

Oxford House, Inc.

1010 Wayne Avenue, Suite 300
Silver Spring, Maryland 20910

December 17, 2016

Dear Governor:

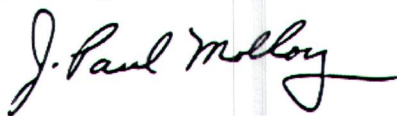
The U.S. Surgeon General's recent landmark report [Nov. 2016] on Alcohol, Drugs and Health entitled *Facing Addiction in America*, singles out Oxford House™ as an effective tool for resolving the serious health issue the country faces. He states:

A leading example of recovery-supportive houses is Oxford Houses, which are peer-run, self-sustaining, maintain abstinence.¹ ... A randomized controlled trial found that people with severe substance use disorders who were randomly assigned to live in an Oxford House after substance use disorder treatment were two times more likely to be abstinent and had higher monthly incomes and lower incarceration rates at follow-up 2 years later than similar individuals assigned to receive standard continuing care. Despite high intervention costs, the net cost benefit to the health care and criminal justice systems from the Oxford House assignment relative to standard care was estimated at approximately \$29,000 per person over the 2-year follow-up period.²

Dr. Vivek Murthy is the first Surgeon General to issue a comprehensive report about alcoholism, drug addiction and co-occurring mental illness. In the introduction to his report he asks: "Are we as a nation willing to take on an epidemic that is causing great human suffering and economic loss?" For more than 41 years, Oxford House™ has answered that question with a resounding 'yes'. We now have over 2,100 houses with 16,669 beds in 42 states and 482 cities.

Last year we reached over 35,000 individuals and only 16.7% were asked to leave an Oxford House because they had returned to active addiction. The purpose of this letter is to invite you and your state to work with us to develop a strong network of Oxford Houses in your state. As the Surgeon General's Report states, Oxford House is cost-effective. Seventeen states now have contracts with Oxford House, Inc. [OHI] the nonprofit, umbrella organization for all individual Oxford Houses. Please look over this material and let us know how we can enter into a development contract in your state to establish new Oxford Houses.

Sincerely,

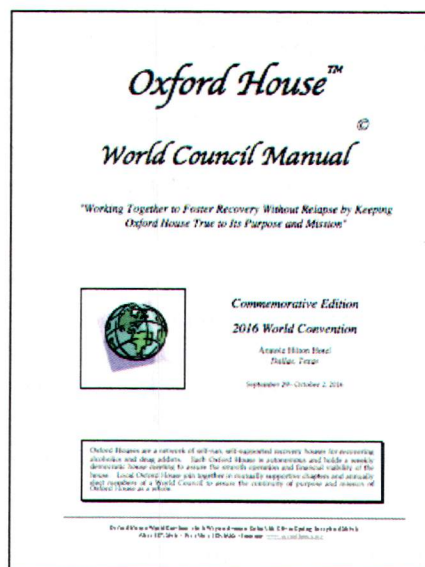
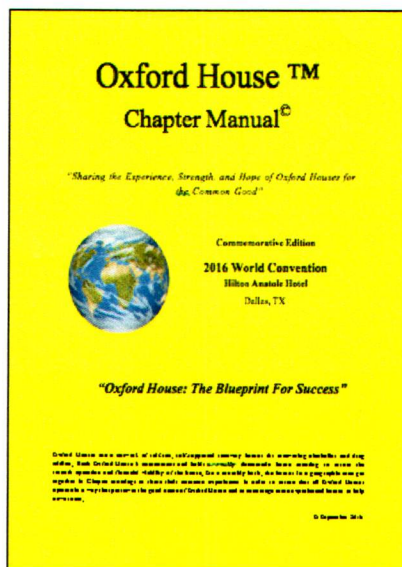
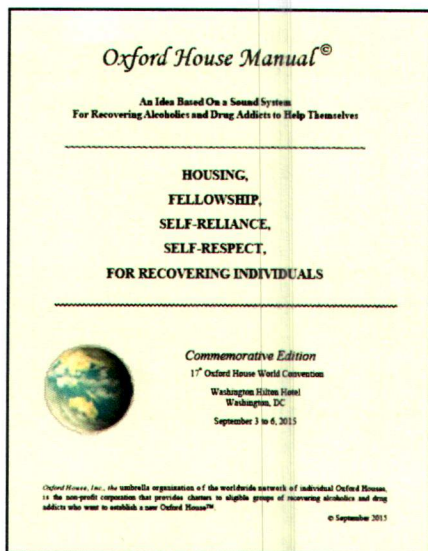


