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**CITY SECRETARY
DALLAS, TEXAS**

City of Dallas

*1500 Marilla Street,
Council Chambers, 6th Floor
Dallas, Texas 75201*

Public Notice

210 956

POSTED CITY SECRETARY
DALLAS, TX



Government Performance and Financial Management Committee

November 9, 2021

1:00 PM

2021 CITY COUNCIL APPOINTMENTS

COUNCIL COMMITTEE	
ECONOMIC DEVELOPMENT Atkins (C), Arnold (VC), McGough, Narvaez, Resendez, West, Willis	ENVIRONMENT AND SUSTAINABILITY Blackmon(C), Ridley (VC), Arnold, Bazaldua, Resendez, Schultz, West
GOVERNMENT PERFORMANCE AND FINANCIAL MANAGEMENT Mendelsohn (C), Willis (VC), Atkins, Bazaldua, McGough, Ridley, West	HOUSING AND HOMELESSNESS SOLUTIONS Thomas (C), Moreno (VC), Arnold, Blackmon, Mendelsohn, Ridley, Schultz
PUBLIC SAFETY McGough (C), Mendelsohn (VC), Atkins, Moreno, Resendez, Thomas, Willis	QUALITY OF LIFE, ARTS, AND CULTURE Bazaldua (C), West (VC), Arnold, Blackmon, Narvaez, Ridley, Thomas
TRANSPORTATION AND INFRASTRUCTURE Narvaez (C), Atkins (VC), Bazaldua, Mendelsohn, Moreno, Schultz, Willis	WORKFORCE, EDUCATION, AND EQUITY Schultz (C), Thomas (VC), Blackmon, McGough, Moreno, Narvaez, Resendez
AD HOC JUDICIAL NOMINATING COMMITTEE Resendez (C), Arnold, Bazaldua, Ridley, Thomas, West, Willis	AD HOC LEGISLATIVE AFFAIRS Atkins (C), McGough, Mendelsohn, Narvaez, Willis
AD HOC COMMITTEE ON COVID-19 RECOVERY AND ASSISTANCE Thomas (C), Atkins, Mendelsohn, Moreno, Ridley	AD HOC COMMITTEE ON GENERAL INVESTIGATING & ETHICS Mendelsohn (C), Atkins, Blackmon, McGough, Schultz

(C) – Chair, (VC) – Vice Chair

Handgun Prohibition Notice for Meetings of Governmental Entities

"Pursuant to Section [30.06](#), Penal Code (trespass by license holder with a concealed handgun), a person licensed under Subchapter H, Chapter 411, Government Code (handgun licensing law), may not enter this property with a concealed handgun."

"De acuerdo con la sección [30.06](#) del código penal (ingreso sin autorización de un titular de una licencia con una pistola oculta), una persona con licencia según el subcapítulo h, capítulo 411, código del gobierno (ley sobre licencias para portar pistolas), no puede ingresar a esta propiedad con una pistola oculta."

"Pursuant to Section [30.07](#), Penal Code (trespass by license holder with an openly carried handgun), a person licensed under Subchapter H, Chapter 411, Government Code (handgun licensing law), may not enter this property with a handgun that is carried openly."

"De acuerdo con la sección [30.07](#) del código penal (ingreso sin autorización de un titular de una licencia con una pistola a la vista), una persona con licencia según el subcapítulo h, capítulo 411, código del gobierno (ley sobre licencias para portar pistolas), no puede ingresar a esta propiedad con una pistola a la vista."

"Pursuant to Section [46.03](#), Penal Code (places weapons prohibited), a person may not carry a firearm or other weapon into any open meeting on this property."

"De conformidad con la Sección [46.03](#), Código Penal (coloca armas prohibidas), una persona no puede llevar un arma de fuego u otra arma a ninguna reunión abierta en esta propiedad."

Note: A quorum of the Dallas City Council may attend this Council Committee meeting.

This Council Committee meeting will be held by videoconference and in the Council Chambers, 6th Floor at City Hall.

The public is encouraged to attend the meeting virtually; however, City Hall is available for those wishing to attend the meeting in person following all current pandemic-related public health protocols.

The meeting will be broadcast live on Spectrum Cable Channel 95 and online at bit.ly/cityofdallastv.

The public may also listen to the meeting as an attendee at the following videoconference link:
<https://dallascityhall.webex.com/dallascityhall/onstage/g.php?MTID=ecee90d0af51767ff86e02948a0b99895>

Call to Order

MINUTES

1. [21-2032](#) Approval of the October 25, 2021 Government Performance and Financial Management Committee Meeting Minutes

Attachments: [Minutes](#)

BRIEFING ITEMS

- A. [21-2228](#) Better Blocks Demonstration Projects - Best Practices
[Krista Nightengale, Managing Director, Better Block]

Attachments: [Presentation](#)

- B. [21-2033](#) Infrastructure - The City of Dallas Data Center
[Bill Zielinski, Chief Information Officer, Information and Technology Services; Daniel Pollak, Sr. IT Manager, Information and Technology Services]

Attachments: [Presentation](#)

- C. [21-1952](#) Consider Proposed Opioid Settlements Joined by Texas with Opioid Manufacturer, Johnson & Johnson, and Three Major Pharmaceutical Distributors: AmerisourceBergen, Cardinal Health, and McKesson.
[Ryan Fisher and Stephanie Eberhardt, Office of the Attorney General; Larry Taylor, The Cochran Firm]

Attachments: [Presentation](#)

ADJOURNMENT

EXECUTIVE SESSION NOTICE

A closed executive session may be held if the discussion of any of the above agenda items concerns one of the following:

