

**CITY OF CHARLOTTESVILLE, VIRGINIA
CITY COUNCIL AGENDA**



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| Agenda Date: | February 18, 2025 |
| Action Required: | Presentation Only |
| Presenter: | Ashley Marshall, Deputy City Manager |
| Staff Contacts: | Ashley Marshall, Deputy City Manager |
| Title: | Opioid Abatement Plan |

Background

The presentation provided to the City Council will discuss the funding that will be provided to the City of Charlottesville from the national opioid settlement through the Virginia Opioid Abatement Fund and Settlement Allocation, drafted in August 2120. Funding will be provided to the City of Charlottesville from 2022 through 2042. More information can be found on the Commonwealth's Opioid Abatement site at: <https://www.oaa.virginia.gov/>

Discussion

The City of Charlottesville joined with the Commonwealth of Virginia in a multi-state class action lawsuit that accused OxyContin maker Purdue Pharma and other nationwide distributors of misleading doctors and catalyzing America's nationwide opioid epidemic. A Memorandum of Understanding for the Virginia Opioid Abatement Fund and Settlement Allocation was drafted in August 2021 that outlined the distribution process for the Commonwealth. All 122 counties and cities in the Commonwealth, including the City of Charlottesville, signed this MOU. The memorandum can be found in full at: <https://nationalopioidsettlement.com/wpcontent/uploads/2021/10/VA-Opioid-Abatement-Fund-and-Settlement-Allocation-MOU1.pdf>.

As of January 19, 2023, three national-level opioid settlements have been approved by Virginia state courts that result in payments to Virginia. Those settlements include McKinsey (roughly \$13 million); McKesson, Cardinal Health, and AmerisourceBergen (referred to as "distributors" by the OAA; roughly \$21 million); and Jansen Pharmaceutical (roughly \$64.7 million). Additionally, settlements with Mallinckrodt are expected to provide a possible \$17 million to the Commonwealth in full, and settlements with Walmart will provide roughly \$60 million to the Commonwealth in full. The funding is distributed in three ways: the Opioid Abatement Authority will receive 55% of the full Virginia distribution, the Commonwealth will receive 15%, and each participating City/County will directly receive 30% from the settlement administrators. Within the Opioid Abatement Authority share, 15% will go to participating cities and counties as an individual distribution, 35% will go to City/County partnerships, 15% will go to State Agencies, and 35% is unrestricted but will be distributed by the OAA in some fashion. The above-referenced MOU includes a formula for distributing the proceeds of opioid settlements based on a measure of harm per capita to communities across Virginia.

The City of Charlottesville will receive roughly 0.0463% of the funding submitted to the Commonwealth per the memorandum, and it may use the funds it receives to engage in approved abatement activities focused on Opioid Use Disorder (OUD) or prevention of OUD. This funding may also be used for those abatement purposes by engaging third-party organizations.

Alignment with City Council's Vision and Strategic Plan

The consideration of opioid use disorder (OUD) and abatement efforts to provide support for those suffering from OUD and prevention for others in our community falls under the Council's Commitment to JEDI.

Community Engagement

Programmatic suggestions are based on best practices and also pair with community concerns to provide accessible support and harm reduction to those who may be suffering from OUD.

Budgetary Impact

The Opioid Abatement Funding comes from private for-profit companies who have settled through the national opioid litigation processes and can only be used for opioid abatement processes. It has no impact on the City's general fund at this time.

Recommendation

This presentation is to provide Council with information at this time.

Alternatives

N/A

Attachments

None