



Funding Strategies for School Mental Health

One of the biggest challenges in the delivery of school mental health services is developing and sustaining funding sources. Most solutions to the funding challenges for school mental health involve using multiple, braided sources of funding. With funding being such a challenge, it is never too early to plan for sustainability. To have an impact on funding, it is also important to connect with policy makers who may be involved in funding decisions related to school mental health. Policy makers need to be educated about what school mental health is and how it is effective. Collecting outcome data that demonstrates the impact that school mental health services have on academic and behavior success needs to be a priority. Further, being able to demonstrate the overall cost savings as a result of school mental health services (e.g. reductions in special education referrals, reductions in non-public placements, reduction in emergency room usage for psychiatric emergencies) and developing effective partnerships between public and private sectors can be integral in procuring funding for school mental health.

An overview of common funding opportunities is presented below[1]:

- Federal Grants – Several federal grants have been created in recent years in which a portion of funds can be allocated for expanded school mental health services. These include the *Healthy School, Healthy Communities* program (Bureau of Primary Health Care), *Safe Schools/Healthy Students Initiative* (Departments of Education, Justice and Health and Human Services), *Title XX Social Services* block grant, *Preventive Health and Health Services* block grant, and the *Maternal and Child Health* block grant.
- State Funding – Some states have begun to include school-based health and mental health services in their budgets. For example, services can be financed partially by state allocations (e.g. budget line item) or by implementing specific programs (e.g. *Safe and Drug Free Schools*) that also come with budgets to supplement general money for school mental health programs. State health initiatives and state taxes (e.g. tobacco tax, property tax) may also offer some support for school mental health services.
- Fee-for-service Reimbursements - Third-party payers including State Children’s Health Insurance Programs, commercial insurance, and Medicaid provide support for school mental health through fee-for-service reimbursements. Important considerations for this line of funding are whether school-based services are viewed as primary care centers or whether the service provided is non-duplicative care, characteristics of service which would allow for a larger portion of a school mental health budget to be covered in this capacity. There are also disadvantages to this line of funding including the large bureaucratic and administrative load required to recover funds, the necessity of diagnosing students for fee reimbursement, and the lack of reimbursement for many activities included in the expanded school mental health model (e.g. consultations with parents and teachers, classroom observations, and case management). However, given the limited grant funding options for school mental health services, fee-for-service

revenue is seen as an integral part of long-term financial success for school mental health services.

- Outpatient Mental Health Center Funding – Partnering with an already existing outpatient mental health center is an excellent way of facilitating the ability to bill public and private insurance programs for services. That is, while expanded school mental health programs have the staff, capability and connections to serve children in schools, the outpatient program has the structure mechanisms, and recognition needed to bill for services.
- Solicited Funds – Many expanded school mental health programs obtain at least some of their funding from private donors, private foundations, and federal agencies. This source of funding can comprise a portion of a general budget or they may be solicited to fund specific initiatives as part of broader school mental health services.
- Pooled, Blended or Braided Funds – Relying on multiple funding streams through a pooling, blending or braiding of sources is an important component of successfully funding school mental health. This is a key component to ensure that the services continue even if one of the funding sources should end. An additional advantage of this approach to funding is that services tend to be more comprehensive since funding sources often differ on which services, providers and clientele are covered.

[1] This information is taken from Evans, Glass-Siegel, Frank, Van Treuren, Lever & Weist (2003). “Overcoming the Challenges of Funding School Mental Health Programs”. In Weist, Evans & Lever (Eds.) *Handbook of School Mental Health: Advancing Practice and Research*. New York: Kluwer Academic Publishers