1. seeking the advice of its attorney about pending or contemplated litigation, settlement offers, or any matter in which the duty of the attorney to the City Council under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with the Texas Open Meetings Act. [Tex. Govt. Code §551.071]
2. deliberating the purchase, exchange, lease, or value of real property if deliberation in an open meeting would have a detrimental effect on the position of the city in negotiations with a third person. [Tex. Govt. Code §551.072]
3. deliberating a negotiated contract for a prospective gift or donation to the city if deliberation in an open meeting would have a detrimental effect on the position of the city in negotiations with a third person. [Tex. Govt. Code §551.073]
4. deliberating the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee; or to hear a complaint or charge against an officer or employee unless the officer or employee who is the subject of the deliberation or hearing requests a public hearing. [Tex. Govt. Code §551.074]
5. deliberating the deployment, or specific occasions for implementation, of security personnel or devices. [Tex. Govt. Code §551.076]
6. discussing or deliberating commercial or financial information that the city has received from a business prospect that the city seeks to have locate, stay or expand in or near the city and with which the city is conducting economic development negotiations; or deliberating the offer of a financial or other incentive to a business prospect. [Tex Govt. Code §551.087]
7. deliberating security assessments or deployments relating to information resources technology, network security information, or the deployment or specific occasions for implementations of security personnel, critical infrastructure, or security devices. [Tex Govt. Code §551.089]



City of Dallas

1500 Marilla Street
Council Chambers, 6th Floor
Dallas, Texas 75201

Agenda Information Sheet

File #: 21-2032

Item #: 1.

Approval of the October 25, 2021 Government Performance and Financial Management Committee Meeting Minutes

Government Performance & Financial Management Committee Meeting Record

The Government Performance & Financial Management Committee meetings are recorded. Agenda materials are available online at www.dallascityhall.com. Recordings may be reviewed online at <https://dallastx.swagit.com/government-performance-and-financial-management-committee>.
Note: This meeting was conducted via videoconference

Meeting Date: October 25, 2021

Convened: 1:04 p.m.

Adjourned: 4:26 p.m.

Committee Members Present:

Cara Mendelsohn, Chair
Gay Donnell Willis, Vice Chair
Tennell Atkins
Adam Bazaldua
Adam McGough
Paul Ridley
Chad West

Committee Members Absent

Other Council Members Present

AGENDA

CALL TO ORDER

1. Consideration of the September 27, 2021 Meeting Minutes

Action Taken/Committee Recommendation(s): A motion was made to approve the minutes for the September 27, 2021 Government Performance & Financial Management Committee meeting. The motion passed unanimously.

Motion made by: Tennell Atkins

Motion seconded by: Adam Bazaldua

BRIEFING

2. Update on Recommendations from the 2018 Fleet Efficiency Study

Presenter(s): Donzell Gipson, Director, Equipment and Fleet Management

Action Taken/Committee Recommendation(s): Donzell Gipson provided an update to the recommendations from the 2018 Fleet Efficiency Study. Information only.

3. Building Inspection Call Center Process Improvement

Presenter(s): Patrick Blaydes, Manager, Development Services; Tony Rader, Continuous Improvement Specialist, Budget and Management Services; Sheila Gray, 311 Manager, 311; Amanda Nabours, IT Architect, Information and Technology Services; Alex Rodriguez, Strategic Planning Manager, Dallas Fire-Rescue

Action Taken/Committee Recommendation(s): The process improvement team for the Call Center Process Improvement project briefed about the call center process improvement project. Questions were raised about staffing in the call center. Information only

4. Dallas Police and Fire Pension System 2022 Budget

Presenter(s): Brenda Barnes, Chief Financial Officer, Dallas Police and Fire Pension System

Action Taken/Committee Recommendation(s): Brenda Barnes provided an overview of DPFP's 2022 budget. Information only.

5. Amendment to the City's Personnel Rules: Creation of Quarantine Leave, Mental Health Leave for Peace Officers, Compassionate Leave, and Paid Parental Leave in Chapter 34, Personnel Rules

Presenter(s): Kim Tolbert, Chief of Staff; Nina Arias, Director, Human Resources

Action Taken/Committee Recommendation(s): Kim Tolbert and Nina Arias provided an overview of the changes to the personnel rules. Discussions were held about the compassionate leave program.

A motion was made to take the amendments to the City's personnel rules for City Council approval on October 27, 2021. The motion was passed unanimously.

Motion made by: Gay Donnell Willis

Motion seconded by: Paul Ridley

6. Office of the City Auditor Briefing on Internal Audit Reports Released Between September 18, 2021 and October 15, 2021, Follow-up on Prior Report Briefings, and the Recommended 2022 Annual Internal Audit Plan

Presenter(s): Mark Swann, City Auditor

Action Taken/Committee Recommendation(s): Mark Swann provided a briefing on released internal audits, prior report briefings, and the recommended 2022 annual internal audit plan. Questions were raised about the timeline of the internal audit plan.

A motion was made to take the recommended 2022 annual internal audit plan for City Council approval on October 27, 2021. The motion was passed unanimously.

Motion made by: Gay Donnell Willis

Motion seconded by: Adam Bazaldua

7. Panhandling Deflection Program

Presenter(s): Ayeh Powers, Managing Attorney, City Attorney's Office; Christine Crossley, Director, Office of Homeless Solutions; David Pughes, Director, Office of Integrated Public Safety Solutions; Gary Lindsey, City Marshal, Dallas Marshal's Office

Action Taken/Committee Recommendation(s): Christine Crossley, Ayeh Powers, Gary Lindsey, and David Pughes provided a briefing on the cross-departmental panhandling deflection program. Discussions were held about various statistics related to panhandling.

A motion was made for staff to move forward with the pilot program. The motion was passed unanimously.

Motion made by: Gay Donnell Willis

Motion seconded by: Paul Ridley

FYI

8. Budget Accountability Report (information as of August 31, 2021)

9. Response to Questions Raised During the Boards and Commissions Audit Briefing from the September 27, 2021 Government Performance and Financial Management Committee Meeting

Questions were raised on whether a revised report including the missing surveys will be issued.

