

MEMORANDUM

TO: Representative Robin Scheu, Chair, House Committee on Appropriations
Representative Theresa Wood, Chair, House Committee on Human Services
Senator Andrew Perchlik, Chair, Senate Committee on Appropriations
Senator Virginia Lyons, Chair, Senate Committee on Health and Welfare

FROM: Opioid Settlement Advisory Committee

DATE: January 15, 2026

SUBJECT: Opioid Abatement Special Fund Recommendations for Fiscal Year 2027

In accordance with 18 V.S.A. § 4772(e), the Opioid Settlement Advisory Committee (OSAC or the Committee) is pleased to present to the Vermont General Assembly the Committee's recommendations for expenditures from the opioid abatement special fund (Fund) for fiscal year 2027.

Principles

The Committee continues to adhere to the set of five principles for the use of funds from opioid litigation espoused by Johns Hopkins:

1. Spend money to save lives; use the funds to supplement rather than replace existing spending.
2. Use evidence to guide spending.
3. Invest in youth prevention.
4. Focus on all forms of equity, including geographic/rural.
5. Develop a transparent, inclusive decision-making process guided by public health leaders with the active engagement of people and families with lived experience, clinicians, as well as other key groups.¹

Process and Initiatives

This year, the Committee received 67 applications for funding. The Committee voted to recommend the 13 initiatives described below for funding in fiscal year 2027. The processes by which the Committee receives and evaluates proposals can be found [here](#).

Funding and Recommendations

The Committee based their recommendations on the assumption that the Fund has a total balance of approximately \$8.6 million. This figure is based on the current balance of the fund as of fall 2026 and the assumption that the Legislature will approve a \$1.44 million reversion to the Fund.

The reversion is due to two changes:

1. The Department of Corrections no longer needs the full \$500,000 appropriated from this Fund in Act 22 of 2023 to establish a medication dosing unit and

¹ <https://opioidprinciples.jhsph.edu/wp-content/uploads/2022/02/Opioid-Principles-Doc.pdf>.



2. instead is using existing systems for opioid medication delivery inside of correctional facilities. This resulted in \$444,000 being reverted back into the fund.
3. The Department of Health received a base general fund appropriation in SFY26 for re-engagement beds (implementation date of July 1, 2026) and therefore no longer needs the \$1 million special fund appropriation for this work.

The Committee did not include in its budget any additions to the Fund from any separate or new settlements. The Committee recognizes that the amount in the Fund can change based on settlement payment timing but sought to make recommendations based on known funding.

The following recommendations are supported by an affirmative vote of the majority of OSAC members. The Committee, thus, recommends expenditures be made from the opioid abatement special fund to support these initiatives.

Recommendations for Existing Ongoing Projects

The Committee recommends continuing to fund the following two projects, which were funded in Act 16 (2025) and had legislative intent for ongoing funding:

1. **Outreach and engagement staff at all VDH preferred providers: \$455,000**
State Fiscal Year 2027 need is reduced due to hiring delays and turnover in past years. Using carryforward, this program only needs \$455,000 in State Fiscal Year 2027.
2. **Recovery residence ongoing operational funding: \$1.75 million**
The Vermont Alliance for Recovery Residences and Recovery Partners of Vermont requested an increase from the FY26 appropriation of \$1.4 million to maintain the same level of support per home for an increasing number of operators.

Continued funding from State Fiscal Year 2026

The Committee recommends sustaining funding for the following projects that were funded in State Fiscal Year 2026.

3. **Vermont Alliance for Recovery Residences Scholarships: \$200,000**
Provides initial entry fees and rent for those newly entering recovery housing.
4. **DOC and Recovery Partners of Vermont: \$1.1 million**
For continued embedding of peer recovery center coaches in Vermont correctional facilities and probation and parole offices to provide group and individual coaching and reentry support.

Recommendations for New Funding

5. **Community Care Network: \$35,000**
To subsidize room and board for individuals in Rutland Mental Health Services' transitional housing program. Average length of stay is 0-90 days to allow individuals time to find long-term housing with the assistance of Housing Support Specialist staff.
6. **Elevate Youth Services: \$288,935**
To support the creation of a low-barrier, drop-in Teen Center in Barre, VT, which will provide food and nourishment, activities and engagement, positive adult role models, peer counselors, prevention and recovery programming, direct connect to treatment.