J. Paul Molloy, Cofounder and CEO

¹ Jason, L. A., Olson, B. D., Ferrari, J. R., & Lo Sasso, A. T. (2006). Communal housing settings enhance substance abuse recovery. **American Journal of Public Health**, 96(10), 1727-1729.

² Bergman, B. G., Hoepfner, B. B., Nelson, L. M., Slaymaker, V., & Kelly, J. F. (2015). The effects of continuing care on emerging adult outcomes following residential addiction treatment. **Drug and Alcohol Dependence**, 153, 207-214

Key Manuals To Keep Oxford Houses On Track



Oxford Houses work because the self-run, self-supported processes and procedures have been time-tested for more than 41 years and they are uniform. There are no residency time limits, but any

House Officers

- President
- Secretary
- Treasurer
- Comptroller
- Chore Coordinator

resident who relapses is immediately expelled from the house. Every Oxford House™ follows the same practices and policies to assure self-support and self-operation including the election of officers [see box at the left], formal weekly business meetings and selection of new residents. OHI – the umbrella organization – provides a conditional charter to each house. Moreover, individual houses form mutually supportive chapters, state associations and a national advisory council.

Each house has its own FEIN number and bank account. Each resident pays an equal share of household expenses including utilities and rent that the group pays to the landlord. Nationally, the average equal share of expenses is \$130 a week with a range from \$85 a week to \$165 a week.

After a house has existed for several months, some of the residents volunteer to form a core group to rent and start another house in an area. Often a trained outreach worker is able to help them do so. The catalyst for expansion from the original small clusters of houses was the 1988 Anti-Drug Abuse Act, which provided for the start-up loans repayable within 24 months. House residents overcame a tradition of distrust of authority. University researchers in Chicago have documented the success of Oxford House living.

While research on AA has been limited by the role of anonymity in recovery, the willingness of Oxford Houses to open their doors to academic research gives us an opportunity to see recovery from addiction in action.

Dr. Jeffrey Roth, M.D.
Editor, Journal of Groups in Addiction and Recovery
Chicago, 2010

Finally, OHI – the umbrella nonprofit – has been a pace setter in protecting the civil rights for groups of recovering individuals to live in good neighborhoods. The US Supreme Court, in *City of Edmonds, WA v. Oxford House, Inc.* 514 U.S. 725 (1995) agreed with OHI that residents are a class protected from zoning restrictions. Property insurance discrimination was subsequently overcome also.

SCALING UP TO MEET THE NEED

Today there are over 2,100 Oxford Houses operating but many more Oxford Houses are needed. The current opioid epidemic illustrates the growing problem of addiction and the need for more and better recovery resources. Oxford Houses work for most individuals entering recovery including those reentering society from incarceration. As a society we have begun to recognize that extended incarceration is a very costly and not a very effective way to deal with individuals with alcoholism and drug addiction. When recovering incarcerated individuals reenter society, living in an Oxford House increases their odds of staying clean and sober and out of trouble.

Experience has shown that Oxford Houses provide the peer support and time needed by individuals to attain long-term sustainable recovery AND that Oxford Houses are fairly easily replicated. Replication of Oxford Houses is not cost-free but it is far cheaper than the costs of incarceration or more traditional fully staffed housing facilities. All Oxford Houses are all self-supporting once established but there are initial start-up costs required for replication. Oxford House, Inc. has found that expansion of the network of Oxford Houses requires the existence of funding for both start-up loans and trained outreach staff.

Start-up loans of \$4,000–\$6,000 are used to cover the first month's rent, security deposit and basic house furnishings and are repaid monthly into a revolving loan fund by the House residents over 24 months. Outreach workers teach residents the disciplined system of self-operation and self-support. The outreach workers also help clusters of houses to organize chapters for mutual support and quality control. Experience has shown that start-up loans and technical assistance both are needed to develop strong statewide networks.