ADJOURN

APPROVED BY:

ATTESTED BY:

Cara Mendelsohn, Chair
Government Performance & Financial
Management Committee

Catherine Lee, Coordinator
Government Performance & Financial
Management Committee



City of Dallas

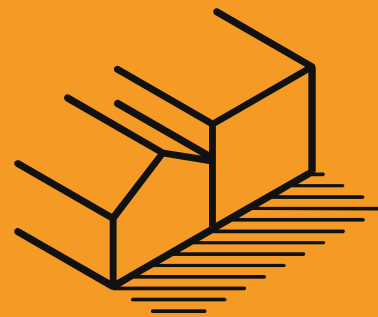
1500 Marilla Street
Council Chambers, 6th Floor
Dallas, Texas 75201

Agenda Information Sheet

File #: 21-2228

Item #: A.

Better Blocks Demonstration Projects - Best Practices
[Krista Nightengale, Managing Director, Better Block]



BETTER BLOCK

What is the
Better Block?



Map

Satellite

Canada



United States

Mexico

Gulf of Mexico

San Francisco

Las Vegas

Los Angeles

San Diego

Gulf of California

Houston

Miami

Ottawa

Toronto

Chicago

New York

Washington

Google

Keyboard shortcuts | Map data ©2021 Google, INEGI | Terms of Use

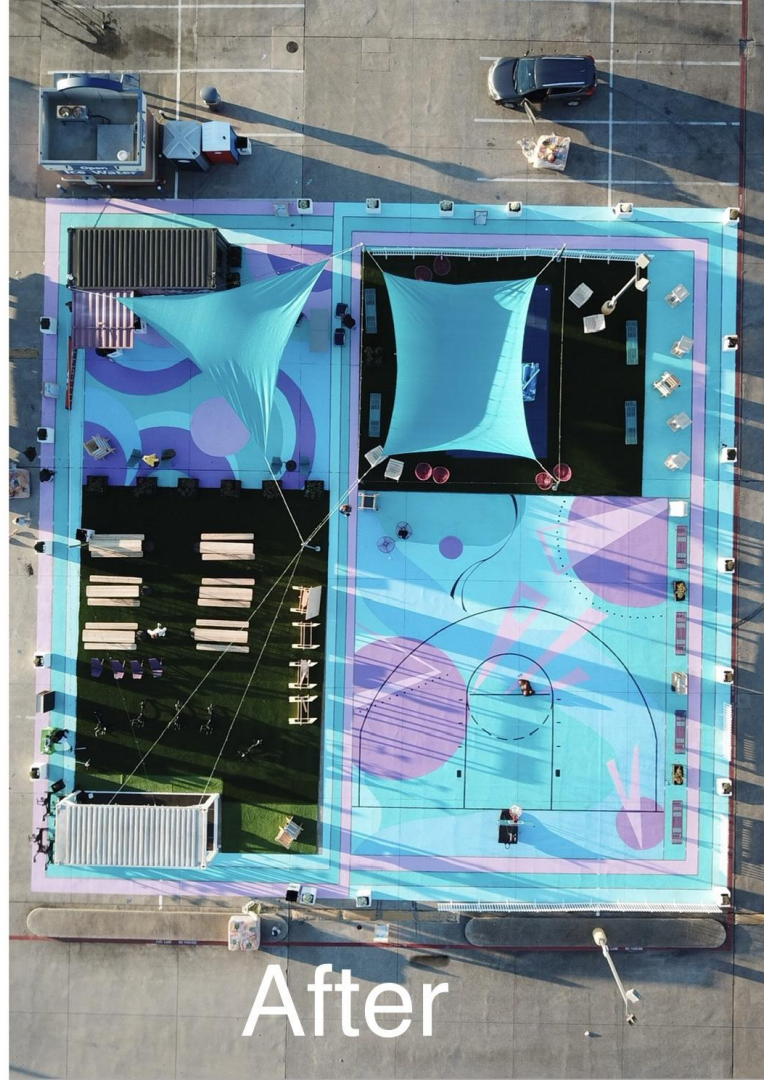


Tehran





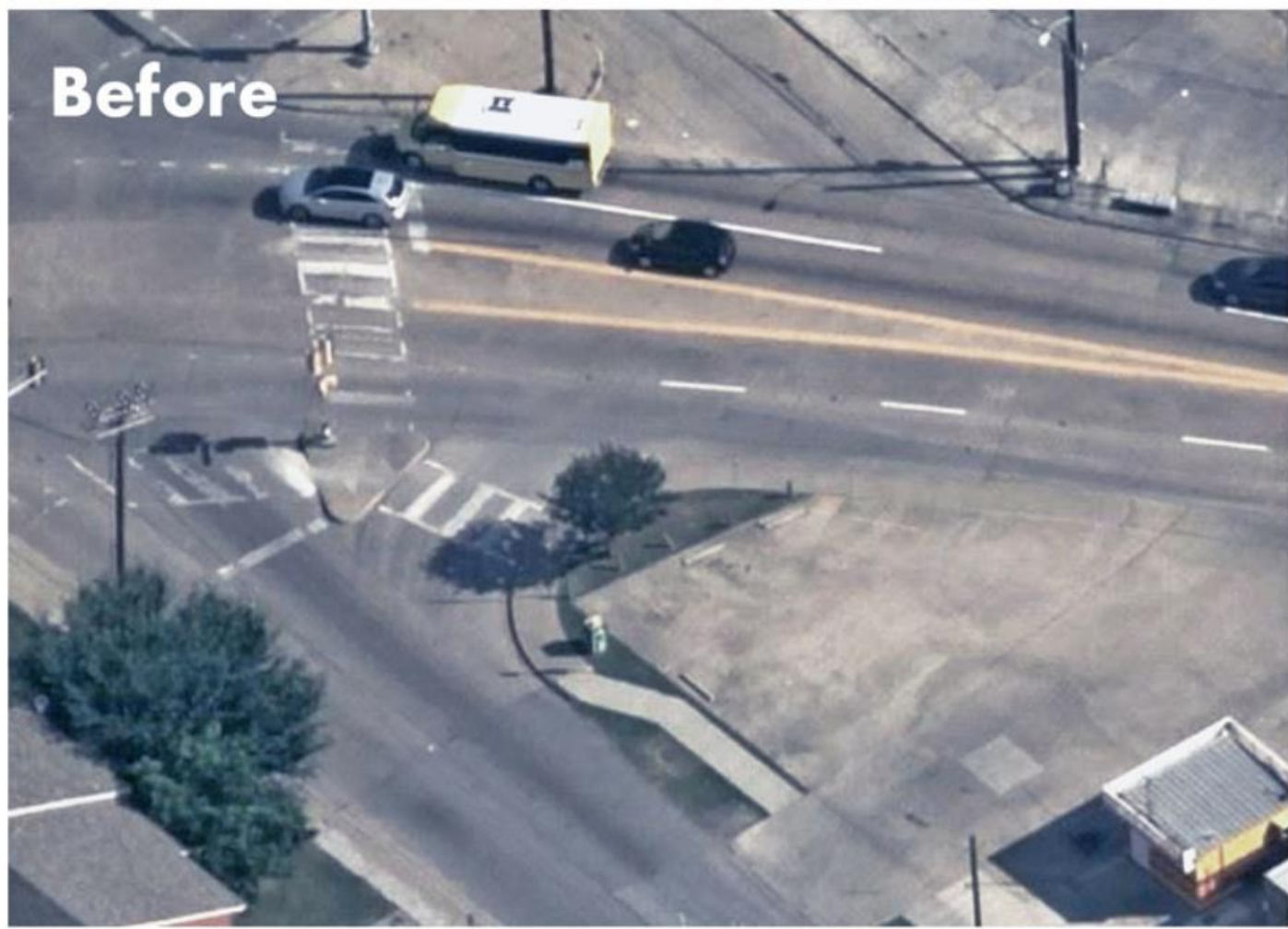
Before



After



