

Vermont Recovery Housing Financial Landscape and Economic Impact

Prepared by the RCORP-Rural Center of Excellence on SUD Recovery at the Fletcher Group
in Collaboration with the Vermont Alliance for Recovery Residences
January 2025

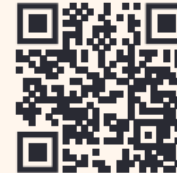


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Study Purpose and Methods

Study was designed to inform financial planning and expansion efforts in Vermont by assessing

- Financial size of recovery residences
- Revenue sources
- Operating expenditures
- Financial resiliency
- Barrier to continued operation

Survey was disseminated via emailed invitations from VTARR with data collection occurring between September and October 2024.

- Organizations received a Customized Fletcher Group Economic Impact Report

Characteristics of recovery residences surveyed,
Vermont, 2024, (N = 14)

| NARR Certification Level | Count (%) |
|--------------------------|-----------|
| Level 1 | 1 (7) |
| Level 2 | 10 (71) |
| Level 3 | 1 (7) |
| Level 4 | 0 (0) |
| Missing | 2 (14) |
| Geographic Location | |
| Rural | 11 (79) |
| Urban | 0 (0) |
| Suburban | 3 (21) |
| Residence Ownership | |
| Rent | 9 (64) |
| Own | 5 (36) |

Sample Overview

Sampling pool included all VTARR certified organizations (N = 4).

- 4 organizations representing 14 residences responded
- 100% response rate

Key organizational characteristics:

1. 75% operate multiple residences
2. 100% support MAT
3. 75% have a waitlist

Sample Overview

Resident populations served by recovery housing organizations in Vermont, 2024 (N = 4)

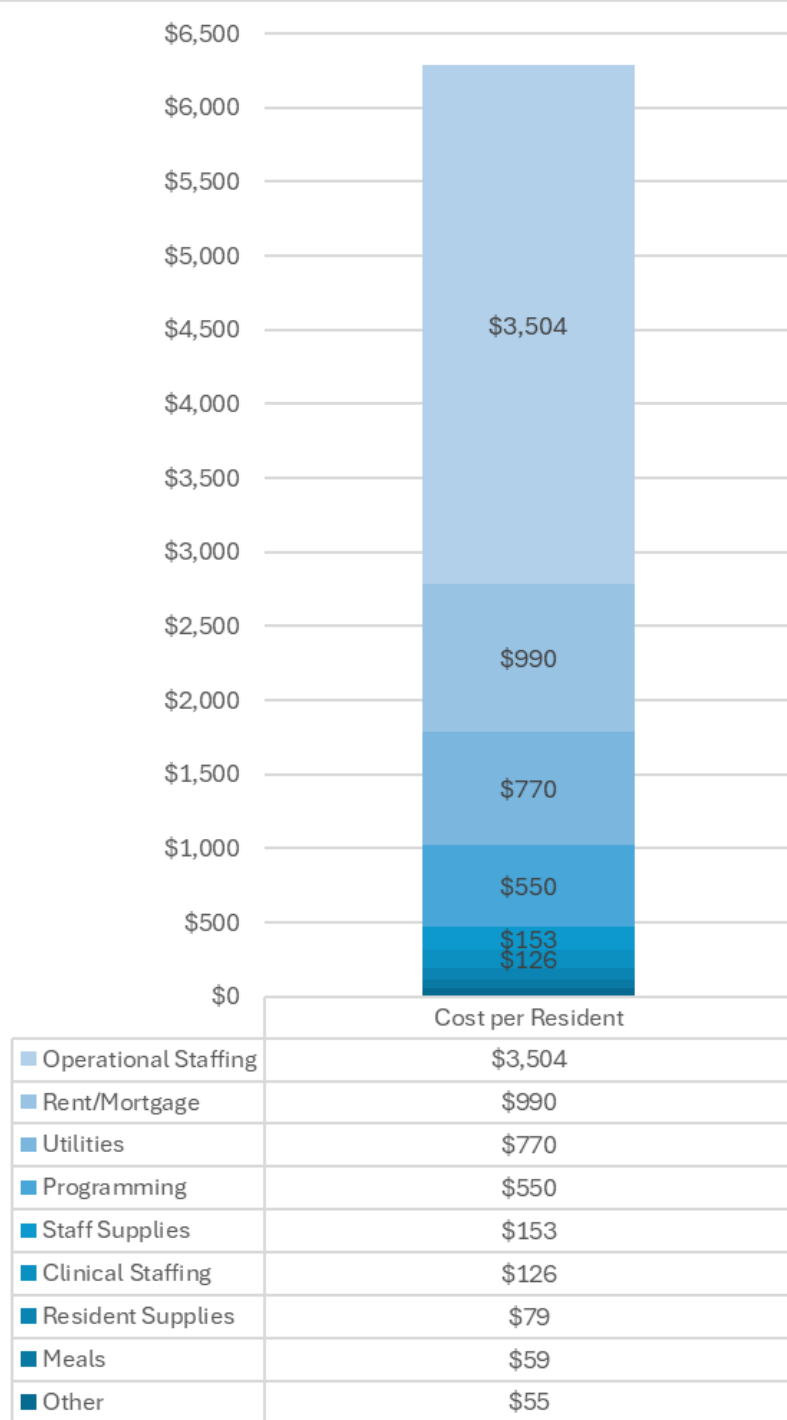
| Characteristic | Count (%) |
|--|-----------|
| Populations Served | |
| Male | 1 (25) |
| Female | 2 (50) |
| Both Females and Males | 1 (25) |
| Females with Children | 2 (50) |
| Males with Children | 1 (25) |
| Other | 1 (25) |
| Special Populations Served | |
| Indigenous | 0 (0) |
| Pregnant | 0 (0) |
| Parenting | 1 (25) |
| Youth | 0 (0) |
| Non-English Speakers | 0 (0) |
| Individuals with Disabilities | 0 (0) |
| Veterans | 1 (25) |
| LGBTQIA+ | 0 (0) |
| Individuals with a History of Homelessness | 3 (75) |
| Individuals with Criminal Justice Involvement | 4 (100) |
| Individuals Diagnosed with a Mental Health Condition | 4 (100) |