The box at the right shows typical development costs. Once a house has been established, the recovery group living in it pays all household expenses. Each house not only becomes self-supporting but also repays the original start-up loan to enable more homes to be started. The system of operation and the organization of mutually supportive chapters assure quality control.

Sample Development Costs

6 Recovery Homes

Revolving Start-Up Loan Fund @ \$6,000:	\$ 36,000
Two Trained and Supervised Field Workers	\$ 160,000
10% G&A [overhead]	\$ 16,000
TOTAL	\$ 212,000

24 Recovery Homes

Revolving Start-Up Loan Fund @ \$6,000:	\$ 144,000
Eight Trained and Supervised Field Workers	\$ 640,000
10% G&A [overhead]	\$ 64,000
TOTAL	\$ 848,000

100 Recovery Homes

Revolving Start-Up Loan Fund @ \$6,000:	\$ 600,000
Thirty Trained and Supervised Field Workers	\$2,400,000
10% G&A [overhead]	\$ 240,000
TOTAL	\$ 3,240,000

In 1998 Congress included §2036 in the 1988 Anti-Drug Abuse Act [PL 100-690] to encourage states to develop self-run, self-supported recovery homes and that provision has been a significant factor in promoting expansion of Oxford Houses. At the time of passage, there were only 18 Oxford Houses in existence; currently there are over 2,100 Oxford Houses with 16,668 beds.

Key State	Number Houses	Recovery Beds
Washington	265	2,205
North Carolina	223	1,721
Oregon	171	1,367
Texas	195	1,489
New Jersey	138	1,114
Virginia	134	1,094
Louisiana	106	778
Oklahoma	96	847
Delaware	73	566

Oxford House, Inc. [OHI] has worked with interested states to develop statewide networks of Oxford Houses, with some states participating more than others. OHI has developed a very efficient system for expansion and development and currently has development contracts with twenty states. At the end of 2016, there were 2,124 houses in 42 states; nearly two-thirds of the Houses and recovery beds are located in nine of the states that provide state funding to support replication. The table at the left shows Oxford House concentration in these nine states. Such development is available to

any state but such development requires some funding support for start-up loans and technical assistance. As noted above, the one-time costs to start a new Oxford House are not great but the rewards are many for those who get the opportunity to live in the new Oxford House. Once established houses continue year after year.

Molloy, Paul.

Oxford House™

Helping alcoholics, drug addicts and those with co-occurring mental illness

Saving Money – Saving Lives **The Low-Cost Solution For Long-Term Recovery**

WHAT ARE OXFORD HOUSES?

Oxford Houses are self-run, self-supported recovery houses. In December 2016 there are over 2,100 Oxford Houses throughout the United States with over 16,500 recovery beds. Each Oxford House is home to recovering alcoholics, drug addicts and those with co-occurring mental illness. Each house is a rented ordinary single-family house. The residents of each house are the same sex and receive a no-cost charter from Oxford House, Inc. [OHI] – the 501(c)(3) national umbrella organization for all Oxford Houses. The charter has three conditions: (1) the group must be democratically self-run following the Oxford House Manual®; (2) the group must be financially self-supporting; and (3) the group must immediately expel any member who returns to using alcohol or illicit drugs.

HOW DOES IT WORK?

Each Oxford House is autonomous. Residents govern themselves, electing House officers (with term limits), holding regular House meetings and following disciplined parliamentary procedures. Residents work and pay their own rent and household expenses. There are no time limits on residency so residents can stay long enough to build 'comfortable' sobriety. Furthermore, the system encourages the development of leadership skills and self-efficacy. The result is that more than 80 percent of Oxford House residents remain clean and sober for the long term despite the fact that many of them come from backgrounds that have included lengthy alcohol and drug use, periods of homelessness, and incarceration. Slowly, but surely, residents learn or relearn values and responsible behavior.

HOW DO WE KNOW IT WORKS?

