Legislation Details (With Text)

File #:	2180-2022 **Version:** 1		
Type:	Ordinance	**Status:**	Passed
File created:	7/15/2022	**In control:**	Finance Committee
On agenda:	7/25/2022	**Final action:**	7/27/2022
Title:	To authorize the acceptance and appropriation of $348,798.31, or such final amount(s) as allocated pursuant to the One Ohio settlement associated with IN RE: NATIONAL PRESCRIPTION OPIATE LITIGATION in the United States District Court for the Northern District of Ohio, MDL Case No. 1:17-md-02804-DAP by the State of Ohio,; to establish the Opioid Recovery Fund; and to declare an emergency.		
Sponsors:			
Indexes:			
Code sections:			
Attachments:			

Date	Ver.	Action By	Action	Result
7/27/2022	1	CITY CLERK	Attest	
7/26/2022	1	ACTING MAYOR	Signed	
7/25/2022	1	COUNCIL PRESIDENT	Signed	
7/25/2022	1	Columbus City Council	Approved	Pass

BACKGROUND: In 2017, the City of Columbus, through the Office of the City Attorney, obtained outside special counsel to represent the City in what would become the Multi-District Opiate Litigation ("the MDL") - IN RE: NATIONAL PRESCRIPTION OPIATE LITIGATION in the United States District Court for the Northern District of Ohio, MDL Case No. 1:17-md-02804-DAP. On August 6, 2021, the City Attorney, pursuant to the authorization provided by Ordinance 1263-2021, elected to participate in the material terms of the National Settlement Agreement dated July 21, 2021 pursuant to the terms of the OneOhio Memorandum of Understanding ("The Memorandum") dated July 28, 2021. The purpose of this ordinance is to establish a fund to allow for the receipt of settlement funds.

Under the settlement, Distributors, Manufacturers and Pharmaceutical companies that enter into the settlement agreement will pay the State of Ohio and its subdivisions over a period of 18 years. Pursuant to the Memorandum, these funds will be distributed according to the following allocation: 15% directly to the State of Ohio; 30% directly to subdivisions; and 55% to the OneOhio Foundation (to be utilized for the benefit of the 18 defined regions across the State of Ohio). Most of the money will be restricted in use and specifically earmarked for abatement of the Opioid Epidemic. Developed in consultation with the nation's leading public health experts, the list of pre-approved uses includes a wide range of intervention, treatment, education, and recovery services so that the state and its subdivisions can decide what will serve their communities.

The Department of Finance and Management will be responsible for monitoring the distribution and appropriate expenditure of these funds based on the provisions of the Memorandum and guidance provided by the OneOhio Foundation. In conjunction with the City Auditor, the Department of Finance and Management is requesting these funds be appropriated to a special revenue fund established to support the delivery of future services addressing the abatement of the opioid crisis and in support of programmatic investments in the Columbus community. Establishing this special revenue fund will ensure that expenditures are aligned with the stated purpose of these funds, as well as the priorities established by the Mayor and City Council and will help facilitate the proper accounting and reporting of related

expenditures. Where expenditures require City Council approval in accordance with the Columbus City Codes, City departments will advance said legislation for consideration by City Council.

Emergency Designation: Emergency consideration is requested so that the fund may be created prior to the Council recess so that funds made available to the City can be accepted and appropriated as quickly as possible. A process will be instituted to allow the Department of Finance and Management and the City Auditor to transfer appropriations to City agencies.

Fiscal Impact: The City has recently learned that it will receive an initial settlement payment of $348,798.31, however the exact amount and timing of future settlement payments is still being determined. Funds will not be appropriated within individual department budgets, however subsequent required transfers to departments will be authorized as needed.

To authorize the acceptance and appropriation of $348,798.31, or such final amount(s) as allocated pursuant to the One Ohio settlement associated with IN RE: NATIONAL PRESCRIPTION OPIATE LITIGATION in the United States District Court for the Northern District of Ohio, MDL Case No. 1:17-md-02804-DAP by the State of Ohio,; to establish the Opioid Recovery Fund; and to declare an emergency.

