



Health Department Opioid Abatement Special Fund Spending Recommendations State Fiscal Year 2027

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 **VERMONT**
DEPARTMENT OF HEALTH

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Acknowledgements

The Health Department would like to thank the members of the Opioid Settlement Advisory Committee for their incredible amount of work reviewing and thoughtfully considering applications from the community. We would also like to thank the many community members and organizations that submitted projects for consideration.

Introduction

In accordance with 18 V.S.A. § 4774(a)(2), the following is the Vermont Department of Health's (Department) recommendation for expenditures from the opioid abatement special fund (Fund) to the Vermont General Assembly for fiscal year 2027.

Immediate fiscal status

This report assumes that the Fund has a total balance of approximately \$8.6 million. This is based on the current balance of the fund as of fall 2025 and the acceptance by the Legislature of a \$1.44 million reversion.

This reversion is due to two changes:

- Department of Corrections no longer needs the full \$500,000 appropriated from this Fund to establish a medication dosing unit and instead is using existing systems for opioid medication delivery inside of correctional facilities. This resulted in \$444,000 being reverted back into the fund.
- The Department of Health received a base general fund appropriation in SFY26 for re-engagement beds (implementation date of July 1, 2025) and no longer needs the \$1 million special fund appropriation for this work.

This report does not contemplate any additional one-time additions to the Fund from any separate or new settlements. However, expected funding can change based on settlement payment timing. The Legislature should confirm the amount of funding available before making any new decisions.

Long-term fiscal context

In Act 16 (2025) the Legislature established four long-term funding priorities for the Fund (see Appendix 1 for details). These include:

1. Outreach and engagement staff at all preferred providers

State Fiscal Year 2027 need is reduced due to hiring delays in past years. Using carryforward, this program only needs \$455,000 in State Fiscal Year 2027. Ongoing future funding needs once fully staffed will be: \$1,976,000.

2. Recovery residence ongoing operational funding

State Fiscal Year 2027 need is the full \$1.4 million, the same amount appropriated in State Fiscal Year 2026. This ongoing need is expected to remain if not grow over time.

3. Syringe services program

There is no State Fiscal Year 2027 need due to carryforward and startup timing. The ongoing need is expected to be the full amount appropriated in State Fiscal Year 2026 of \$850,000 annually. This funding is the base operational funds needed to maintain current SSP levels and services statewide. Given federal funding restrictions, state fund sources are the only sources available to allow SSPs to provide their critical services.

4. Implementation of the Burlington overdose prevention center

There is no State Fiscal Year 2027 need due to startup timing. The ongoing annual need is expected to be the full \$1.1 million amount appropriated in State Fiscal Year 2026.

If all four of these programs require ongoing funding at the State Fiscal year 2026 level, the total would be approximately \$5.3 million. This means:

- If **only these four ongoing projects** were funded, and currently expected funding levels continue, the Fund would go into a deficit within a decade.
- Should the Legislature **continue to appropriate funding at the prior average annual amount of \$8 million**, and currently expected funding levels continue, the Fund would go into a deficit in one to two years.

Recommendations for funding existing ongoing projects

Priorities from Act 16 (2025)

The Department recommends continuing to fund, as intended in Act 16 (2025), the following two projects:

1. Outreach and engagement staff at all 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. Ongoing pressure in out years will be \$1,976,000.

2. Recovery residence ongoing operational funding: \$1.4 million

State Fiscal Year 2027 need is the full \$1.4 million, the same amount appropriated in State Fiscal Year 2026. This ongoing need is expected to remain if not grow over time.

Continued projects from State Fiscal Year 2026

The Health Department recommends sustaining ongoing funding for the following projects that were funded by the Opioid Abatement Settlement Fund in State Fiscal Year 2026.

Without this funding, these programs would be halted, leaving clients without critical services.

Peer recovery services: \$1.25 million

The Department of Corrections received \$1 million in SFY26 for a program that embeds peer recovery center coaches in Vermont correctional facilities and probation and parole offices to provide group and individual coaching and reentry support. The estimated cost for SFY27 is \$1.25 million. Overdose is the leading cause of death in the United States for people recently released from prison.