Evidence-based research has demonstrated that the Oxford House program works. Oxford House, Inc. and the residents of Oxford Houses value transparency and welcome research into the program. Supported by grants by NIAAA and NIDA for the study of recovery, DePaul University in Chicago and other academic researchers have found remarkable recovery success from Oxford House living. Their findings prompted SAMSHA to list Oxford House™ on the National Registry of Evidence-based Programs and Practices [NREPP]. In November 2016, the U.S. Surgeon General's Report, *Facing Addiction in America*, highlighted the effectiveness of Oxford Houses.

HOW DO NEW OXFORD HOUSES GET STARTED?

In AA, it's said that all that's needed to start a new AA meeting is two recovering people with resentments and a coffee pot. Starting an Oxford House is a little more complicated, but, all it takes is a few recovering people, the support of those who understand the system, and minimal financing. Most new Oxford Houses are started with the help of Oxford House outreach workers (all of whom are recovering individuals who have lived in an Oxford House) and a start-up loan to the new House that the residents pay back over a couple of years. Once started, Oxford Houses are autonomous and run themselves with very little monitoring. Most Oxford Houses belong to Oxford House chapters. Oxford House residents' participation at state workshops and at the annual Oxford House World Convention helps to assure quality control. These get-togethers also foster community-building and education.

WHAT IS NEEDED TO GET MORE OXFORD HOUSES?

The major barrier to the creation of more Oxford Houses is the lack of start-up funding. As noted on the chart on the back page, the most Oxford Houses exist in states where the state (or a locality) contracts with Oxford House to provide funding for outreach workers and establish a start-up loan fund. Foundations, treatment providers and drug courts also provide funding. Because of the structure of the program, the cost per bed is much, much lower than for traditional programs. Furthermore, recovery results are strong. In today's budget-strapped environment, Oxford Houses provide quality control and the low-cost way to improve recovery outcomes.

OXFORD HOUSES BY STATE

The chart below shows Oxford Houses and Oxford House beds by state as of 12/15/16. It also notes whether or not Oxford House receives any financial support to help start and maintain Oxford Houses in a state.

- The most Oxford Houses exist in states where the state supports a start-up loan fund and outreach support. Washington, North Carolina, Texas and Oregon are home to the most Oxford Houses and each of these states provides start-up loan funds and support for OHI-trained outreach workers who start new Oxford Houses and assist existing Oxford Houses. Agreements with 17 states and localities in FY 2016 totaled about \$5.2 million. Oxford House also received voluntary contributions of over \$480,000 in FY 2016 from individual Oxford Houses.
- Both start-up loans and outreach support are critical for expansion. National expansion was fostered by 1988 Anti-Drug Abuse Act enacted by the 100th Congress at the end of the Reagan Administration. That Act required states to establish \$100,000 start-up loan funds to make \$4,000 start-up loans to groups of six or more recovering individuals to rent a house and use the Oxford House model. The loan fund requirement has since become discretionary but some states still provide the funds. Oxford House residents themselves pay back the loans (usually \$4-6,000) over two years. Minimal support for on-site outreach and loans makes all the difference.