Before



After







What is a pilot or
demonstration project?

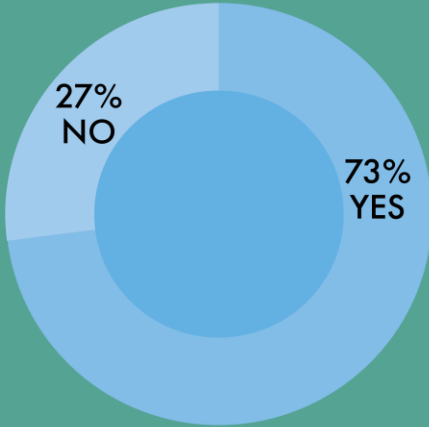
Lighter
Cheaper
Quicker
Temporary

What is the process of a demonstration project?

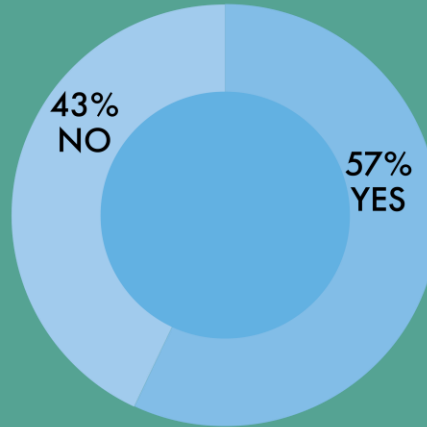
Observe
Question
Research
hypothesize
Experiment
Test hypothesis
Report

Why implement pilots

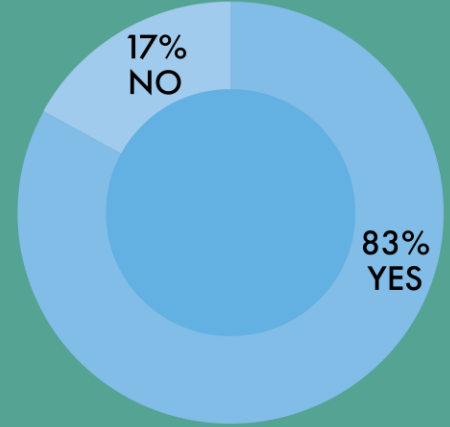
For Change



**Increase in
Community
Engagement**



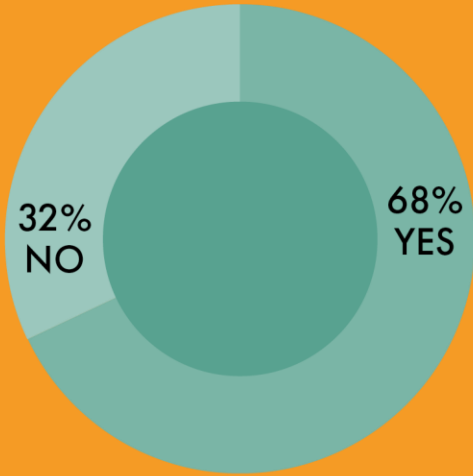
**Street Changes
After Project**



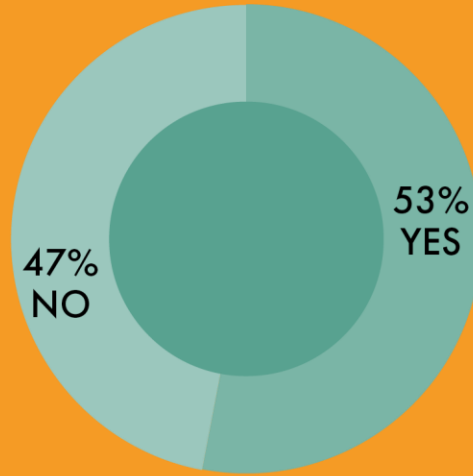
**Programming
Continuation**



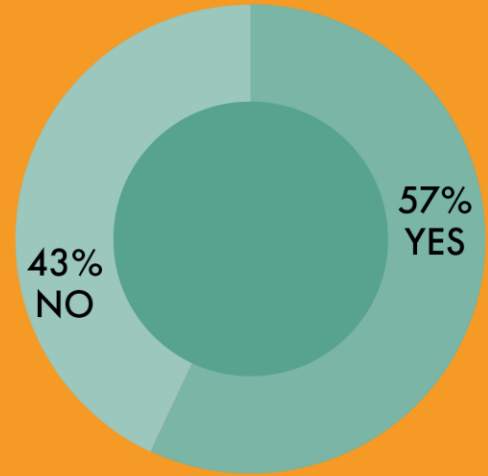
For Change



Positive Perception Changes



Increase in Street Life



Newly Formed Community Partnerships





For Love



Thank you!

krista@betterblock.org





City of Dallas

1500 Marilla Street
Council Chambers, 6th Floor
Dallas, Texas 75201

Agenda Information Sheet

File #: 21-2033

Item #: B.