Outcomes and accomplishments to date include:

- 639 unique individuals receiving coaching in correctional facilities
- 416 people served in first 6 months of grant at probation/parole offices
- Expanding to last correctional facility
- 4+ days of coaching/week at multiple prisons w/ waitlists

Emergency shelter substance use service supports: \$250,000

Department for Children and Families received \$800,000 in SFY26. In SFY27 the need is, \$250,000.

Sustain services to meet needs of guests in emergency shelters for transportation (to/from recovery meetings, related appointments), harm reduction supplies, onsite medical staff, as well as harm reduction training for shelters and shelter staff. Only use these funds for services and supplies that are not otherwise Medicaid eligible or funded through other state sources. Continue to find ways to cover these needs using existing or sustainable funding to decrease reliance on this fund source.

Recommended projects for future funding

Two projects have previously received funding from opioid settlement funds that do not need funding in SFY27 due to carryforward, but will in future years. The Health Department strongly recommends that the Legislature considers future funding for these projects.

Contingency Management funding for substance use preferred providers: \$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): \$850,000

Syringe services programs are an evidence-based strategy to reduce overdoses and additional harms related to substance use. This funding is the base operational funds

needed to maintain current SSP levels and 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.

See Appendix 2 for a table summary of all ongoing state recommendations for funding.

Recommendations for new one-time funding

Recognizing that funding from the Opioid Abatement Special Fund is not infinite, the following three projects are Health Department priorities for one-time investment.

New recovery beds at a higher level of certification

Health Department, \$1.2 million

Build new recovery 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 based on the findings of the Assessment of [Recovery Residences Report](#) issued in December of 2025.

Prehospital Vermont EMS Buprenorphine Treatment (PREVENT) Program

Health Department, \$248,000

Expand training for emergency medical services agencies to prepare them to be able to carry and administer buprenorphine post naloxone administration.

Public Safety Enhancement Team Community Convenings

Department of Public Safety, \$287,000

Expand the Public Safety Enhancement Team (PSET)'s harm reduction and strategic community intervention efforts in more Vermont communities.

Outcomes and accomplishments to date:

- PSET has led interventions in 4 communities to date. Collaborations leveraged the state enterprise to build innovative strategies to address complex, high risk persons and situations.
- PSET initiatives include building local stakeholder connectivity, augmenting data collection and manipulation, and developing iterative, statewide interventions such as the Situation Table and the EMS buprenorphine project.

See Appendix 3 for a table of one-time state funding recommendations.

Recommendations for additional direction for OSAC funding going forward

The Opioid Settlement Advisory Committee is a committed and dedicated group of people, and the Department would like to express appreciation for the enormous amount of time, effort and thought they have put into making recommendations to the Legislature. That said, the current process requires them to oversee a comparative analysis that usually takes training and technical expertise and would normally involve a competitive request for proposals process and full-time staff.

Additionally, the Legislature has identified ongoing budget pressures for projects that have been previously approved, and the total incoming amount in the fund is variable and difficult to predict.

While the Department was not able to discuss this process change yet with the OSAC due to the immense amount of work the committee put into considering this year's recommendations, the Department did hear committee members voice need for change in the process in future years. The Committee was not able to change the process in the middle of reviewing the proposals, but can consider changes in upcoming meetings.

Below the Department puts forth a possible path forward. The Department is open to other options, but strongly encourages the Legislature and the OSAC to prioritize clear decisions around ongoing funding and using the existing state systems for specific project determination going forward.

Process for State Fiscal Year 2028 Recommendations from OSAC

Ensure the OSAC hears evaluation results and provides recommendations first on continuation of projects that have already received OSAC funds. Many of the projects that have been funded have only recently been implemented. Providing time and space for those programs to demonstrate success or failure will allow the OSAC the ability to determine which of them should receive ongoing funding.

Should excess funding remain beyond funding ongoing projects, the Legislature could consider directing the OSAC to:

- Identify specific areas of focus and need for funding based on needs assessments and statewide data (e.g. recovery housing, or harm reduction); then
- Recommend to the Legislature the amount of funding for each area, and recommend the Legislature direct the State to open competitive RFPs for grants to address the areas of need.