State	#Houses	#Beds	Contract
Alabama	1	8	None
Alaska	4	42	None
Arizona	0	0	None
Arkansas	3	27	None
California	5	39	None
Colorado	35	245	Daniels
Connecticut	8	73	Price
Delaware	73	566	State
Florida	1	8	None
Georgia	1	8	None
Hawaii	33	282	State
Idaho	0	0	None
Illinois	52	372	State
Indiana	0	0	None
Iowa	6	49	None
Kansas	90	758	State
Kentucky	10	73	State
Louisiana	106	778	State
Maine	12	104	None
Maryland	52	406	None
Massachusetts	9	85	None
Michigan	4	33	Private
Minnesota	1	7	None
Mississippi	20	133	State
Missouri	41	332	State
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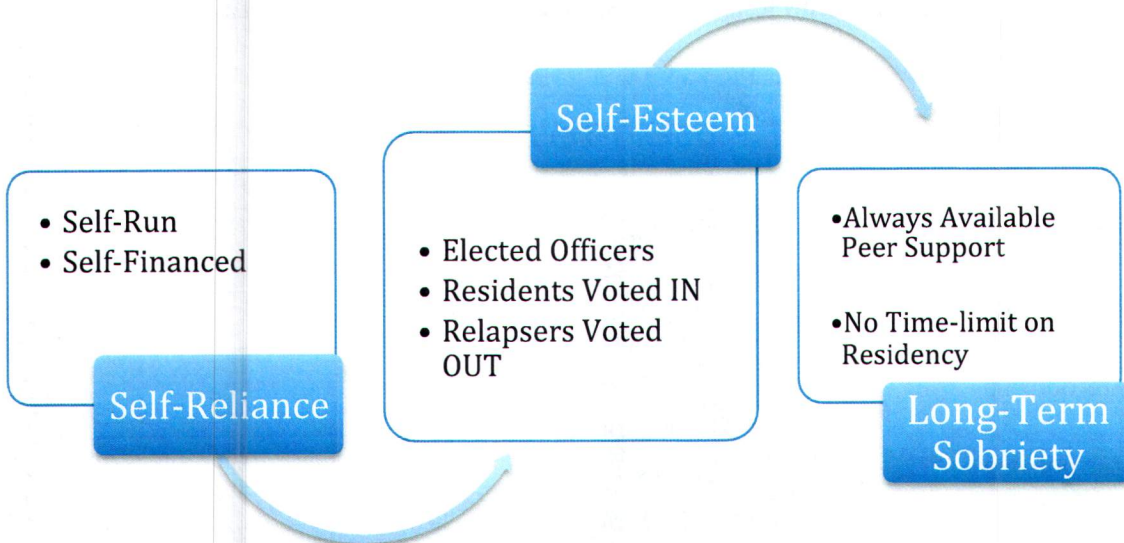
State	#Houses	#Beds	Contract
Montana	0	0	None
Nebraska	34	244	State
Nevada	2	20	None
New Hampshire	1	6	None
New Jersey	138	1114	State
New Mexico	18	135	State
New York	23	211	Private
North Carolina	223	1721	State
North Dakota	0	0	None
Ohio	2	15	None
Oklahoma	96	847	State
Oregon	171	1367	State
Pennsylvania	47	358	Counties
Rhode Island	0	0	None
South Carolina	41	282	State
South Dakota	0	0	None
Tennessee	48	346	State
Texas	195	1489	State
Utah	3	31	None
Vermont	4	32	None
Virginia	134	1094	State
Washington	265	2205	State
W. Virginia	17	119	State
Wisconsin	26	196	None
Wyoming	2	14	None
DC	30	253	State

Visit the Oxford House website: www.oxfordhouse.org

Oxford House World Services • 1010 Wayne Avenue, Suite300, Silver Spring, Maryland • Telephone 301-587-2916

Oxford House™

Unique • Evidenced-based • Time-tested



FACTS ABOUT ALCOHOLISM AND DRUG ADDICTION

- About 17 million Americans are primarily active alcoholics with another 8 million addicted to illicit drugs. (SAMHSA)
- 20.3 million persons aged 18 or older needed treatment for an illicit drug or alcohol abuse problem in 2013 (8.5 percent of persons aged 18 or older). (SAMHSA)
- Of these, only 1.25 million – 6.2 percent of those who needed treatment – received it.
- Government reports show that alcohol and drug abuse is responsible for the admission of almost 1.5 million people to emergency rooms nationwide and drug addiction results in nearly half a trillion dollars' economic loss annually or \$1,426 per American.
- For those receiving treatment, 60% had been in prior treatment an average of more than three times. [TEDS]