Infrastructure - The City of Dallas Data Center

[Bill Zielinski, Chief Information Officer, Information and Technology Services; Daniel Pollak, Sr. IT Manager, Information and Technology Services]



City of Dallas

Infrastructure: The City of Dallas Data Center

**Building a Sustainable Model
to address Future City
Service Demand**

William Zielinski, Chief Information Officer
Daniel Pollak, Sr IT Manager
Information & Technology Services
City of Dallas

Executive Summary



In February 2020, the Dallas City Council identified a goal to become a ***national leader in municipal technology and data.***

As a critical element in achieving this goal, the Information and Technology Services (ITS) Department has established a program team to assess, plan and implement a comprehensive strategy to upgrade and improve the City's *Data Center* operations.

During fiscal year 2021-2022, ITS will develop and present to the Government Performance & Financial Management (GPFM) Committee a detailed multi-year timeline, proposed budget and acquisition strategy for the *Data Center* program.



Agenda



- Dallas/Fort Worth Region a Top Tier Technology Hub
- The Modern Data Center
- ITS Operations
- A Data Center to Support Future City Services
- Projected Cost





Dallas/Fort Worth Region: A Top Tier Technology Hub

Attracting and employing the best and brightest minds in the nation and the world



Dallas/Fort Worth Future Foundations



Semiconductors:

- Texas Instruments
- Rockwell Collins
- TriQuint Semiconductor

Telecomm Corridor:

- AT&T
- Verizon
- Cisco
- Ericsson
- Fujitsu Network Comm

Banking Leaders

- JPMorgan Chase
- USAA
- Citi
- Wells Fargo

Defense Leaders

- Lockheed Martin
- Raytheon



Dallas/Fort Worth Outshines Others



Magnet for Individuals:

- Affordable Cost of Living
- Number of IT Job Postings
- Projected IT Growth

Magnet for Tech Companies:

- Amazon Web Services
- Microsoft Azure Services
- Uber

DFW Companies Aggressively Hiring

- Lockheed Martin
- JPMorgan Chase
- USAA
- Citi
- Deloitte
- Verizon
- Wells Fargo
- IBM
- NTT Data
- InfoVision





The Modern Data Center

The foundation for delivering proactive services to City residents and businesses



Fundamental Layer of Infrastructure



A data center maintains back-end IT systems and data stores utilizing servers, databases, network and security infrastructure

Modernization and data center transformation enhances performance and energy efficiency

A data center offers a secure environment that minimizes risk by maintaining high standards for assuring the integrity and functionality of its hosted computer environment

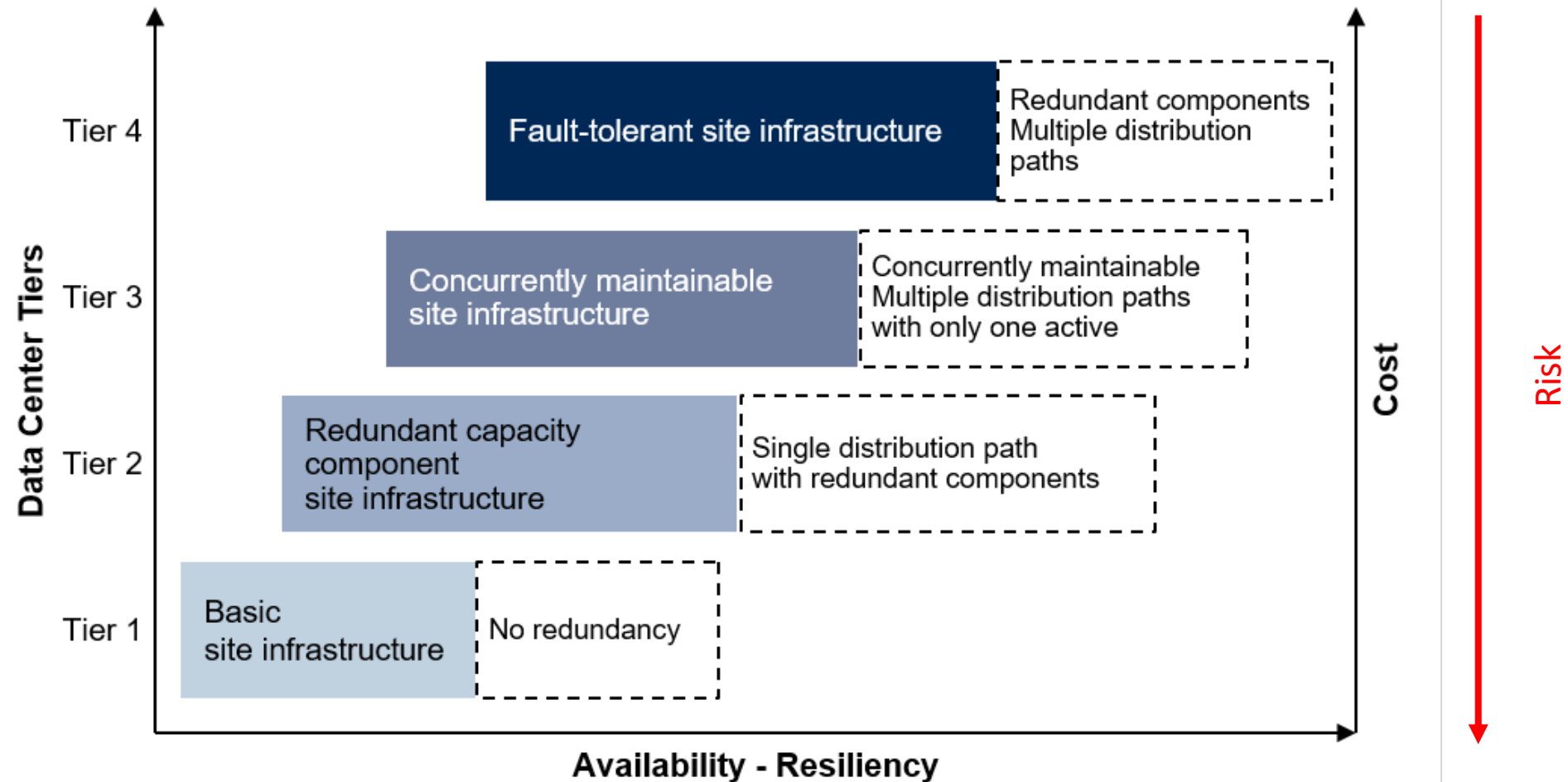
Designed with support redundancies to ensure continuity of operations and minimize down time.



