



Colorado Opioid Abatement Council (COAC)

Administrative Committee

Meeting #26

February 4th, 2025
2:00pm – 3:00pm

Membership Present: David Frank, Lori Laske, Aaron Miltenberger

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

Guests: Karla Estrada

Welcome and Introductions

The Opioid Response Unit (ORU) opened the meeting by welcoming all attendees and having each attendee introduce themselves.

Expenditure Reporting Extension

ORU staff provided an update on the February 7th expenditure reporting deadline, initially set to meet the national settlement reporting deadline of February 14th. It was announced that the national deadline had been extended to February 28th, allowing for a potential extension for regional and local governments if needed. While the expectation was that most entities would submit their reports by the original deadline, the committee discussed the possibility of formally extending the reporting deadline by one week to February 14th.

Dave Frank and other committee members expressed support for the extension to allow additional flexibility. The proposal will be presented for a formal vote at the full COAC meeting on Thursday.

Administrative Costs

ORU staff summarized discussions from the January Administrative Committee meeting regarding restrictions on administrative costs under the Memorandum of Understanding (MOU). The MOU limits administrative costs to the actual costs incurred or 10% of the allocation, whichever is less. However, there were ongoing questions regarding how the 10% cap should be applied across different funding allocations.

The committee reaffirmed the agreed-upon definitions from the previous meeting:

- For regions: The 10% cap applies to the total projected spending per two-year plan.
- For infrastructure awardees: The cap is based on the total award received.
- For local governments: The cap is based on the current funding balance during the reporting period.

Commissioner Lori Laske emphasized the importance of clarifying the term "allocation" in communications to regional councils, as the term is used in multiple contexts. The committee agreed to

provide clear examples in guidance documents to help regions determine how their administrative cost limits are calculated.

The effective date of these clarifications was discussed, with proposals to either apply the changes retroactively or from January 1, 2025, onward. Some regions may have already exceeded the 10% limit in the first two-year cycle due to upfront administrative costs. The committee agreed that the effective date should be upon adoption by the full COAC, allowing for a grace period. Regions will be encouraged to adjust their spending in future cycles to remain compliant.

The Committee agreed to bring the determination to the full COAC to vote and referred the matter of providing guidance to Regions and local governments to the Assistance Committee.

Interest Guidance

The Committee reviewed the December 18th COAC vote, which determined that all interest earned on opioid settlement funds must be used for approved abatement purposes. While the reporting of interest earned was already a requirement, the new vote ensured that these funds could not be used for other purposes.

The effective date for this policy was discussed, with members generally agreeing that interest usage should be applied retroactively to ensure consistency in fund management. Commissioner Laske raised a concern that some local governments pool unspent grant funds into broader investment accounts, making it difficult to calculate exact interest earnings from settlement funds. The committee agreed to provide guidance for local governments on tracking and allocating interest earnings proportionally.

Additionally, Dave Frank suggested that fiscal agents for all local governments should receive a formal notification letter about the policy to ensure compliance. The committee supported this idea, emphasizing the need for clear communication and best practices for tracking interest earnings separately.

ORU Staff committed to working on language for a notification letter and would bring language back to the Committee for review, as well reviewing proposed language with the Assistance Committee.

Conflict of Interest Forms

ORU staff reminded the committee that COAC members are required to sign annual Conflict of Interest forms at the beginning of each calendar year. The form affirms that members:

- 1. Have received and understand the Conflict-of-Interest Policy.*
- 2. Agree to comply with the policy.*
- 3. Will disclose any potential conflicts that arise.*

Aaron Miltenberger suggested creating a standardized form for members to declare potential conflicts rather than relying on informal disclosures. The committee supported this idea, and ORU staff agreed to draft a conflict disclosure form for review at the next meeting.

ORU staff outlined conflict of interest management processes for infrastructure funding applications, ensuring that members involved in funding decisions do not review or influence applications from

organizations they are affiliated with. The review process has been designed to prevent conflicts, and members are expected to recuse themselves when necessary.

Dave Frank raised the importance of reviewing and updating the Conflict of Interest policy, as it was last revised when COAC was formed. ORU staff agreed to conduct a review of the policy to ensure it remains relevant and aligned with evolving processes.

Infrastructure Extension Procedures

ORU staff presented updated award management procedures for opioid infrastructure grants, outlining guidelines for modifying awards and requesting extensions. The committee had previously discussed defining "substantive" vs. "non-substantive" amendments and the need for administrative review of all modifications.

- Substantive changes (constituting 40% or more of the total award) require COAC review and approval.
- Non-substantive changes require only approval from the ORU.

The Committee expressed support for the proposed procedures. Dave Frank and Lori Laske emphasized the importance of flexibility, as regional awardees often need to make vendor substitutions or minor budget reallocations.

ORU staff also introduced guidelines for extending infrastructure award cycles, noting that:

- Awardees will be encouraged to hit certain thresholds of expended funds by set intervals (25% by month 6, 50% by month 12, 75% by month 18, 100% by month 24)
- Round 1 awardees (March 2023 recipients) must expend funds by March 17, 2025 unless an extension is granted.
- Extensions should be discouraged but may be approved if necessary to ensure sustainable spending.
- Extensions would also extend reporting requirements to maintain oversight.

The Committee expressed support for the procedures as written, noting that the language as worded provides a lot of flexibility and allows for more grace.

Opioid Response Unit Updates

ORU staff provided an update on the recent Purdue Pharma settlement, which increases Colorado's total opioid settlement funds to approximately \$870 million. The timeline for fund disbursement is still pending, as local governments will need to sign on to the new settlement agreement before amounts can be finalized.

Additionally, COAC two-year terms for certain members are set to expire on March 30, 2025. The Attorney General's Office will work with Colorado Municipal League (CML) and Colorado Counties, Inc. (CCI) to renew appointments.

Public Comment

Public comment was opened. No public comments were made.

Adjourn