

Mental Health Expansion Grant Capacity Grant Proposed 2023-2025 Award Overview

Tiered Funding Model

The State Program Office, with the recommendation of the MHEG workgroup, is proposing a tiered funding model should additional funding become available for 2023-2025 (or in future biennia). The model would work as follows:

- Every system¹ will start with \$175,000 for the first site
- For a system with two sites, they will get \$175,000 for the first site **plus** \$125,000 for their second site
- For a system with three or more sites, they will get the initial \$175,000 for the first site, \$125,000 for their second site, **plus** \$50,000 for each additional site with no cap on total award.

Although funding is based on the number of sites, SBHC systems would be able to move their award to as many or as few SBHCs within their system to best meet the needs of youth in their communities.

Bumper Funding Model

Currently, the SPO does not have sufficient funding in the MHEG capacity budget to fully fund systems in the 2023-2025 biennium using the tiered funding model. SPO therefore proposed creating “bumpers” for the 2023-2025 biennium to get systems closer to the proposed funding model while staying within the current budget. The “bumpers” would minimize the amount a system could gain or lose in 2023-2025 and are calculated based on if a system’s current award **(column E in attached spreadsheet)** is less than or greater than the award as determined by the tiered model detailed above **(column G in the attached spreadsheet)**.

- Decrease 10% bumper: If a system’s current award **(Column E)** is greater than the tiered model award amount **(Column G)** that system’s award would be decreased by 10% of current award in 2023-2025 (*e.g., if the current award is \$350,000 for a system that has two sites, and the tiered*

¹ The SPO defines a system as the SBHCs operating under a shared medical sponsor within a given county.

model award amount is \$300,000 that system would lose \$35,000 and be awarded \$315,000 in 2023-2025).

- Increase 10% bumper: If a system's current award (**Column E**) is less than the tiered model award amount (**Column G**) that system's award would be increased by 10% of current award in 2023-2025 (*e.g., if the current award is \$120,000 for a system that has two sites, and the tiered model award amount is \$300,000 that system would gain \$12,000 and be awarded \$132,000 in 2023-2025*).

How to read the spreadsheet:

- The proposed funding spreadsheet is organized by system
- The column highlighted in grey is the current funding (**Column E**)
- The column highlighted in orange is the award amounts if tiered funding model were fully implemented through additional legislative investment (**Column G**)
- The column highlighted in green is the proposed award amounts for 2023-2025 assuming no increase to the SPO budget (**Column J**).
- For ease of viewing there are columns hidden (used to calculate awards) but feel free to unhide if that will help you understand the proposal.

2023-2025 Budget and Expectations

The finalized MHEG capacity grant funding amounts and grant requirements for 2023-2025 will take effect July 1, 2023. SPO will not know our final 2023-2025 biennium budget until after July 1, 2023. Therefore, the SPO plans to amend current contracts based on the bumper funding model but may need to amend contracts again if additional 2023-2025 funding is allocated to the SPO during the 2023 legislative session.

Future Implementation of a Tiered Funding Model

The SPO intends to eventually move toward fully implementing the tiered funding model without bumpers in future biennia if funding allows.

Additionally, the SPO's intent is to extend MHEG awards to all systems in future biennia if funding allows.

Future funding is largely dependent on legislative investment and the SPO has calculated the investment needed to implement the tiered funding model fully for all currently certified SBHCs and the SBHCs that are expected to be certified in 2023-2025.

- The spreadsheet includes three systems (rows highlighted in light yellow) that do **not** currently receive MHEG funding and will not receive funding in 2023-2025 with the proposed funding model (with bumpers), but the SPO has calculated funding necessary to fund these systems at tiered levels **(column J)** should additional money become available.
- The spreadsheet does **not** include 2021-2023 School Health Services Planning Grant (SHSPG) Sites expected to be certified in 2023-2025. The current SPO budget cannot cover SHSPG sites, but the SPO has calculated funding necessary to fund 2021-2023 SHSPG sites at tiered levels should additional money become available.