Data Center Tier



Data Center Tiers



Source: Adapted from Telecommunications Infrastructure Standard for Data Centers: ANSI/TIA-942

ID: 376103





Department of Information & Technology Services

Providing internal computing and network services to the City



Information & Technology Services



- Internal Service Fund
- Serving 40+ Departments
- Serving Over 13,000 Employees
- Regional Support Services
- 500+ Applications
- 250+ Services
- 243 Internal Employees
- \$112M Annual Operating Budget



Current Data Center Operations



A 2014 assessment was conducted by an outside vendor and provided a series of recommendations to improve the reliability and functioning of the City's current data center.

The assessment provided 3 recommended options:

1. Update the current Data Center
2. Host a Data Center with a Firm
3. Build New Data Center off site



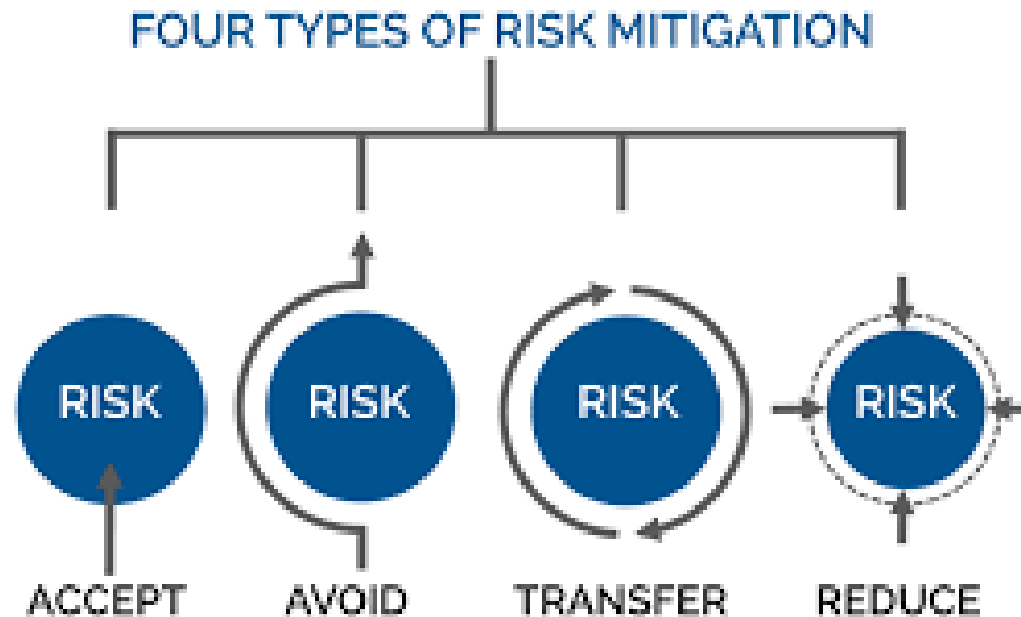
Data Center Remediation



At the time, the City chose to update and remediate the data center.

To date the City has spent \$6.25M in remediation based upon assessment:

- Power Backups
- Cooling
- Electrical



Data Center Operations Support & Service Growth Opportunities

The unheralded technology backbone of City operations

Future City Needs



Rapidly increasing demand for new technologies and bandwidth, combined with a greater need for security to address the threat environment demands additional investment in the City Data Center.

- Virtual Council Meetings & Engagement with Residents
- Multiplatform 311 Services
- Virtual Courts
- Smart City and IoT Implementations
- Increased Use of Video
- Volume and Importance of Data



Smart City Initiatives



Our Smart Dallas vision is to be a vibrant metropolis and one of the United States' most attractive cities by 2030.

- Smart Cities Living Lab
- Environmental Sensors in support of Comprehensive Environmental & Climate Action Plan (CECAP) Plan.
- Smart Water Management
- Intelligent LED Lighting
- Bridging the Digital Divide



Projected Cost



- Datacenter with Redundant Site
 - \$9,000,00 - \$14,000,000 for each site for City Owned Hardware
 - Est. \$1,540,000 - \$2,250,000 / year for primary datacenter
 - Est. \$1,540,000 - \$2,250,000 / year for 100% off site replication and recovery
 - Est. \$750,000 Application Rationalization
 - Est. \$100,000 - \$250,000 Consulting Services
 - **Est. \$50,000,000 – \$75,000,000 over 10 years cost**



Data Center for the Future Benefits



- An upgraded City Data Center will allow dramatically increased capability to scale to future demands of City services and initiatives.
- Increased security
- Increased reliability
- Improved response with onsite availability to equipment and staff
- Reduced overall operational risk



What's Next



- ITS asking to provide a briefing to a closed session of the full City Council to include additional information.
- ITS will conduct a comprehensive data center assessment to plan, coordinate and execute a full data center migration.
- ITS, in cooperation with Building Services Department (BSD), will continue to maintain and upgrade current Data Center as necessary.
- ITS will return to GPFM Committee to provide updates and present timelines, proposed budget and an acquisition strategy.