Oxford Houses Provide a Low-Cost, Highly Effective Method of Reducing Recidivism

The Process of Recovery

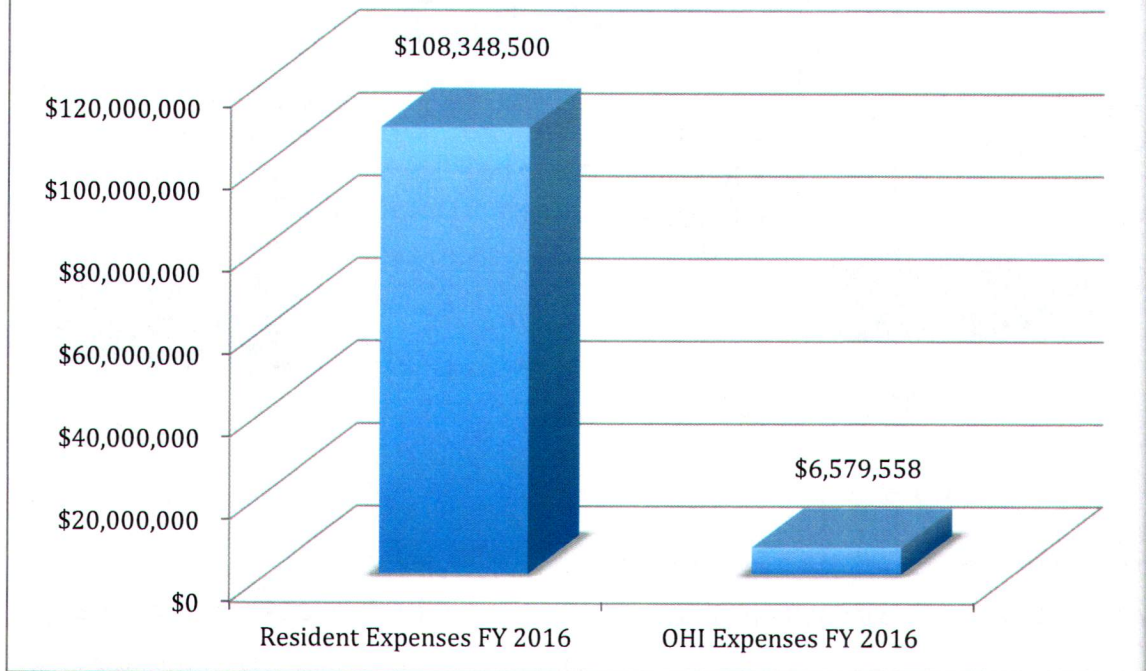
Not everyone who drinks alcohol becomes an alcoholic. Not everyone who uses mood-altering drugs becomes a drug addict. But some do. Society has struggled with effective ways to help those who become addicted to change behavior because their addiction can cause harm to them, their families and society at large. There is no magic wand but there is a process that works.

- Intervention
- Detoxification [*Ending physical dependence*]
- Treatment [*Motivation and education*]
- Long-term Behavior Change [*Supportive Living Environment*]

The weak link in the process is society's failure to support living environments that foster long-term behavior change. Most individuals relapse after the first three steps of the process – intervention, detoxification and treatment.

Significant evidence suggests that Oxford Houses provide the time, peer support and structured democratic process to make recovery without relapse the norm – not the exception.

Amount spent by Oxford House residents themselves for household expenses versus the amount spent by OHI to start new houses and keep existing houses on track in FY 2016



During fiscal year 2016, for every dollar spent by Oxford House, Inc. to develop new houses and help keep existing houses on track, the residents expended \$16.47 themselves to pay for household expenses including rent to a landlord, utilities and other household expenses.

Oxford House, Inc.[OHI] – the national umbrella nonprofit organization – has the sole authority for granting groups charters to establish Oxford Houses. The charter has three specific conditions: (1) the group must be democratically self-run, (2) the group must be financially self-supported, and (3) the group must immediately expel any resident who returns to using drugs or drinking alcohol.

The outreach worker is trained by Oxford House World Services for the following tasks:

- ◆ Finding a suitable house to rent
- ◆ Getting a charter from OHI
- ◆ Getting an FEIN number from IRS
- ◆ Recruiting initial residents
- ◆ Teaching residents the system of operations
- ◆ Building mutually supportive chapters
- ◆ Balancing supply of houses to demand
- ◆ Developing linkages to providers
- ◆ Developing employment linkages
- ◆ Documenting success/failure

OHI employs, trains and supervises outreach workers to help establish new Oxford Houses and organize chapters and state associations to provide mutual support and quality control. Each Oxford House is self-run and self-supported using the time-tested, disciplined, democratic system of operations used by Oxford Houses for more than 40 years.

In 2016, only 16.7% of the more than 35,000 residents in the national network of Oxford Houses were expelled because of relapse. Recovery without relapse is the norm – not the exception – for Oxford House residents.