



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2027 Biennium

Bill#/Title: **HB0385.02 (001): Establishing the school mental health promotion pilot program**

Primary Sponsor: **Melissa Romano** Status: **As Amended in House Committee**

☐ Included in the Executive Budget ☐ Needs to be included in HB 2 ☐ Significant Local Gov Impact
☐ Significant Long-Term Impacts ☒ Technical Concerns ☐ Dedicated Revenue Form Attached

FISCAL SUMMARY

	<u>FY 2026 Difference</u>	<u>FY 2027 Difference</u>	<u>FY 2028 Difference</u>	<u>FY 2029 Difference</u>
Expenditures				
General Fund (01)	\$250,000	\$250,000	\$0	\$0
Revenues				
General Fund (01)	\$0	\$0	\$0	\$0
Net Impact	<u>(\$250,000)</u>	<u>(\$250,000)</u>	<u>\$0</u>	<u>\$0</u>
General Fund Balance				

Description of fiscal impact

HB 385, as amended, establishes a school mental health promotion pilot grant program administered by the Office of Public Instruction (OPI) which is designed to encourage and support schools in implementing innovative, student-led, and locally determined mental health initiatives. There is an appropriation of \$250,000 per year of the 2027 Biennium for grants.

FISCAL ANALYSIS

Assumptions

Office of Public Instruction

- HB 385, as amended, establishes a mental health promotion pilot program to be administered by the Office of Public Instruction (OPI).
- The OPI must establish an application process which identifies specific mental health needs among students of one or more schools within a district.
- Applications must be developed and supported by students, parents, certified and classified staff, administrators, trustees of the school district, community members, and organizations.
- Applicants must identify and commit to implementing specific mental health promotion activities and a plan to develop a program management team.
- Applicants must evaluate the effectiveness of the program using specific metrics and establishing a baseline for those metrics prior to implementing mental health promotion activities under the program.
- Program grants shall target districts with the greatest identified need, preparation, and ability to administer an effective mental health promotion program.
- Grant recipients shall submit to OPI by July 15th of even-numbered years a report which provides an accounting of expended grant funds, summary of mental health promotion activities, and an evaluation of the effectiveness of the program in improving the mental health of students in participating schools.
- OPI will compile the submitted reports and report to the Interim Education Committee.

9. HB 385 appropriates \$250,000 in each year of the 2027 Biennium for annual awards to be granted to school districts of not less than \$5,000 or more than the lesser of an amount equal to \$25 for every enrolled student in a participating school in the prior school year or \$50,000.
10. The legislative intent is for this \$250,000 appropriation per year to be ongoing base funding.
11. As it is unknown how many school districts would apply for grant funds, OPI assumes estimated participation in the program may be determined based on the number of students who are currently receiving mental health services compared to student enrollment. The appropriation will cover a limited number of possible applications therefore, OPI will need to determine if applications will be awarded on a first-come, first-served basis or prorated.
12. OPI can cover administration of this program within existing resources.

Secretary of State Office

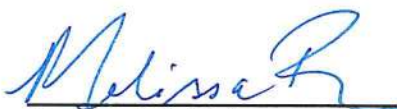
13. HB 385, as amended, requires the Office of the Secretary of State to notify each federally recognized tribal government in Montana. While there may be a minimal fiscal impact, the Office of the Secretary of State will absorb the costs associated with implementing this bill within its existing operating budget.

Fiscal Analysis Table

	<u>FY 2026 Difference</u>	<u>FY 2027 Difference</u>	<u>FY 2028 Difference</u>	<u>FY 2029 Difference</u>
<u>Fiscal Impact</u>				
<u>Expenditures</u>				
Grants	\$250,000	\$250,000	\$0	\$0
TOTAL Expenditures	\$250,000	\$250,000	\$0	\$0
<u>Funding of Expenditures</u>				
General Fund (01)	\$250,000	\$250,000	\$0	\$0
TOTAL Funding of Expenditures	\$250,000	\$250,000	\$0	\$0
<u>Revenues</u>				
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures)</u>				
General Fund (01)	(\$250,000)	(\$250,000)	\$0	\$0

Technical Concerns

1. HB 385, as amended, appropriates \$250,000 for grants to be distributed to schools as grants "of not less than \$5,000 or more than the lesser of an amount equal to \$25 for each enrolled student in a participating school in the prior school year or \$50,000". A \$5,000 grant would equate to 200 students at \$25 per enrolled student and \$50,000 would equate to 2,000 students at \$25 per enrolled students. It is not clear if the intent that schools smaller than 200 students must receive at least \$5,000 or if they are eligible to apply?
2. It is unclear how OPI is to determine allocation of the appropriation if applications exceed the appropriation.

 2/25/25
 Sponsor's Initials Date

 2/25/2025
 Budget Director's Initials Date