The current statute directs the Committee to identify spending priorities. The Committee has interpreted this requirement to mean that it should provide very specific recommendations

about which entities should receive funding and how much. This requires more time and resources than the Committee can martial in 12 meetings a year. Additionally, applicants and others have complained about equity and access.

Changing the process to leverage existing State systems and staff to select vendors, would offer equity to applicants, and still allow the Committee to recommend spending priorities. It will also put the focus on sustaining ongoing impactful work that is showing results.



Appendix

Appendix 1: Prospective funding (ROUGH ESTIMATE ONLY, does not include Purdue possible settlement)

Calendar Year	Estimated incoming (Calendar year)	Estimated ongoing pressure (fiscal year)	Additional commitments should you recommend the average of 8M/yr (fiscal year)	Total with ongoing ONLY (fiscal year)	Total with ongoing AND additional (fiscal year)
2025				\$ 8,607,050.00 (assumes reversion of \$1.444 M)	
2026	\$4,634,895.17	(\$1,850,000.00) (assumes acceptance of State proposal)	(\$6,150,000.00)	\$ 11,391,945.17	\$ 5,241,945.17
2027	\$2,547,416.15	(\$5,326,000.00)	(\$2,674,000.00)	\$ 8,613,361.32	\$ (210,638.68)
2028	\$4,978,575.43	(\$5,326,000.00)	(\$2,674,000.00)	\$ 8,265,936.75	\$ (3,232,063.25)
2029	\$4,916,595.36	(\$5,326,000.00)	(\$2,674,000.00)	\$ 7,856,532.11	\$ (6,315,467.89)
2030	\$4,548,460.08	(\$5,326,000.00)	(\$2,674,000.00)	\$ 7,078,992.19	\$ (9,767,007.81)
2031	\$4,158,540.04	(\$5,326,000.00)	(\$2,674,000.00)	\$ 5,911,532.23	\$ (13,608,467.77)
2032	\$4,158,540.04	(\$5,326,000.00)	(\$2,674,000.00)	\$ 4,744,072.27	\$ (17,449,927.73)

2033	\$3,294,066.52	(\$5,326,000.00)	(\$2,674,000.00)	\$ 2,712,138.79	\$ (22,155,861.21)
2034	\$3,294,066.52	(\$5,326,000.00)	(\$2,674,000.00)	\$ 680,205.31	\$ (26,861,794.69)
2035	\$3,294,066.52	(\$5,326,000.00)	(\$2,674,000.00)	\$ (1,351,728.17)	\$ (31,567,728.17)

Appendix 2: Recommendations for continued funding

Proposal	OSAC Funding Request
Peer recovery coaches – Department of Corrections	\$1.25M
Support for emergency shelters – Department for Children and Families	\$250,000
Recovery residences ongoing operational funding – Department of Health	\$1.4M
Outreach and engagement services – Department of Health	\$455,500

Appendix 3: Recommendation for one-time new funding

Proposal	OSAC Funding Request
New recovery beds at level III or higher NARR	\$1.2M
Prehospital Vermont EMS Buprenorphine Treatment (PREVENT) Program	\$248,000
Public Safety Enhancement Team Community Convenings	\$287,000