Annual Operating Costs

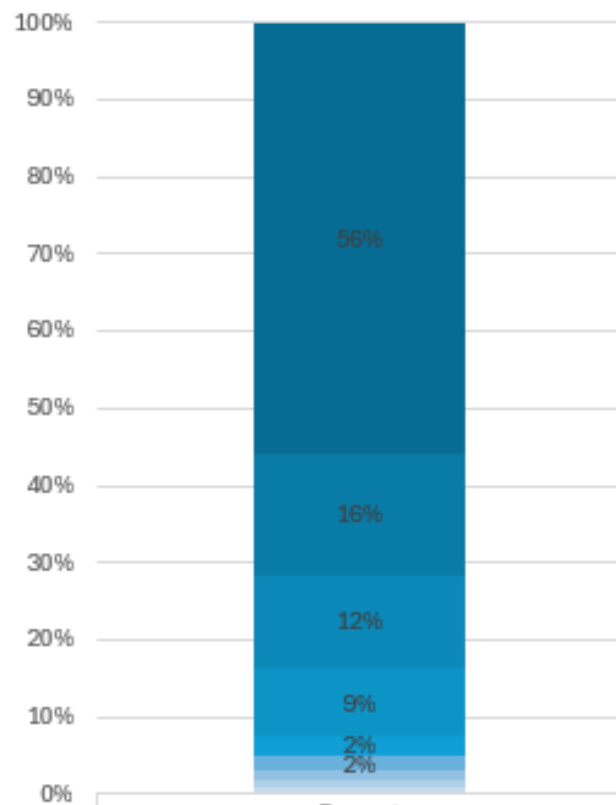
Median annual operating cost: \$624,900

- Ranged from \$450,000 to \$816,000

Median amount spent per resident served annually:
\$6,200



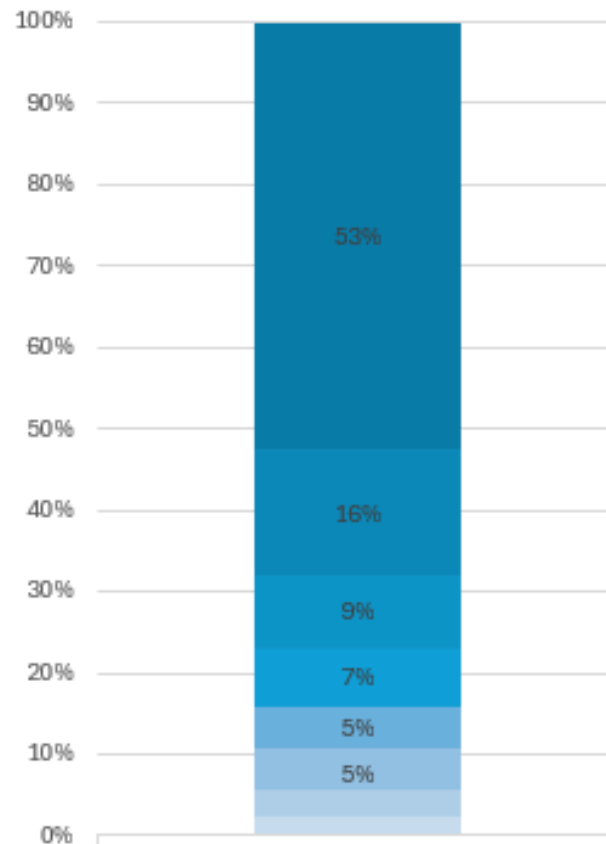
Expenditure



Percent

| | |
|----------------------|-----|
| Operational Staffing | 56% |
| Rent/Mortgage | 16% |
| Utilities | 12% |
| Programming | 9% |
| Staff Supplies | 2% |
| Clinical Staffing | 2% |
| Resident Supplies | 1% |
| Meals | 1% |
| Other | 1% |

Revenue



Percent

| | |
|---------------------|-----|
| Local/State Grants | 53% |
| Donations | 16% |
| Foundations | 9% |
| Social Enterprise | 7% |
| Resident Fees | 5% |
| Loans | 5% |
| Federal Grants | 3% |
| VT Scholarship Fund | 3% |

Revenue Sources and Expenditures

Figure. Percent of annual revenue from different sources and percent of annual expenditures associated with different categories reported by Vermont recovery residence operators, 2024, (N = 4)

Ranking of challenges to continued operation with 1 representing the most significant barrier and 8 representing the least significant challenge (N = 4).



