



## Colorado Opioid Abatement Council (COAC)

### Administrative Committee

### Meeting #25

January 7<sup>th</sup>, 2025  
2:00pm – 3:00pm

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*Membership Present:* Nancy Rodgers, David Frank, Lori Laske, Aaron Miltenberger

*DOL Staff:* Jamie Feld, Jack Patterson, Christian Dykson, Natalie Sandoval

*Guests:*

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#### Welcome and Introductions

Nancy Rodgers called the meeting to order, noting that a quorum was present. The agenda was reviewed, with infrastructure amendment procedures identified as the first discussion item.

#### Infrastructure Amendment Procedures

The Opioid Response Unit (ORU) provided an overview of proposed award amendment procedures for Infrastructure awards. They explained that the goal is to establish clear guidelines for managing Infrastructure awards. As proposed, all proposed changes to awards, whether in the award budget or award workplan, must be reviewed and approved by the ORU.

Key discussion points included:

- *Defining substantive vs. non-substantive amendments:*
  - *Substantive amendments (constituting 40% or more of the total award) require COAC Committee approval, preferably by COAC Review Committee.*
  - *Non-substantive amendments require only approval from the ORU (ORU) Director unless they include modifications includes a significant change from the original intent of the award*
- *Award amendments must align with the original intent of the grant as defined in award letters and Exhibit E.*
- *Standardized digital forms for amendment requests will be used to streamline the process.*

Dave Frank raised concerns about validating full-time equivalent (FTE) percentages for grant-funded positions and whether additional tracking is necessary. The Committee debated the burden this would place on applicants and staff. Nancy Rodgers and Lori Laske suggested keeping the process as simple as possible while ensuring accountability. The group ultimately agreed that while FTE percentages could be reported, additional validation requirements should be kept minimal.

The 40% threshold for substantive amendments was also discussed. Lori Laske emphasized the importance of flexibility while ensuring awardees stay within the primary intent of their funded projects.

*The committee agreed that this threshold allows for reasonable adjustments without unnecessary administrative burdens.*

### **Administrative Costs**

*The ORU presented a review of administrative cost limits under the Colorado Opioid Settlement Memorandum of Understanding (MOU). The ORU shared that the MOU restricts administrative costs to 10% of the "allocation" for Local Governments, Regions, and Infrastructure Share awardees, but the MOU does not define what the "allocation" is*

*Four potential interpretations of the "allocation" subject to the 10% cap were considered:*

- 1. Total allocation over 18 years*
- 2. Allocation available to date*
- 3. Allocation received to date*
- 4. Allocation per two-year plan (regions only)*

*Dave Frank and Lori Laske expressed concerns about potential abuse if administrative costs were calculated based on total lifetime allocations. After discussion, the committee agreed on a hybrid approach:*

- Regions: The 10% cap applies to funding allocated within a two-year plan.*
- Local Governments & Infrastructure Grants: The cap applies to funds received to date.*

*This decision ensures administrative costs are tied to actual spending capacity while maintaining regional flexibility. The committee also emphasized the need for clear communication to ensure that local governments understand how administrative costs should be calculated.*

### **Expenditure Reporting**

*The ORU led a discussion on the upcoming expenditure reporting deadline, initially set by the COAC for February 7, 2025. The ORU explained that the deadline was originally aligned with the national settlement's reporting timeline for the Mallinckrodt settlement, which required submission by February 14, 2025. However, the national deadline was recently extended to February 28, 2025, raising the possibility of granting additional time for local governments and regional councils to complete their reports.*

*The committee discussed the benefits and drawbacks of extending the deadline by one week to February 14, 2025. Dave Frank and Lori Laske voiced general support for the extension, noting that some local governments may need additional time to ensure accurate and complete data submission. The extension would also allow more time for finalizing expense categorizations and addressing any reporting inconsistencies.*

*ORU staff emphasized the importance of ensuring data consistency across all expenditure reports. ORU staff noted that last year's reporting process resulted in a 100% compliance rate, a significant achievement for the program. However, one challenge encountered was the inconsistent categorization*

*of expenditures, making it difficult to compare spending trends across different regions and funding recipients. To improve the process, the ORU (ORU) has been working on:*

- *Standardized expenditure categories to ensure clearer reporting.*
- *Updated FAQs and detailed instructions for local governments and regional councils.*
- *Tutorials and training sessions to assist stakeholders with submission requirements.*

*Additionally, regions and local governments will be required to certify compliance with their two-year plans before submitting their reports. Any necessary two-year plan amendments should be submitted by January 8, 2025, to allow COAC time to review and approve them before expenditure reports are finalized.*

*One key issue discussed was the impact of planned vs. actual expenditures on the public dashboard. In previous years, planned expenditures for the second year of two-year plans were included in reports, providing an early indicator of how funds were expected to be used. However, due to changes in the Salesforce reporting system, planned expenditures may not be displayed as prominently in the upcoming report, potentially giving the appearance of a decrease in overall spending activity.*

