



CITY OF NORMAN, OK STAFF REPORT

MEETING DATE: 08/23/2022

REQUESTER: Kathryn Walker

PRESENTER: Kathryn Walker, City Attorney

ITEM TITLE: CONSIDERATION OF APPROVAL, REJECTION, OR POSTPONEMENT OF ELECTION TO PARTICIPATE IN THE DISTRIBUTORS OKLAHOMA SETTLEMENT; RELEASE OF CLAIMS AGAINST ALL RELEASED ENTITIES; AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE SUBDIVISION SETTLEMENT PARTICIPATION FORM ON THE CITY OF NORMAN'S BEHALF.

BACKGROUND:

The Oklahoma Office of the Attorney General recently agreed to a settlement in the State's litigation against three opioid distributors for their role in the Oklahoma opioid crisis. The three distributors involved in the settlement are McKesson Corporation, Cardinal Health, Inc., and AmerisourceBergen Corporation. Although not involved in the litigation, the City of Norman has been identified as non-litigating "Primary Subdivision" and as such, is eligible to receive funding from the \$22 million in Distributor Settlement Proceeds allocated by the Oklahoma Opioid Abatement Board for such subdivisions.

DISCUSSION:

In order to participate and receive funds from the Distributor Settlement Proceeds, the City needs to sign the attached participation form, which binds the City to the terms of the Distributor Settlement and releases the three distributors mentioned above from any claims the City has against them related to the State's opioid litigation. The amount of money the City will receive will be determined by the legislatively created Opioid Abatement Board. If the City does not sign, it will not receive any monies from the settlement, and it may negatively impact the overall amount paid to the State for the benefit of Oklahoma and its citizens. The Distributor Settlement will take effect once Norman and the other Primary Subdivisions sign the Subdivision Settlement Participation Form. Initial disbursements to Primary Subdivisions will begin after December 1, 2022 and continue over 18 years.

Disbursements for non-litigating Primary Subdivisions will be made based on the following criteria: 1) the number of people per capita suffering from opioid use disorder in the participating political subdivision, 2) the number of opioid overdose deaths in the participating political subdivision, and 3) the amount of opioids distributed within the participating political subdivision.

Funds received by the City can be used for approved purposes outlined in 74 O.S. §30.5, including a variety of effort to prevent and treat opioid misuse.

RECOMMENDATION:

Staff recommends Council elect to participate in the Distributors Oklahoma Settlement and release McKesson Corporation, Cardinal Health, Inc., and AmerisourceBergen Corporation from claims the City may have against them related to the State's opioid litigation, and authorize the City Manager to sign the Subdivision Settlement Participation Form and any related documents on behalf of the City of Norman.