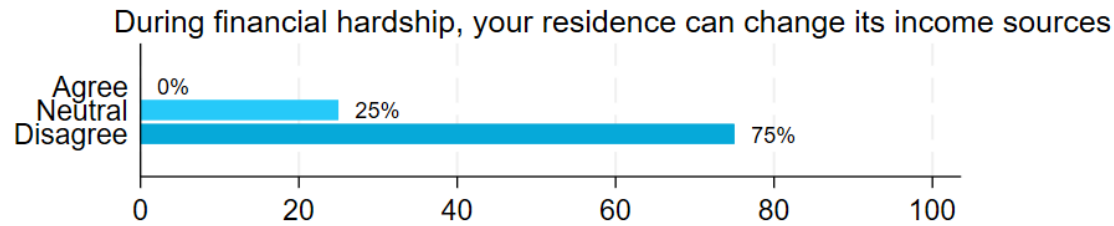
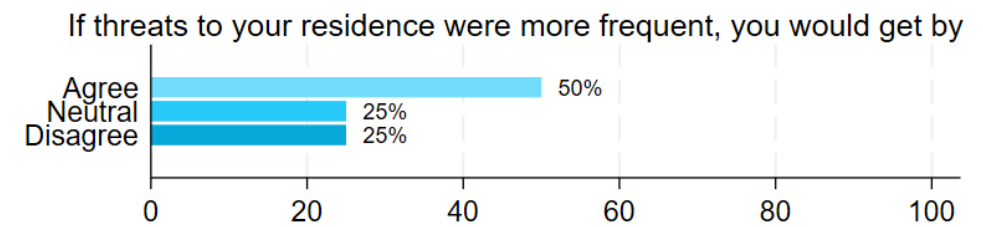
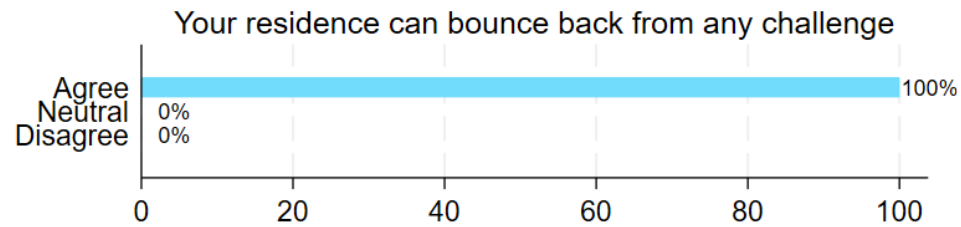
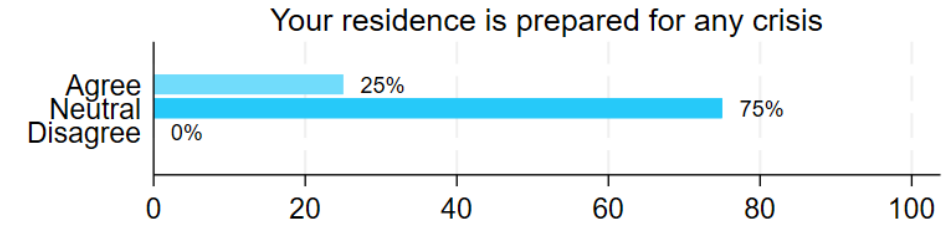
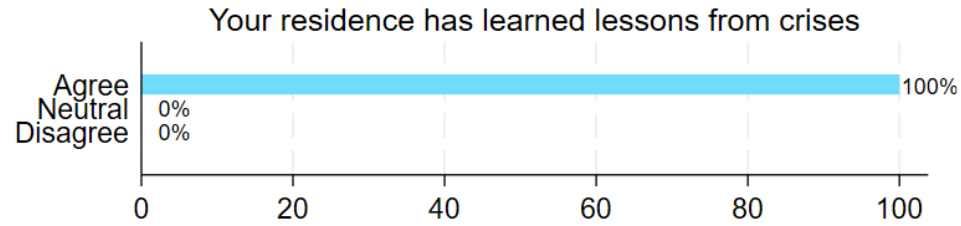
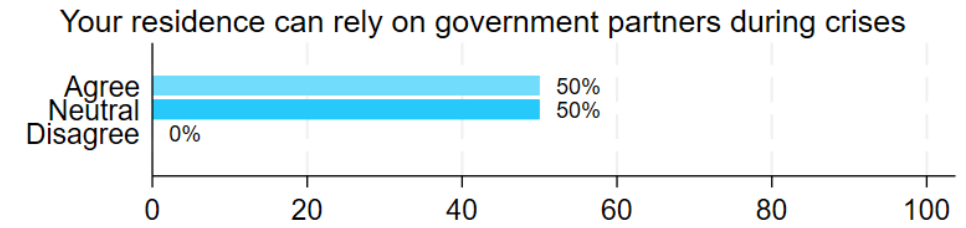
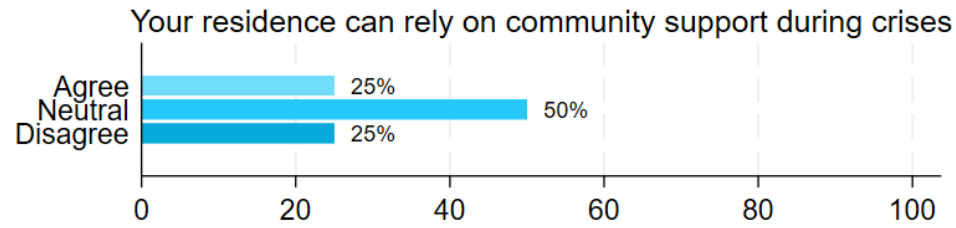
Financial Resiliency

- On a scale from 1 to 10, programs ranked their financial resilience at **5.75 on average**.
- 25% of recovery housing programs surveyed indicated they received 75% or more of their revenue from one source

Financial Resiliency

Highlights:

1. Perceived lack of community partner support
2. Inability to change income sources
3. Strong perception of resilience and ability to learn from experience



Barriers Related to Grants

- Programs that had received grants of any kind (N = 4) reported an average of **11 hours spent per month** finding and applying for grants.