Questions





City of Dallas

1500 Marilla Street
Council Chambers, 6th Floor
Dallas, Texas 75201

Agenda Information Sheet

File #: 21-1952

Item #: C.

Consider Proposed Opioid Settlements Joined by Texas with Opioid Manufacturer, Johnson & Johnson, and Three Major Pharmaceutical Distributors: AmerisourceBergen, Cardinal Health, and McKesson.

[Ryan Fisher and Stephanie Eberhardt, Office of the Attorney General; Larry Taylor, The Cochran Firm]



KEN PAXTON
ATTORNEY GENERAL *of* TEXAS

Global Opioids Settlement

What it means for Texas

This presentation is for informational purposes and does not constitute legal advice.

Opioids Crisis Update

- In 2020, drug overdose deaths **rose nearly 30%** in the United States to a **record high** of 93,000.
- Opioid overdose deaths hit a **record 69,000** in the United States.
- In Texas, **drug overdose deaths also increased by 31.9%**, driven primarily by opioid overdose deaths.
- The opioid overdose death increase was driven by fentanyl and other synthetic opioids.
- Attorney General Paxton's [website](#) has information to protect Texans from the nation's opioid crisis by educating them about the dangers of misusing prescription opioids.

Sources:

"Provisional Drug Overdose Death Counts." Centers for Disease Control: National Center for Health Statistics (last accessed July 23, 2021),

<https://www.cdc.gov/nchs/nvss/vsrr/drug-overdose-data.htm>

"U.S. Drug-Overdose Deaths Soared Nearly 30% in 2020, Driven by Synthetic Opioids." Betsy McKay, Wall Street Journal (July 14, 2021),

<https://www.wsj.com/articles/u-s-drug-overdose-deaths-soared-nearly-30-in-2020-11626271200>

Opioids Settlements

- On **July 23, 2021**, Attorney General Paxton announced global settlements had been reached with the three major opioid distributors **McKesson, Cardinal Health, and Amerisource Bergen (ABDC)**, and opioid manufacturer **Johnson & Johnson (J&J)**.
 - Both settlements are a combined historic **\$26 billion**.
 - The distributors' settlement is for **\$21 billion**.
 - J&J's settlement is for **\$5 billion**.
 - The settlements include injunctive relief that changes the industry.

Opioids Settlements

- Texas could receive as much as **\$1.17 billion from the distributors** and **\$268 million from J&J** for **almost \$1.5 billion**, most of which is targeted for opioid abatement.
 - The actual amount Texas receives will depend upon the participation of cities, counties, and other political subdivisions in the state.
 - Texas has joined both settlements.
 - Now in subdivision sign on period, which ends January 2, 2022.

Opioids Settlements

- Injunctive Relief in the Settlements:
 - J&J is enjoined from manufacturing, selling, and promoting opioids for 10 years.
 - Distributors must establish a centralized clearinghouse jointly overseen by states and distributors.
 - Distributors will be required to take certain measures to detect suspicious orders.

Opioids Settlements

- Mechanics of the Monetary Settlement:
 - Texas's overall allocation is 6.29% of the Global Amount – potentially almost **\$1.5 billion** over 18 years from:
 - Distributors - **\$1.17 billion** over 18 years.
 - J&J - over **\$268 million** over 9 years.
 - Annual payments are split into base and incentive payments as follows:
 - Distributors - 55% base, 45% incentive
 - J&J - 45% base, 55% incentive
 - All incentive payments deal with preventing future litigation by subdivisions and incentivizing subdivision sign on.

Offsets and Suspension of Payments

- If a subdivision who hasn't sued decides to sue later, there is a suspension of payments and a potential offset of those payments.
- Size of the suspension and a potential offset depend on several factors, but the distributors' deal applies a maximum offset in the amount of 67% against the suspension and/or future payments.
- If that lawsuit is resolved, suspended payments resume. If the lawsuit requires payment, the amounts held are used to offset the amount paid.

Goal: Bring the Most Money to Texas

- There are a combination of approaches that Texas could take to maximize funds with the participation of litigating subdivisions and nonlitigating subdivisions.
- This can be obtained by getting releases for past and future claims from all litigating subdivisions and special districts, all general-purpose subdivisions over 10,000 population, and covered special districts.
- Texas has 128 litigating subdivisions:
 - 110 Counties.
 - 5 Cities.
 - 10 Hospital Districts.
 - 3 School Districts.
- Texas has 406 general purpose subdivisions with a population of over 10,000 (309 nonlitigating and 97 litigating).
- Currently, the best option for Texas to maximize incentive funds is through a partnership with political subdivisions, where a large percentage agree to release claims.

How Settlement Dollars Flow into Texas

- By signing on to the Settlement and executing a release, you increase the funds coming into Texas and will be entitled to a portion of the funds that Texas receives.
 - Texas and Participating Subdivisions alike get direct payments under the settlement.
 - Cities and Counties will also get funding for abatement programs from the Opioid Council.
- Question: If my county signs up and executes a release, how do I get dollars to my county?
- Answer: SB 1827 (87R) and the Texas Term Sheet

Texas Term Sheet and SB 1827

- Goal of the Texas Term Sheet: Provide Texans in **all 254 counties** with the opportunity for funding for education, prevention, and treatment of opioid abuse.
- SB 1827 (87R) codifies the Texas Term Sheet and establishes the **Texas Opioid Council (Council)** to ensure that the funds recovered by Texas are allocated fairly and spent to remediate the opioid crisis in Texas, using efficient and cost-effective methods that are directed to the hardest hit regions in Texas while also ensuring that all Texans benefit from prevention and recovery efforts.
- 85% of the funds under the Settlement will be deposited into the Opioids Abatement Trust Fund:
 - 15% to directly to subdivisions.
 - 70% share to abatement programs.

