioid) and the Janssen Settlements (n/k/a Johnson & Johnson); as part of the Borough's participation in these settlements, the Borough set up a grant program to distribute opioid settlement funds to entities that provide eligible opioid remediation programs or services. The State recently signed onto five additional opioid settlements with Teva, Allergan, Walmart, CVS, and Walgreens.

The total (approximate) settlement figures are as follows: Walmart, ~\$8.5 million in one year; Teva, ~\$8.2 million over 13 years; Allergan ~4.8 million over 6 years; CVS, ~\$10 million over 10 years; Walgreens, ~\$11 million over 15 years. Per the settlement agreements 85% of the settlements goes to the State, 15% goes to the nine largest political subdivisions of the State, of that 15% the Borough would receive a 9.49% share based on population. Settlements must be used on future opioid remediation. The Borough did not file suit against any of the five entities included the most recent settlements, signing onto these settlements represents the Borough's opportunity to receive settlement funds from these settlements while also promoting the greatest statewide settlement amount. The Borough must sign onto to the latest settlements by April 18, 2023

The settlement agreements are available at <https://nationalopioidsettlement.com/>.

The intent would be to include all additional settlement funds that are received to be distributed as part of the Borough's grant program for opioid remediation. However, that decision is not being made as part of this legislation. As funds are received, separate legislation will be brought before the Assembly to accept and appropriate such funds.

Your consideration is appreciated.