



DOAA

Georgia Department
of Audits & Accounts

Greg S. Griffin
State Auditor

January 9, 2026

Honorable Sandra Scott
State Representative
611-D Coverdell Legislative Office Building
Atlanta, Georgia 30334

SUBJECT: Fiscal Note
House Bill 26 (LC 57 0304S)

Dear Representative Scott:

This bill would establish a school-linked behavioral health grant program administered and funded by the Department of Behavior Health and Developmental Disabilities (DBHDD). The program would provide early identification of and intervention for students with mental health or substance abuse disorder needs and build the capacity of K-12 schools to support students with mental health or substance use disorder needs in the classroom. Eligible providers include federally qualified health centers, behavioral health organizations, community based mental health care providers, or licensed healthcare providers. DBHDD would be required to prioritize approval of applications submitted by local school systems receiving Title I funds, systems in rural and underserved areas, and systems with schools that have high student to counselor ratios. Grantees must obtain available Medicaid and third-party reimbursement sources, and DBHDD would be required to submit an annual report evaluating the effectiveness of the program.

As shown in **Table 1** on the following page, the program would cost an estimated \$310.8 million if included in all schools (1.74 million students and 2,323 schools). This total includes \$710,000 in administrative costs that would be reached when the program is in all schools. Details and assumptions of the estimate are below.

- DBHDD anticipates grant costs of \$266,600 per two schools (approximately 1,500 students). The agency anticipates school systems contracting with providers that would hire therapists to work with the schools versus a model in which therapists obtain referrals from school personnel. The \$266,600 includes the following:
 - A therapist for each two schools added to the program. The therapist would assist in the identification of students in need of services.
 - A portion of a case manager and a prescriber.
 - Indirect costs such as fees and expenses for wireless devices, telemedicine expenses (if applicable), technology, travel and transportation, and training for staff, as well as a portion of overhead expenses (e.g., human resources, accounting) for the organization employing the providers.

- A portion of the service costs may be offset by payments from insurance providers for students with coverage; however, we were unable to estimate the potential revenue.
- DBHDD's Apex program provides similar services to a portion of schools in FY 2025 at a cost of \$21.7 million. As the proposed program expands, Apex service costs would be absorbed into the new program. DBHDD included salary adjustments for Apex staff in the administrative costs in Table 1.

Table 1: DBHDD Service Delivery and Administrative Cost Impacts

	2 Schools (approx. 1,500 students)	All Schools (1.74 mil students)
Service Delivery Grant Costs¹		
Therapist (Salary and Benefits)	\$94,700	\$110.2 mil
0.5 Case Manager (Salary and Benefits)	\$37,500	\$43.6 mil
Prescriber Costs per Therapist	\$94,400	\$109.8 mil
Indirect Costs	<u>\$40,000</u>	<u>\$46.5 mil</u>
Total Service Delivery Grant Costs	\$266,600	\$310.1 mil
Administrative Costs		
2 Application/Grant Specialists (Salary and Benefits)		\$210,000
2 Contract/Invoicing Specialists (Salary and Benefits)		\$180,000
1 Financial Staff		\$120,000
Apex Staff Adjustments		<u>\$200,000</u>
Total Administrative Costs		\$710,000
Total Program Costs		
Service Delivery Grants		\$310.1 mil
Administrative Costs		<u>\$0.7 mil</u>
Total		\$310.8 mil

1. We were unable to determine what portion of costs, if any, would be offset by payments from health insurance companies.

Table 2 shows the incremental cost increase, dependent upon the number of schools served by grantees. The service delivery costs double along with the number of schools served. The administrative costs, however, would not impact the agency's costs until grantees were serving approximately over 500 schools, or approximately 380,000 students.

Table 2: Total Program Costs Based on Number of Students Served¹

# of Schools Served	# of Students Served	Service Delivery Grant Costs	Administrative Costs	Total Costs
2	1,500	\$267k	\$0.6k	\$267k
256	192,000	\$34.1M	\$78k	\$34.3M
512	384,000	\$68.3M	\$156k	\$68.5M
1,024	768,000	\$136.5M	\$313k	\$137.0M
2,323	1,744,541	\$310.1M	\$710k	\$310.8M

1. We were unable to determine what portion of costs, if any, would be offset by payments from health insurance companies.

Respectfully,

A handwritten signature in blue ink, appearing to read "Greg S. Griffin".

Greg S. Griffin
State Auditor

A handwritten signature in blue ink, appearing to read "Richard Dunn".

Richard Dunn, Director
Office of Planning and Budget

GSG/RD/jm