- 75% of programs indicated that it was somewhat or extremely difficult to find grants
- 50% indicated it was somewhat or extremely difficult to apply for grants.

- Specific barriers related to grants included:

1. Grants are difficult and time consuming
2. Grant requirements
3. Limited opportunities

"We are currently funded primarily through state grants, with a lot of funding requirements. It takes a lot of capacity to manage these funding sources and also run a quality program."

"Many are close but require fitting a square peg into a round hole. We are not willing to compromise our model to fit grant opportunities."

"I think there is a lot of Nonprofits competing for the same grants"

Recovery Housing Needs

Operators noted need for more funding opportunities in general

“Total need for future scaling of Certified Recovery Residences in Vermont:

- \$179k/home/yr increased by 3% annually for operating costs from the State of Vermont*
- \$25k/home/yr increased by 3% annually for scholarships through VTARR*
- \$170-\$300k/bed in one-time capital for acquisition/renovation*

Our goal is to have certified recovery residences in all communities with a recovery center. There should be the number of homes each community determines they have a need for and serve the appropriate populations (men, women, parents w/ children, etc.).”

Operators noted difficulties related to state laws and unpredictable nature of expansion.

“1. It is challenging to maintain a supportive recovery environment with the current interpretation of landlord/tenant law. 2. We are trying to find ways to thread the needle between having high quality living spaces in nice neighborhoods within walking distance to transportation or services with the right landlords, and the ability to secure the opportunity and open the home more quickly and affordably. 3. The unpredictable nature of opening new homes makes budgeting and staffing to scale up challenging.”

Economic Impact of Certified Vermont Recovery Housing Organizations

| <i>Variable</i> | <i>Output</i> |
|-------------------------------|---------------|
| <i>Total Residents Served</i> | 3,750 |
| <i>Total Benefits</i> | \$610,195,104 |
| <i>Total Costs</i> | \$62,054,967 |
| <i>Net Benefits</i> | \$548,140,136 |
| <i>Return on Investment</i> | \$8.83 |

Using data from the financial landscape study, we use the Fletcher Group Economic Calculator to calculate the **total economic impact** of VTARR certified organizations over **15 years**.

- Annual amount spent on operating costs = \$3.4 million
- Total amount spent on start up costs = \$1.5 million
- Number of residents served annually = 250

Policy Considerations - Funding

1. Increase the funding available to recovery housing organizations including funding for capital expenditures, initial start-up expenses, and programmatic operating expenditures.
2. Develop long-term (more than one year), sustainable funding opportunities for certified recovery residences.



Additional Policy Considerations

1. Increase certified recovery residence capacity in rural areas and develop strategies to address barriers presented by the lack of available transportation to, and within, these communities.
2. Increase the capacity of certified recovery residences that can provide culturally appropriate services to special populations, including pregnant and parenting people, families, veterans, LGBTQIA+, individuals who speak English as a second language, and people with disabilities.
3. Provide education and training to facilitate easier access to state grants and understanding of the grant application process; potentially a designated grant specialists at the state supporting recovery providers.
4. Cultivate new relationships and reinforce current relationships among recovery housing organizations and other recovery support providers along the SUD continuum of care with a specific focus on breaking down barriers to sustainable and meaningful partnerships.
5. Provide training and resources to recovery housing organizations to encourage community partnerships, to reduce stigma, and increase community support.
6. Conduct another assessment of the recovery housing financial landscape study in the future that includes additional financial incentives to program operators to increase study engagement.



Thank you!

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