



## NC Opioid Settlement Coordination Group

July 12, 2023; 12:00P – 12:30P

via Zoom

### Meeting Minutes

#### I. ATTENDANCE AND ABSENCES

##### Members in Attendance:

David Ellis, Wake County  
Gordon Watkins, Forsyth County  
Dr. Jennifer Green, Cumberland County  
Eric Olmedo, City of High Point  
Louis Leake, Fayetteville Comprehensive Treatment  
Alyssa Kitlas, NC Department of Health and Human Services  
Louise Vincent, NC Survivors Union  
Steve Mange, NC Department of Justice  
Kara Millonzi, UNC School of Government  
Dr. Kathy Colville, NC Institute of Medicine

##### Member Absences:

Commissioner Jasmine Beach-Ferrara, Buncombe County  
Margaret Bordeaux, Duke Department of Population Health Sciences

##### Guests in Attendance:

Nidhi Sachdeva, Elizabeth Brewington, Jane Casarez, Tracey Edwards, Becky Garland, Cecilia Gonzales, Katherine Gora Combs, Casey Haines, Kateisha Jones, Steven Lamm, Stephen Marshall, Kathryn Minor Jones, Heather Moore, Ruth Parker Bellamy, Aalece Pugh-Lily, Jill Rushing, Rebecca Stapleton, Rikki Thompson, Lauren Tucker

#### II. CALL TO ORDER and APPROVAL OF MEETING MINUTES

Meeting called to order at 12:03 a.m. by Gordon Watkins, Chair NC Opioid Settlements MOA Coordination Group. Mr. Watkins welcomed Coordination Group members and guests and thanked them for participating. He noted that the purpose of the day's meeting was for the Coordination Group to consider a proposal to make certain technical changes to the annual financial report that local governments will have to complete at the end of each fiscal year. Mr. Watkins noted that public comment was not a part of this meeting, but he encouraged members of the public who have questions or comments about the opioid settlements, to email NC DOJ at [opioidsettlement@ncdoj.gov](mailto:opioidsettlement@ncdoj.gov) or NCACC at [opioidsettlement@ncacc.org](mailto:opioidsettlement@ncacc.org). He thanked members of the public for their understanding and cooperation.

Mr. Watkins then shared that NC received national recognition for its opioid settlement work and recently was presented an [award for excellence](#) for its application of the Principles for Use of Fund from the Opioid Litigation. Mr. Watkins reminded members and guests that meeting materials are posted on the More Powerful NC site ([www.morepowerfulnc.org](http://www.morepowerfulnc.org)) and can be found by clicking "Opioid Settlements" and then "NC MOA Coordination Group." Mr. Watkins then reviewed the business of the last meeting and presented the minutes.

David Ellis made a motion to accept the meeting minutes from June 21, 2023, as presented. Eric Olmedo seconded. There was a roll call vote where 10 members voted in favor of the motion and no members opposed the motion. The motion passed with unanimous approval.

### **III. NEW BUSINESS**

#### **Financial Reports**

Steve Mange introduced Becky Garland, NC Department of State Treasurer, and Coordination Group Member Kara Millonzi, UNC School of Government, who reviewed the *Explanation of Proposed Modifications to Exhibit E Annual Financial Report* (attached) and the *Proposed Modification [to] Exhibit E to the NC MOA: Annual Financial Report* (attached). There was a discussion of the proposed modification.

Dr. Kathy Colville made a motion to approve the modification to Exhibit E to the NC MOA: Annual Financial Report. Louis Leake seconded. There was a roll call vote where 10 members voted in favor of the motion, and no members opposed the motion. The motion passed with unanimous approval.

### **IV. ADJOURNMENT**

Eric Olmedo made a motion to adjourn. David Ellis seconded. There was a voice vote where all members voted in favor of the motion to adjourn. The motion passed with unanimous approval, and the meeting was adjourned at 12:34 p.m.