*ORU staff explained that the team is working with Salesforce developers to explore solutions, but for now, regions should expect that planned expenditures may not be as visible in public reporting.*

*The committee agreed that the formal proposal to extend the expenditure reporting deadline by one week to February 14, 2025, would be presented for a vote at the full COAC meeting on February 6, 2025. In the meantime, all regions and local governments were encouraged to continue preparing their reports as if the February 7 deadline remains in place, in case the extension is not approved.*

### **Infrastructure Policy Update**

*An update was provided to the committee on the pending infrastructure policy revisions, aimed at clarifying language, ensuring alignment with the opioid settlement agreement, and removing outdated references. These updates are designed to enhance clarity for current and future grant recipients while maintaining compliance with existing Memorandum of Understanding (MOU) guidelines.*

#### **Key Updates:**

1. *Replacing Exhibit A with Exhibit E – The policy originally referenced Exhibit A, but Exhibit E now defines approved fund uses, ensuring consistency with the finalized opioid settlement agreement.*
2. *Aligning with the MOU – Updates ensure compliance with settlement expenditure, reporting, and eligibility requirements, making it easier for infrastructure grant recipients to understand their obligations.*
3. *Removing outdated language – The revised policy eliminates unnecessary sections and refines terminology to provide clearer, more precise guidance.*

*ORU staff confirmed that these policy updates will not impact current infrastructure grant recipients but are intended to improve future grant management. The committee agreed to proceed with the review process.*

### **Transfers of Funds to Regions**

*ORU staff presented on the process for local governments that wish to transfer their opioid settlement funds to regional councils or other local governments. Since 2022, more than 20 additional local governments have chosen to transfer their funds rather than manage them independently. This shift reflects a broader trend toward regional collaboration, allowing for more coordinated opioid response efforts.*

*To streamline the transfer process, the committee reviewed proposed procedures that would formalize how transferred funds are managed and reported. Under the proposed process:*

- 1. Transferred funds will be treated as part of the region's total allocation – Once a local government transfers funds, those funds will be counted as part of the region's overall opioid settlement resources and included in future two-year plan updates.*
- 2. Regions must account for transferred funds in their next two-year plan amendment – Funds transferred from local governments must be formally incorporated into regional budgets and strategic plans, ensuring transparency in fund utilization.*
- 3. Regions are not required to accept transfers – If a regional council decides that managing additional local government funds would be too burdensome, it has the right to decline the transfer.*

*ORU staff emphasized that these guidelines aim to provide clarity for both local governments and regional councils, ensuring that transferred funds are used efficiently and transparently.*

*Lori Laske raised a concern regarding last-minute transfers. She noted that if a local government waits until just before the expenditure reporting deadline to transfer its funds, it could place an unexpected burden on regional councils that must suddenly account for and manage additional resources.*

*To address this, the following clarification was provided by ORU staff:*

- Local governments must submit expenditure reports for any funds spent before the transfer – If a local government has already spent part of its allocation, it remains responsible for reporting those expenditures before transferring the remaining balance to a regional council.*
- Regions have the choice whether to receive to accept the transfer.*
- Local governments will be encouraged to initiate transfers well before the reporting deadline to avoid unexpected administrative work for regions.*

*ORU staff highlighted the advantages of allowing local governments to transfer their funds to regional councils or other local governments, including:*

- More coordinated and impactful spending – Regional councils can combine transferred funds with existing regional resources, enabling larger-scale programs and investments.*

- *Reduced administrative burden on small local governments – Managing opioid settlement funds requires detailed reporting and compliance. Many small towns and counties lack the staff or infrastructure to handle these requirements independently.*
- *Increased flexibility for long-term planning – Regional councils typically operate on two-year planning cycles, which allows for more strategic use of funds than annual local government budgets.*

*The committee expressed support for the proposed procedures as a standard practice. The new guidelines will be reflected in the upcoming reporting cycle, with full details to be included in future COAC policy updates.*

### **ORU Updates**

*The ORU provided updates on expenditure reporting, infrastructure grants, regional planning, and stakeholder engagement. The ORU is focused on ensuring compliance, efficiency, and transparency in managing opioid settlement funds.*

### **Expenditure Reporting & Plan Amendments**

*The ORU is preparing for the 2025 expenditure reporting process, with key deadlines:*

- *January 8, 2025 – Deadline for pre-expenditure reporting two-year plan amendments.*
- *Regions are finalizing 2025–2026 spending plans, rolling over unspent funds where applicable.*
- *COAC will review major amendments in February 2025 to ensure compliance.*
- *February 7, 2025 – Expenditure reports due, with potential extension pending COAC approval.*
- *February 28, 2025 – Final national reporting deadline.*

*Efforts include Salesforce system updates, improved data standardization, and stakeholder guidance to maintain 100% reporting compliance as achieved last year.*

### **Infrastructure Grants**

- *February 3, 2025 – Deadline for infrastructure grant applications, with ongoing applicant support.*

### **Public Comment**

*Public comment was opened. No public comments were made.*

### **Adjourn**