WHEREAS, in 2017, the City of Columbus, through the Office of the City Attorney, obtained outside special counsel to represent the City in what would become the Multi-District Opiate Litigation ("the MDL") - IN RE: NATIONAL PRESCRIPTION OPIATE LITIGATION in the United States District Court for the Northern District of Ohio, MDL Case No. 1:17-md-02804-DAP; and

WHEREAS, on August 6, 2021, the City Attorney, pursuant to the authorization provided by Ordinance 1263-2021, elected to execute formal documents authorizing the City to participate in the material terms of the National Settlement Agreement dated July 21, 2021 pursuant to the terms of the OneOhio Memorandum of Understanding ("The Memorandum") dated July 28, 2021; and

WHEREAS, The Memorandum establishes a mechanism to disburse settlement proceeds from opioid litigation into Ohio's communities to help abate the opioid crisis, including allocations to Local Governments and Regions through a statewide Foundation; and

WHEREAS, under the Memorandum, these funds will be distributed according to the following allocation: 15% directly to the State of Ohio; 30% directly to subdivisions; and 55% to the OneOhio Foundation (to be utilized for the benefit of the 18 regions across the State of Ohio); and

WHEREAS, the City of Columbus will receive an initial settlement payment of $348,798.31, however the exact amount and timing of future settlement payments is still being determined; and

WHEREAS, an emergency exists in the usual daily operation of the Department of Finance and Management in that it is immediately necessary to accept and appropriate funds from the settlement at the earliest possible time, thereby preserving the public health, peace, property, safety, and welfare; **NOW, THEREFORE**,

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF COLUMBUS:

SECTION 1. That the City Auditor is hereby authorized and directed to establish Fund 2210 as the Opioid Recovery Fund.

SECTION 2. That the City Auditor is hereby authorized to create sub-funds within the Opioid Recovery Fund as follows, as well as any additional future sub-funds as may be needed:

221001 Opioid Recovery Services

SECTION 3. That $348,798.31, or such final amount(s) as allocated pursuant to the Memorandum, are hereby accepted by the City of Columbus from the State of Ohio and/or the OneOhio Foundation as a result of the Memorandum, and an appropriation of the same is authorized according to the account codes in the attachment of this ordinance.

SECTION 4. That the Opioid Recovery Fund shall be used in a manner consistent with the Approved Purposes as defined in the Memorandum, those being: evidence-based, forward-looking strategies, programming and services used to (i) expand the availability of treatment for individuals affected by substance use disorders, (ii) develop, promote and provide evidence-based substance use prevention strategies, (iii) provide substance use avoidance and awareness education, (iv) decrease the oversupply of licit and illicit opioids, and (v) support recovery from addiction services performed by qualified and appropriately licensed providers, as is further set forth in the agreed Opioid Abatement Strategies attached as Exhibit A to the Memorandum. Additionally, for purposes of the Local Government Share, "Approved Purpose(s)" will also include past expenditures.

SECTION 5. That any required interest earnings in the fund may be transferred, appropriated, and expended for the purposes of this fund pursuant to terms set forth by The Memorandum, or related settlement documents. All investment earnings are hereby deemed appropriated for the purposes of complying with any requirements pertaining to investment earnings.

SECTION 6. That the City Auditor is hereby authorized to transfer cash and appropriation between and among sub-funds, departments, divisions, and object classes within the Opioid Recovery Fund as necessary to allow for the posting of prior and future expenses, not to exceed the cash available in the fund as a whole.

SECTION 7. Any such future deposits as the City may receive from the State of Ohio or its affiliates are hereby deemed to be appropriated and the City Auditor is hereby authorized to appropriate such amounts, as necessary.

SECTION 8. That the monies in the Opioid Recovery Fund created in Section 1 of this ordinance shall be deemed appropriated in an amount up to, but not to exceed, the cash in the fund not encumbered for any other purpose, and that no money shall be paid there from except by voucher approved by the City Auditor.

SECTION 9. That the City Auditor is hereby authorized to process expenditure corrections within this fund, and between this fund and other city funds to accurately post financial data related to the Opioid Recovery Fund.

SECTION 10. Funds are hereby deemed appropriated and expenditures and transfers authorized to carry out the purposes of this ordinance, and the City Auditor shall establish such accounting codes as necessary.

SECTION 11. That the City Auditor is hereby authorized to make any accounting changes to revise the funding source for all contracts or contract modifications associated with this ordinance.

SECTION 12. That for the reasons stated in the preamble hereto, which is hereby made a part hereof, this ordinance is hereby declared to be an emergency measure and shall take effect and be in force from and after its passage and approval by the Mayor or ten days after passage if the Mayor neither approves nor vetoes the same.

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