## NC Opioid Settlements MOA Coordination Group

July 12, 2023; 12:00P – 12:30P

[Join Zoom Meeting](#)

Meeting ID: 957 1968 9744

Passcode: 555653

<b>Agenda</b>	
<b>12:00P – 12:05P</b>	<b>Welcome and Introductions</b>  Gordon Watkins, Forsyth County Nidhi Sachdeva, NC Association of County Commissioners
<b>12:05P – 12:10P</b>	<b>Approval of Meeting Minutes, June 21, 2023 (VOTE)</b>  Gordon Watkins, Forsyth County
<b>12:10P – 12:20P</b>	<b>Financial Reports (VOTE)</b>  Steven Mange, NC Department of Justice Becky Garland, NC Department of State Treasurer Kara Millonzi, UNC School of Government
<b>12:20P – 12:30P</b>	<b>General Discussion and Next Steps</b>  Gordon Watkins, Forsyth County
<b>12:30P</b>	<b>Thank yous and Adjourn</b>

## NC Opioid Settlements: Memorandum of Agreement Coordination Group

Appointed By	Appointee Name	Appointee Affiliation	Position/Title
NCACC - County Commissioner	Commissioner Jasmine Beach-Ferrara	Buncombe County	Commissioner
NCACC - County Manager	David Ellis	Wake County	County Manager
NCACC - County Attorney	Gordon Watkins	Forsyth County	County Attorney
NCACC - Health/HS Director	Dr. Jennifer Green	Cumberland County	Health Director
NCLM - Municipal Manager	Eric Olmedo	City of High Point	Assistant City Manager
DHHS Secretary	Louis Leake	Fayetteville Comprehensive Treatment (OTP)	Clinic Director
DHHS Secretary	Alyssa Kitlas	NC Department of Health and Human Services Division of Mental Health/DD/SAS	State Opioid Coordinator
DHHS Secretary	Louise Vincent	NC Survivors Union	Executive Director
DHHS Secretary	Margaret Bordeaux	Duke Department of Population Health Sciences	Clinical Research Coordinator
NC Attorney General	Steve Mange	NC Department of Justice	Director of Policy and Legislative Affairs
Speaker of the House	Kara Millonzi	UNC School of Government	Distinguished Professor of Public Law and Government
Senate President Pro Tem	Dr. Kathy Colville	NC Institute of Medicine	President and CEO

# NC MOA COORDINATION GROUP

## Explanation of Proposed Modifications to Exhibit E Annual Financial Report

The Exhibit E Annual Financial Report is critical to achieving our shared goal of transparency and accountability. In this report, local governments share how they spent opioid settlement funds during the preceding fiscal year. The reports are due within 90 days of the last day of the fiscal year, so the FY 2022-2023 reports will be due September 27, 2023. The information from these reports will be shared on the Community Opioid Resources Engine ([CORE-NC](#)).

After careful consideration and discussion, we recommend that the Coordination Group streamline and improve the Annual Financial Report E in the following ways:

**PART ONE:** In what is now called PART ONE of Exhibit E, where local governments report topline information about opioid settlement funds received and expended, we recommended additional language that clarifies the following:

- The manner in which a local government accounts for any interest, investment gains, or investment losses.
- The manner in which a local government identifies the strategies it funded, to ensure there is no there is no ambiguity about which strategies were funded.
- The formula governing the seven items that local governments are required to report:  
Lines 1 + 2 + 3 – 4 – 5 – 6 = 7.

**PART TWO:** In what is now called PART TWO of Exhibit E, we recommend the Coordination Group drop some unnecessary reporting requirements and enhance certain other reporting requirements.

First, we recommend dropping a set of reporting requirements that we believe will generate a substantial amount of confusion and unnecessary work on the part of local governments without adding much at all in the way of transparency or accountability. Here are the reporting requirements we propose to drop:

~~All Local Governments that receive two tenths of one percent (0.2 percent) or more of the total Local Government Allocation as listed in Exhibit G shall provide the following additional information:~~

- ~~6. For all Opioid Settlement Funds disbursed or applied during the fiscal year as reported in item 3 above, a single breakdown of the total amount disbursed or applied for all funded strategies during the fiscal year into the following categories:
  - ~~a. Human resource expenditures.~~
  - ~~b. Subcontracts, grants, or other payments to sub-recipients involved in implementing the funded strategies listed in item 4 above.~~
  - ~~c. Operational expenditures.~~
  - ~~d. Capital expenditures.~~
  - ~~e. Other expenditures~~~~

Second, we recommend enhancing a set of reporting requirements that will generate valuable information on sub-recipients receiving opioid settlement funds from local governments for the purpose of implementing a strategy listed in Exhibit A or Exhibit B to the MOA.

In its original form, Exhibit E required the following information about these sub-recipients:

All Local Governments that receive two-tenths of one percent (0.2 percent) or more of the total Local Government Allocation as listed in Exhibit G . . .

