



Colorado Opioid Abatement Council (COAC)

Administrative Committee

Meeting #30

July 1st, 2025
2:00p– 3:00pm

Appointees: Nancy Rodgers, Dave Frank, Lori Laske

DOL Staff: Jack Patterson, Christian Dykson

Guests:

Welcome and Introductions

Nancy Rodgers initiated the session with welcomes and introductions. The Committee moved to approve the June 2025 meeting minutes.

Lori Laske moved to approve the June 2025 meeting minutes

Dave Frank seconded

Unanimously approved

Post Expenditure Reporting Communications

Opioid Response Unit (ORU) staff presented two drafted communications regarding the appropriate use of opioid settlement funds. The first communication addressed three specific entities—Region 3, Region 6, and the Town of Windsor—whose 2024 expenditures had been found to fall outside the scope of Exhibit E. The communication clarified that while no enforcement action would be taken at this time, the COAC expected all future expenditures to align with Exhibit E. Examples of prohibited items included spectrometers, canine units, and drug interdiction equipment. The tone of the message was designed to be clear but non-punitive, in alignment with COAC values.

ORU staff confirmed that the determination had previously been voted on by the COAC and that legal counsel advised the follow-up message be issued under COAC's authority. Clarification was also provided regarding the transition from Exhibit A to Exhibit E, with confirmation that this transition was supported by a COAC vote on February 14, 2024.

A second communication was presented for broader distribution to all regions and local governments. This notice emphasized the importance of compliance with Exhibit E and encouraged recipients to review year-two expenditure data to better understand trends across the state. Both communications were approved by the Committee, with ORU staff tasked with tracking responses and reporting back at the next meeting.

Capital Assets and Infrastructure Awards

The Committee continued its discussion on capital assets from the prior meeting. ORU staff explained that Round 3 infrastructure award letters now included a stipulation requiring that capital assets funded with opioid settlement funds be used for approved purposes for at least seven years. The COAC considered sale or repurposing of such assets within that period to constitute misuse of funds unless pre-approved.

It was agreed that this expectation should apply to Round 1 and 2 awardees.

A drafted communication was shared with the Committee to inform those recipients, along with a note that brief annual status updates would be requested in alignment with regular expenditure reporting.

The Committee discussed the importance of defining "capital assets" more clearly. Lori Laske noted that without clearer guidance, recipients might conflate minor equipment with long-term investments. ORU staff acknowledged that infrastructure budgets had so far relied on self-definitions and committed to researching standard definitions to inform future guidance.

Indirect Costs

ORU staff introduced a new topic based on recent inquiries from multiple regions regarding how indirect costs should be treated under the COAC's policies and Exhibit E. The Committee reviewed potential definitions of indirect costs, including items such as office supplies, utilities, and space rental, and discussed how these differ from administrative costs, which refer to the direct oversight and management of opioid settlement funds.

ORU staff clarified that while the MOU permits reasonable administrative costs, it does not explicitly define or authorize indirect cost rates. The Committee generally agreed that indirect costs may be included in program budgets if they are necessary for implementing approved strategies, but they should not be reported as administrative expenses. Committee members recommended a distinction that allowable costs are those that were incurred as a result of opioid funds, noting the potential issue of supplantation. Members emphasized the importance of preserving the integrity of expenditure reporting and avoiding the perception that excessive funds are being used for overhead.

The Committee requested that ORU staff draft written guidance delineating administrative versus indirect costs, with the intent of incorporating that framework into future reporting expectations.

Infrastructure Share Policy

ORU staff presented proposed changes to the COAC infrastructure share policy. Revisions were intended to better align with the MOU and existing COAC practices. Changes included updated language to reflect Exhibit E as the current standard for allowable uses, clarification of applicant eligibility (e.g., participating local governments and state agencies), and explicit inclusion of state institutions of higher education as eligible applicants.

A previously considered change was the removal of the term "fiscal agent" was reversed after feedback from the Committee. Members noted that maintaining a clear definition of fiscal agent helped ensure compliance with MOU requirements, especially when non-governmental entities are involved. Additional updates included language that allowed flexibility in future funding rounds (rather than mandating annual rounds), and clarification that some funds may be managed through state agencies rather than exclusively through national settlement administrators. The ORU staff committed to revising the draft and distributing it in advance of the August committee meeting, where it would be reviewed and potentially recommended for approval by the full COAC.

Opioid Response Unit Updates

ORU staff reported that recently released supplantation guidance had been well received and helped clarify permissible fund uses. Updates on new settlements, including those involving Purdue Pharma and secondary distributors, were expected soon. In anticipation, ORU staff planned to initiate direct outreach to the local governments.

An upcoming webinar was scheduled for the approximately 50 local governments receiving opioid settlement funds, aiming to raise awareness of existing resources, promote redirection options, and provide technical assistance. At the time of the meeting, 29 of the 51 entities had registered. The Committee supported the outreach strategy and affirmed the importance of reconnecting with participating local governments.

Public Comment

No public comments were made.

Adjourn