7. Greater Falls Connections: \$124,999

To expand prevention-focused staffing and youth programming space in response to increasing community need. The program will expand prevention staffing, improve and expand youth programming space, and enhance youth engagement and education.

8. Green Mountain Recovery Community: \$900,000

For start-up and initial operational costs for at least 16 new recovery housing beds at National Alliance for Recovery Residences (NARR) level III or higher, which requires more services provided directly onsite. These beds will be for those who have higher needs and are not ready to be in a peer-only environment. This recommendation is distinct from the recommendation for ongoing operational funding for recovery residences (#2) and from the expansion funds outlined in #11 below and is based on the findings of the Assessment of Recovery Residences Report issued in December of 2025.

9. Interaction: Friends for Change: \$200,000

To increase access to community-based supports such as therapy, housing, crisis response, medical care, educational advocacy, recovery services, and employment opportunities for youth in Windham County. Additional funding will be used to increase access to clinical support otherwise inaccessible to our target populations.

10. Springfield Project Action \$237,646

Funding will support coordinator positions in Bennington, Springfield, Brattleboro, St. Johnsbury and Central Vermont for their public safety enhancement team work. This will ensure sustainability, as current responsibilities exceed existing staff capacities. Local coordinators will handle administrative support, meeting facilitation, data tracking, outreach, event coordination, and sustainability planning.

11. Vermont Alliance for Recovery Residences/Recovery Partners of Vermont: \$300,000

For the establishment of new recovery residences in Brattleboro, Middlebury/Addison, Randolph, Chester and St. Albans areas. This recommendation is distinct from the request for ongoing operational funding for existing recovery residences (#2) and for the higher-level recovery housing recommendation (#8).

12. VDH – Office of Emergency Medical Services, PREVENT: \$248,000

The PREVENT initiative (Prehospital Vermont EMS Buprenorphine Treatment) addresses a critical gap in Vermont's response to the opioid crisis by equipping EMS personnel to initiate medications for opioid use disorder (MOUD) directly in the field. By initiating treatment at the scene, PREVENT provides a vital bridge to recovery, turning a moment of crisis into an opportunity for engagement.

13. Winooski Partnership for Prevention: \$26,697

To provide funding to cover WPP staff time and stipends for partners to deliver medicine safety education to elementary aged youth within school and with engagement of families.

Recommended for future funding, but do not need funding in State Fiscal Year 2027

There are three projects that previously received funding from opioid settlement funds that do not need funding in SFY27 due to carry forward. The programs may need funding in future years. The Committee strongly recommends that the Legislature considers future funding for these projects.

Contingency Management funding for DSU preferred providers

Estimated future annual expenditure of \$840,000

Contingency management is an evidence-based practice for treatment of stimulant use disorder. While not requiring additional funding in SFY27, this will require future funding, particularly as stimulant use continues to grow.

Syringe Service Programs (SSPs)

Estimated future annual expenditure of \$850,000

Syringe services programs are an evidence-based strategy to reduce overdoses and additional harm related to substance use. This funding is the base operational funds needed to maintain current SSP services statewide. Given long-standing federal funding restrictions for existing SSP activity, state fund sources are the only sources available to allow SSPs to provide their critical services.

Overdose Prevention Center

Estimated future annual expenditure of \$1.1 million

As the Overdose Prevention Center is not yet operational, it does not require funding in FY27. However, as it becomes operational, it will require ongoing funding from the opioid abatement special fund.

Summary of OSAC Funding Recommendations for FY27

Initiative	Funding Recommendation
Outreach and Engagement Staff at Preferred Providers	\$455,000.00
Operational Funding for Recovery Residences	\$1,750,000.00
Vermont Alliance for Recovery Residences – Scholarships	\$200,000
Vermont Department of Corrections - Recovery Partners of Vermont	\$1,100,000
Community Care Network-Rutland Mental Health	\$35,000
Elevate Youth Services	\$288,935
Greater Falls Connections	\$124,999
Green Mountain Recovery Community	\$900,000
Interaction	\$200,000
Springfield Project ACTION	\$237,646
Vermont Alliance for Recovery Residences - Recovery Partners of Vermont	\$300,000
Vermont Department of Health – PREVENT	\$248,000
Winooski Partnership for Prevention	\$26,697
TOTAL	\$5,866,277.00