

## MILWAUKEE COUNTY FISCAL NOTE FORM

**DATE:** March 31, 2023

Original Fiscal Note

Substitute Fiscal Note

**SUBJECT:** A resolution authorizing Milwaukee County Office of Corporation Counsel (“OCC”) to enter into settlement agreements with Teva, Allergan, Walgreens, Walmart, and CVS; to agree to the terms of the MOU allocating settlement proceeds; and to authorize entry into the MOU with the Attorney General.

**FISCAL EFFECT:**

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| <input checked="" type="checkbox"/> No Direct County Fiscal Impact<br><input type="checkbox"/> Existing Staff Time Required<br><input type="checkbox"/> Increase Operating Expenditures<br>(If checked, check one of two boxes below)<br><input type="checkbox"/> Absorbed Within Agency’s Budget<br><input type="checkbox"/> Not Absorbed Within Agency’s Budget<br><input type="checkbox"/> Decrease Operating Expenditures<br><input type="checkbox"/> Increase Operating Revenues<br><input type="checkbox"/> Decrease Operating Revenues | <input type="checkbox"/> Increase Capital Expenditures<br><input type="checkbox"/> Decrease Capital Expenditures<br><input type="checkbox"/> Increase Capital Revenues<br><input type="checkbox"/> Decrease Capital Revenues<br><input type="checkbox"/> Use of contingent funds |
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*Indicate below the dollar change from budget for any submission that is projected to result in increased/decreased expenditures or revenues in the current year.*

	Expenditure or Revenue Category	Current Year	Subsequent Year*
<b>Operating Budget</b>	Expenditure	\$0	\$0
	Revenue	\$0	\$0
	Net Cost	\$0	\$0
<b>Capital Improvement Budget</b>	Expenditure	\$0	\$0
	Revenue	\$0	\$0
	Net Cost	\$0	\$0

*\*All funds must be deposited into the “Opioid Abatement Account” or the “Attorney Fees Account” and are not available for general operating expenditures. Any use of the Opioid Abatement Account will require County Board action to approve budgetary authority when funding from the Opioid Abatement Account is requested.*

## DESCRIPTION OF FISCAL EFFECT

**In the space below, you must provide the following information. Attach additional pages if necessary.**


- A. Briefly describe the nature of the action that is being requested or proposed, and the new or changed conditions that would occur if the request or proposal were adopted.
  - B. State the direct costs, savings or anticipated revenues associated with the requested or proposed action in the current budget year and how those were calculated.<sup>1</sup> If annualized or subsequent year fiscal impacts are substantially different from current year impacts, then those shall be stated as well. In addition, cite any one-time costs associated with the action, the source of any new or additional revenues (e.g. State, Federal, user fee or private donation), the use of contingent funds, and/or the use of budgeted appropriations due to surpluses or change in purpose required to fund the requested action.
  - C. Discuss the budgetary impacts associated with the proposed action in the current year. A statement that sufficient funds are budgeted should be justified with information regarding the amount of budgeted appropriations in the relevant account and whether that amount is sufficient to offset the cost of the requested action. If relevant, discussion of budgetary impacts in subsequent years also shall be discussed. Subsequent year fiscal impacts shall be noted for the entire period in which the requested or proposed action would be implemented when it is reasonable to do so (i.e. a five-year lease agreement shall specify the costs/savings for each of the five years in question). Otherwise, impacts associated with the existing and subsequent budget years should be cited.
  - D. Describe any assumptions or interpretations that were utilized to provide the information on this form.
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- A. Approval of this resolution would allow Milwaukee County Office of Corporation Counsel to execute settlement agreements with Teva, Allergan, Walgreens, Walmart, and CVS; to agree to the terms of the MOU allocating settlement proceeds; and to enter into an MOU with the Attorney General.
  - B. Under the terms of the proposed agreements, the County would receive a settlement of approximately \$56.7 million over 15 years as part of the executed agreement. Approximately 20 percent of this amount, or \$11.3 million will be set aside in an "Attorney Fees Account" to cover any direct costs associated with legal fees. The amount of fees paid by Milwaukee County may be less than \$11.3 million. The remaining revenues, or approximately \$45.4 million will be placed in a trust account or the "Opioid Abatement Account" and will only be available for funding opioid abatement measures as provided for within the settlement agreements.
  - C. There is no budgetary impact associated with this request. Although the County will receive revenues in excess of \$45 million over 15 years, these funds will be directly deposited into the Opioid Abatement Account. Budgetary authority would need to be approved by the County Board each time funding from the Opioid Abatement Account is requested.
  - D. No assumptions were made in calculating the fiscal impact of this request.

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<sup>1</sup> If it is assumed that there is no fiscal impact associated with the requested action, then an explanatory statement that justifies that conclusion shall be provided. If precise impacts cannot be calculated, then an estimate or range should be provided.

<sup>2</sup> Community Business Development Partners' review is required on all professional service and public work construction contracts.

Department/Prepared By Cynthia J Pahl

Authorized Signature Cynthia J Pahl 

Did DAS-Fiscal Staff Review?  Yes  No

Did CBDP Review?<sup>2</sup>  Yes  No  Not Required