OSAC Funding Analysis - Presented 1/15/26

Activity	Total Appropriation (FY24-26)	Total Obligated/ Awarded through grant, contract or purchase order to date	Total Unobligated to Date (Note FY26 Agreements in process)	Total Spend (Invoices paid + invoices in process)	Remaining Balanace (Total Appriation-Total Spend) (Includes FY26 Appropriation)
Syringe Service Programs	\$ 2,300,000.00	\$ 1,100,000.00	\$ 1,200,000.00	\$ 920,934.00	\$ 1,379,066.00
Recovery Residences	\$ 2,600,000.00	\$ 2,459,781.00	\$ 140,219.00	\$ 2,192,598.00	\$ 407,402.00
Treatment Satellite Services (MDUs)	\$ 2,000,000.00	\$ 1,500,000.00	\$ 500,000.00	\$ 6,514.00	\$ 1,993,486.00
Outreach & Engagement Services*	\$ 3,952,000.00	\$ 4,475,111.00	\$ (793,111.00)	\$ 1,428,306.00	\$ 2,523,694.00
Contingency Management Services	\$ 2,405,000.00	\$ 1,582,495.00	\$ 822,505.00	\$ 407,709.00	\$ 1,997,291.00
Wound care program	\$ 100,000.00	\$ 90,000.00	\$ 10,000.00	\$ 91,713.00	\$ 8,287.00
Harm reduction test strips	\$ 200,000.00	\$ 200,000.00	\$ -	\$ -	\$ 200,000.00
Drug Testing Device Grants	\$ 700,000.00	\$ 699,788.00	\$ 212.00	\$ 327,263.00	\$ 372,737.00
Recovery Centers/DOC	\$ 1,060,000.00	\$ 1,060,000.00	\$ -	\$ 121,398.00	\$ 938,602.00
SUD Stabilization Beds (Re-engagement)	\$ 1,000,000.00	\$ -	\$ 1,000,000.00	\$ -	\$ 1,000,000.00
School Based SUD Services	\$ 714,481.00	\$ 661,787.00	\$ 52,694.00	\$ 220,592.00	\$ 493,889.00
Recovery Housing Supports	\$ 325,000.00	\$ 325,000.00	\$ -	\$ 175,692.00	\$ 149,308.00
Managed Med Response JHC	\$ 300,000.00	\$ 150,000.00	\$ 150,000.00	\$ 113,154.00	\$ 186,846.00
Managed Med Response VCJR	\$ 300,000.00	\$ 150,000.00	\$ 150,000.00	\$ 112,500.00	\$ 187,500.00
Overdose Prevention Center	\$ 2,200,000.00	\$ -	\$ 2,200,000.00	\$ 760,000.00	\$ 1,440,000.00
Overdose Prevention Center Study	\$ 300,000.00	\$ 300,000.00	\$ -	\$ 81,795.00	\$ 218,205.00
VCJR Outreach Worker	\$ 76,000.00	\$ 76,000.00	\$ -	\$ -	\$ 76,000.00
Brattleboro Fire Department Training	\$ 32,157.00	\$ -	\$ 32,157.00	\$ -	\$ 32,157.00
CHT Wound Care Project	\$ 44,229.00	\$ -	\$ 44,229.00	\$ -	\$ 44,229.00
HCRS - Connection Works	\$ 309,000.00	\$ -	\$ 309,000.00	\$ -	\$ 309,000.00
Elevate Youth Services	\$ 200,000.00	\$ 200,000.00	\$ -	\$ -	\$ 200,000.00
Bellows Falls Youth Center	\$ 100,000.00	\$ -	\$ 100,000.00	\$ -	\$ 100,000.00
Spectrum Services Project	\$ 170,000.00	\$ 170,000.00	\$ -	\$ -	\$ 170,000.00
NEKCA Project	\$ 550,000.00	\$ -	\$ 550,000.00	\$ -	\$ 550,000.00
CVARINC Project	\$ 150,000.00	\$ 150,000.00	\$ -	\$ 12,208.00	\$ 137,792.00
WCMHS Project	\$ 30,000.00	\$ -	\$ 30,000.00	\$ -	\$ 30,000.00
PCAVT Parenting Project	\$ 80,000.00		\$ 14,302.00		
Umbrella NEK Project	\$ 20,824.00	\$ -	\$ 20,824.00	\$ -	\$ 20,824.00
DOC - Pathways VT	\$ 35,000.00			\$ 7,796.00	\$ 27,204.00
DCF - OEO	\$ 800,000.00	\$ 475,408.00	\$ 324,592.00	\$ 31,165.00	\$ 768,835.00
Judiciary	\$ 50,000.00			\$ 574.00	\$ 49,426.00
DAIL Hireability	\$ 850,000.00			\$ 374,853.00	\$ 475,147.00
	\$ 23,953,691.00	\$ 15,825,370.00	\$ 6,857,623.00	\$ 7,386,764.00	\$ 16,486,927.00

*Vacancy savings (time to recruit/workforce shortages) compensate for the lack of appropriation in 2025.