7. . . . shall provide the following information for any sub-recipient that receives ten percent or more of the total amount that the Local Government disbursed or applied during the fiscal year:
  - a. The name of the sub-recipient.
  - b. The amount received by the sub-recipient during the fiscal year.
  - c. A very brief description of the goods, services, or other value provided by the sub-recipient (for example, “addiction treatment services” or “peer-support services” or “syringe service program” or “naloxone purchase”).

We recommend that the Coordination Group adopt the modifications to this language that we have proposed (see mark-up of Exhibit E) for the following reasons:

- A. **The new language increases the range of sub-recipients whose information will be reported and shared with the public**, especially for larger local governments. Under our proposal, in addition to reporting on sub-recipients that receive ten percent or more of the amount disbursed (which was already required), local governments are also required to report on sub-recipients that receive \$50,000 or more of opioid settlement funds.

We believe this expanded information about subrecipients will be of great interest to members of the public, and that providing this information will be relatively simple and straightforward for local governments. In this regard, it should be noted that this change will have little or no impact on smaller local governments receiving small shares of opioid settlement funds, because any sub-recipient receiving \$50,000 or more (under the expanded requirement) would most likely be receiving ten percent or more of the total amount disbursed by a smaller local government (which was already required). To the extent additional information on sub-recipients is reported, it will be reported by larger local governments receiving larger shares of opioid settlement funds.

- B. **The new language clarifies the definition of sub-recipient for these reporting requirements**, noting that “a sub-recipient for whom reporting is required is an entity receiving Opioid Settlement Funds from the Local Government for the purpose of implementing a strategy listed in Exhibit A or Exhibit B to this MOA.”
- C. **The new language makes it clear that very small local governments are encouraged to provide the information about sub-recipients**, even though they are not required to do so. (By very small local governments we mean those receiving less than two-tenths of one percent of opioid settlement funds in Exhibit G to the MOA.)

# EXHIBIT E TO NC MOA: ANNUAL FINANCIAL REPORT

**APPROVED**

July 12, 2023

## PART ONE

All Local Governments that receive, hold, or disburse Opioid Settlement Funds during the fiscal year shall report the following financial information:

1. The amount of Opioid Settlement Funds in the special revenue fund at the beginning of the fiscal year (July 1).
2. The amount of Opioid Settlement Funds received during the fiscal year.
3. The amount of any interest and investment gains realized during the fiscal year.
4. The amount of any investment losses realized during the fiscal year.
5. The amount of Opioid Settlement Funds disbursed during the fiscal year, net of any reimbursements, not including audit costs covered in item 5 below. This amount shall be reported (a) in total and (b) broken down by funded strategy, including the item letter and/or number in Exhibit A or Exhibit B to identify each such funded strategy (with any permissible common costs prorated among strategies).
6. The amount of Opioid Settlement Funds used to cover audit costs as provided in Section F.3 of this MOA.
7. The amount of Opioid Settlement Funds in the special revenue fund at the end of the fiscal year (June 30).

With respect to the items listed above, item 1 plus item 2 plus item 3 minus item 4 minus item 5 minus item 6 must equal item 7 ( $1 + 2 + 3 - 4 - 5 - 6 = 7$ ).

## PART TWO

- A. The reporting requirements in Part Two, sub-part B below are mandatory for all Local Governments that receive two-tenths of one percent (0.2 percent) or more of the total Local Government Allocation as listed in Exhibit G and that disburse any amount of Opioid Settlement Funds during the fiscal year, as reported above in Part One, item 5. Other Local Governments that disburse Opioid Settlement Funds during the fiscal year are strongly encouraged to provide such information.
- B. For each sub-recipient (as defined below) that during the fiscal year received a disbursement of Opioid Settlement Funds from the Local Government equal to or greater than either (a) \$50,000 or (b) ten percent of the total amount disbursed by the Local Government during the fiscal year as reported above in Part One, line 5, the Local Government shall report the following:
  1. The name of the sub-recipient.
  2. The amount of Opioid Settlement Funds disbursed to the sub-recipient during the fiscal year.
  3. A very brief description of the goods, services or other value provided by the sub-recipient (for example, “addiction treatment services” or “peer-support services” or “syringe service program”).

For the purposes of this Part Two, sub-section B, a sub-recipient for whom reporting is required is an entity receiving Opioid Settlement Funds from the Local Government for the purpose of the entity implementing a strategy listed in Exhibit A or Exhibit B to this MOA.