



**BUSINESS OF THE CITY COUNCIL
CITY OF MERCER ISLAND**

**AB 6440
April 2, 2024
Consent Agenda**

AGENDA BILL INFORMATION

TITLE:	AB 6440: Johnson & Johnson Opioid Settlement	<input type="checkbox"/> Discussion Only <input checked="" type="checkbox"/> Action Needed: <input checked="" type="checkbox"/> Motion <input type="checkbox"/> Ordinance <input type="checkbox"/> Resolution
RECOMMENDED ACTION:	Authorize the City Manager to execute and submit the Participation Form for the Johnson & Johnson Settlement.	

DEPARTMENT:	City Manager
STAFF:	Jessi Bon, City Manager Bio Park, City Attorney
COUNCIL LIAISON:	n/a
EXHIBITS:	1. Participation Form
CITY COUNCIL PRIORITY:	n/a

AMOUNT OF EXPENDITURE	\$ n/a
AMOUNT BUDGETED	\$ n/a
APPROPRIATION REQUIRED	\$ n/a

EXECUTIVE SUMMARY

The purpose of this agenda bill is to present the Participation Form (Exhibit 1) for the opioid settlement with Johnson & Johnson (“Johnson & Johnson Settlement”) for claims related to the opioid epidemic.

- Under the Johnson & Johnson Settlement, the state of Washington and its local governments will receive a lump sum payment of up to \$123.3 million, if all eligible local governments participate.
- The funds will be split 50/50 - \$61.67 million being allocated to the state and \$61.67 million to local governments.
- Settlement funds allocated to local governments will be further allocated to each participating jurisdiction under the terms of the One Washington MOU Between WA Municipalities (MOU), which has already been signed by the City for previous opioid settlements.
- The City’s share of settlement funds is estimated to be around \$108,000 assuming all eligible local governments participate, and the maximum settlement amount is collected.
- Settlement funds must be spent on approved purposes to abate and mitigate impacts from the opioid epidemic.

BACKGROUND

The Washington State Attorney General’s Office has reached a state-wide legal [settlement](#) with Johnson & Johnson (referred to as *Janssen* in legal documents) for claims related to the opioid epidemic. Under the

settlement, Johnson & Johnson will make a lump sum payment of up to \$123.3 million this year to the state and local governments. Washington cities and counties with a population over 10,000 can join this settlement. If enough join, local governments will receive up to \$61.67 million that must be spent on efforts to combat the opioid epidemic. The state will also receive \$61.67 million to be spent throughout Washington on combatting the opioid epidemic.

Local governments must spend the settlement money on approved uses, keep records of its spending, file reports with the settlement administrator, and comply with all terms of the national settlements. A local government can either spend the money itself or elect to pool its money with other local governments on a regional basis.

ISSUE/DISCUSSION

The deadline for local governments to join the Johnson & Johnson Settlement is May 11, 2024. If every eligible local government does not join, the settlement amount will be reduced. The Johnson & Johnson Settlement may even be voided if not enough local governments join. For the City of Mercer Island to join the Johnson & Johnson Settlement, the City must execute and timely submit the Participation Form (Exhibit 1) releasing all of the City's claims related to the opioid epidemic against Johnson & Johnson.

Settlement funds will be allocated between the state and local governments, and amongst local governments, per the terms of (1) the Allocation Agreement and (2) the One Washington MOU, both of which have already been signed by the City for previous opioid settlements. See [AB 6241](#). Under the Allocation Agreement the settlement funds will be split evenly with the state receiving 50% (\$61.67 million) and eligible local governments as a group receiving 50% (\$61.67 million).

Terms of the One Washington MOU will be used to split the local government portion of the settlement funds among eligible local governments participating in the Johnson & Johnson Settlement. Under the MOU, settlement funds are allocated based on the formula used in prior opioid litigations in other states. The formula as applied to the City of Mercer Island is described and explained in [AB 6070](#), and it is estimated that the City's share of settlement funds will be around \$108,000 paid this year as a lump sum, if all eligible jurisdictions participate and the maximum settlement amount is collected from Johnson & Johnson.

Settlement funds may only be used for approved purposes. Approved purposes relate to abating and mitigating impacts of the opioid epidemic. Examples include programs to treat and prevent opioid use disorder and impacts therefrom (similar to programs offered by YFS); programs to support those in recovery; assistance to criminal justice system in dealing with opioid related crimes; training first responders and law enforcement officers on responding to opioid emergencies; and purchase of medication and supplies to combat overdose.

NEXT STEPS

Once participation in the Johnson & Johnson Settlement is authorized by the City Council, the Participation Form signed by the City Manager will be submitted to the Washington State Attorney General's Office by the May 11, 2024 deadline.

RECOMMENDED ACTION

Authorize the City Manager to execute and submit the Participation Form for the Johnson & Johnson Settlement, substantially in the form attached as Exhibit 1 to AB 6440.