Example Opioid Fund Allocations

These amounts are estimates only based on maximum recoveries

- Assuming (1) your subdivision executes a release and signs on to the Texas Term Sheet, and (2) Texas receives maximum funds from the distributors and J&J, what kind of funding does that mean for my subdivision?

- Example 1 – direct payments to cities and counties:

Subdivision	Distributors	J&J	Total
City of Dallas	\$2,977,395.21	\$684,350.33	\$3,661,745.54

Example Opioid Fund Allocations

These amounts are estimates only based on maximum recoveries

- Assuming (1) your subdivision executes a release and signs on to the Texas Term Sheet, and (2) Texas receives maximum funds from the distributors and J&J, what kind of funding does that mean for my subdivision?

- Example 2 – Abatement allocations by Regions for Treatment Programs

Region	Distributors	J&J	Total
Region 9 (Dallas and Kaufman)	\$66,659,834.77	\$15,321,674	\$81,981,509.18

Opioid Lawsuits Timeline (1 of 3)

- In **September 2017**, Attorney General Paxton and a **bipartisan coalition of 40 other states** served investigative subpoenas and additional requests on eight companies that manufacture or distribute highly addictive opioids to evaluate whether manufacturers and distributors engaged in unlawful practices in the marketing, sale, and distribution of opioids.
- **May 15, 2018**, Texas filed a **lawsuit against Purdue Pharma** for violating state laws against deceptive trade practices and misrepresenting the risk of addiction to patients and doctors.
- On **September 4, 2019**, Attorney General Paxton announced that a **civil Medicaid fraud lawsuit** had been filed against pharmaceutical manufacturer **Johnson & Johnson** for misrepresentations made to the Texas Medicaid program about their dangerous opioid drug, Duragesic.
- Purdue Pharma files for Chapter 11 Bankruptcy in **September 2019**.

Opioid Lawsuits Timeline (2 of 3)

- In **February 2020**, Attorney General Paxton announced a global settlement framework between state attorneys general, local subdivisions, and Mallinckrodt (MKN). MKN is currently the largest generic opioid manufacturer in the United States. In the agreement, MKN agreed to pay **\$1.6 billion in cash** to a trust that will cover the costs of opioid addiction treatment and related efforts, with the potential for increased payment to the trust.
- On **May 13, 2020**, Attorney General Paxton reached a bipartisan agreement with Texas Counties and Cities in preparation for settlement with opioid defendants: **McKesson, Cardinal Health, ABDC, and Johnson & Johnson**. Texas is one of the lead states currently negotiating financial settlements with the nation's largest companies in the opioid supply chain.

Opioid Lawsuits Timeline (3 of 3)

- In **February 2021**, Attorney General Paxton and 46 states entered into a settlement with McKinsey, a consulting firm that assisted Purdue and others with their marketing of prescription opioids, for **\$583 million and injunctive relief**. The funds are earmarked to remediate the harms caused by the opioid epidemic and to recover the costs incurred in investigating and pursuing these claims.
- On **July 23, 2021**, Attorney General Paxton announced the global settlement had been reached with opioid defendants **McKesson, Cardinal Health, ABDC, and Johnson & Johnson**.

Next Steps

- To join the Settlement, Subdivisions need to:
 - Sign on the to settlement and execute releases; and
 - Execute the Texas Term Sheet.
- The deadline to sign on is approximately 120 days after the state sign-on period, estimated January 2, 2022.

Confirmed Sign Ons

Allen
Alton
Alvin
Anna
Atascosa County
Atlanta
Baytown
Bellmead
Belton
Big Spring
Boerne
Brown County
Buda
Celina
Chambers County
Chandlers
Cibolo
Clute
Coke County
Collin County
Del Rio
Denver

Dickinson
Dumas
Duncanville
Eastland
Erath County
Fair Oaks Ranch
Fannin County
Fayette County
Forest Hill
Friendswood
Frio County
Gaines County
Gainesville
Gatesville
Garland
Gatesville
Graham
Granbury
Grey County
Greenville
Gregg County
Grimes County

Harlingen
Hale
Henderson
Hereford
Hitchcock
Howard
Humble
Huntsville
Hurst
Hutchinson County
Hutto
Jacksonville
Kent County
Kerrville
Kilgore
Kingsville
Kyle
La Vernia
Lake Jackson
League City
Leander
Lee County

Lindsay
Lockhart
Little Elm
Live Oak
Longview
Magnolia
Mansfield
Marlin
McAllen
McKinney
Mercedes
Mexia
Missouri
Monahans
Moore County
Mountain City
Nacogdoches
Natalia
New Braunfels
Palestine
Pearland

Confirmed Sign Ons

Pecos
Pflugerville
Pharr
Plano
Primera
Prosper
Queen
Rockport
Rosenberg
Runnels
San Angelo
San Benito
Santa Fe
San Jacinto
Schertz
Seguin
South Houston
Starr County
Sweetwater
Temple
Terry County
Universal City

Victoria
Victoria County
Washington County
Weslaco
West Orange
Wills Point
Kent County
Kerrville
Kilgore
Kingsville
Kyle
La Vernia
Lake Jackson
League City
Leander
Lee County
Lindsay
Lockhart
Little Elm
Live Oak
Longview
Magnolia

Mansfield
Marlin
McAllen
McKinney
Mercedes
Mexia
Missouri
Monahans
Moore County
Mountain City
Nacogdoches
Natalia
New Braunfels
Palestine
Pearland
Pecos
Pflugerville
Pharr
Plano
Primera
Prosper
Queen

Rockport
Rosenberg
Runnels
San Angelo
San Benito
Santa Fe
San Jacinto
Schertz
Seguin
South Houston
Starr County
Sweetwater
Temple
Terry County
Universal City
Victoria
Victoria County
Washington County
Weslaco
West Orange
Wills Point



KEN PAXTON
ATTORNEY GENERAL *of* TEXAS

For more information, visit
www.texasattorneygeneral.gov/globalopioidsettlement

Questions? Email opioids@oag.texas.gov