



**OFFICE OF THE
CHIEF FINANCIAL OFFICER
OFFICE OF BUDGET**

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May 18, 2023

Honorable Detroit City Council
Coleman A. Young Municipal Center
2 Woodward Avenue
Detroit, MI 48226

Re: Fiscal Year 2022-2023 Supplemental Appropriation Request – Opioid Settlement

Honorable Detroit City Council Members:

The Administration is requesting a Fiscal Year 2022-2023 supplemental appropriation of \$4.4 million from the City's opioid settlement proceeds.

The City of Detroit has pursued monetary compensation for damages suffered during the opioid crisis through large, multi-party litigation against numerous defendants for their roles in the crisis. As part of this litigation, City Council previously approved the City's participation in a national settlement agreement with Janssen Pharmaceuticals and several distributors of opioids pain medications. The City of Detroit expects to receive approximately \$22 million in total through this settlement paid over 18 years. In January 2023, the City received its first payment of \$4,417,534.97. Note this included an acceleration of a portion of future years' payments. The annual recurring payment will total \$580,796 for FY24 through FY26 and then \$1.2 million for FY27 through FY39.

We will use the settlement proceeds for targeted, high-impact programs to mitigate the harms of the opioids crisis and improve health outcomes for Detroit residents. Specifically, the City expects to use funding to expand community access to naloxone, a medication that reverses opioid overdoses; help people enter treatment by conducting outreach to high-risk populations and providing a warm handoff into care; and support long-term recovery by expanding recovery housing beds. These are eligible uses under the terms of the settlement agreement. We will include future years' settlement payments in the annual budget, which will allow the City to continue the program activities described above.

We respectfully request your approval of the attached resolution, with a waiver of reconsideration, to authorize this supplemental appropriation.

Best regards,

Steven Watson
Deputy CFO / Budget Director

Att: Fiscal Year 2022-2023 Supplemental Appropriation – Opioid Settlement

Cc: Jay B. Rising, Chief Financial Officer
John Naglick, Jr., Chief Deputy CFO/Finance Director
Tanya Stoudemire, Chief Deputy CFO/Policy & Administration Director
Janani Ramachandran Yates, Deputy Budget Director
Malik Washington, City Council Liaison

RESOLUTION

BY COUNCIL MEMBER _____

WHEREAS, Section 17(1) of State of Michigan Public Act 2 of 1968 (the “Uniform Budgeting and Accounting Act”) states that a deviation from the original general appropriations act shall not be made without amending the general appropriations act; and

WHEREAS, Section 8-210 of the 2012 Detroit City Charter authorizes that if during the fiscal year the Mayor advises the City Council that there are available for appropriation revenues in excess of those estimated in the budget, the City Council may make supplemental appropriations for the year up to the amount of the excess; and

WHEREAS, the OCFO-Office of Budget, on behalf of the Mayor, has submitted a recommended supplemental appropriation to the Detroit City Council of the opioid settlement proceeds received to date for eligible opioid remediation purposes, as provided in this resolution.

NOW, THEREFORE, BE IT RESOLVED, that the Detroit City Council hereby approves amending the Fiscal Year 2022-2023 Budget by increasing Fund 3921 – Revenue Appropriation No. 21243 by \$4,417,534.97 and Fund 3921 – Expenditure Appropriation No. 21243 by \$4,417,534.97 for opioid remediation purposes; **AND BE IT FINALLY**

RESOLVED, that the Chief Financial Officer, or their designee, is hereby authorized and shall take all appropriate actions necessary to implement the foregoing provisions and actions authorized by this resolution.