



Legislative Fiscal Office
 83rd Oregon Legislative Assembly
 2025 Regular Session

Prepared by: MaryMichelle Sosne
 Reviewed by: Wendy Gibson, Matt Stayner
 Date: March 14, 2025

Bill Title: Relating to schools; prescribing an effective date.

Government Unit(s) Affected: Oregon Health Authority, School Districts, Department of Education

Summary of Fiscal Impact

2025-27 Biennium	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds	Positions	FTE
Oregon Health Authority	\$ 7,000,000	\$ -	\$ -	\$ -	\$ 7,000,000	-	-
Total Fiscal Impact	\$ 7,000,000	\$ -	\$ -	\$ -	\$ 7,000,000	-	-
2027-29 Biennium	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds	Positions	FTE
Oregon Health Authority	\$ -	\$ -	\$ -	\$ -	\$ -	-	-
Total Fiscal Impact	\$ -	\$ -	\$ -	\$ -	\$ -	-	-

- This fiscal impact assumes grant funding is a one-time General Fund appropriation.

Measure Description

The measure appropriates \$7 million General Fund to the Oregon Health Authority (OHA) to implement a grant program designed to increase and improve school-based mental health services and substance use prevention, screening, referral, and treatment services. OHA is directed to study options to provide or increase reimbursement for mental health services for school-based health centers under medical assistance programs. The measure takes effect on the 91st day following sine die.

Fiscal Analysis

In lieu of establishing a new grant program, OHA intends to use this funding to support existing grant programs that meet the requirements of the measure. \$4 million will be allocated to the existing School-Based Health Center Mental Health Expansion Grants Program (MHEG), The remaining \$3 million will be allocated to Community Mental Health Programs (CMHP).

The additional \$4 million for MHEG programs will be used to increase the level of current funding to comport with a previously determined formula that allocates grant monies to medical sponsoring agencies within each county based on the number of student-based health care centers operated by that agency within a county. Under that formula, the medical sponsoring agency is intended to receive \$175,000 for their first school-based health center, \$125,000 for their second and \$50,000 for each subsequent site, however, the formula is not currently fully funded. The additional monies provided by the bill will be used to span the shortfall between the formula-based funding level and the current available funding.

OHA intends to distribute \$2.3 million through County Funding Agreements (CFA) to increase staff, specifically therapists and skills trainers, in rural community mental health programs to increase on campus capacity to

FISCAL IMPACT OF PROPOSED LEGISLATION**Measure: HB 2729 - 6**

provide mental health services. OHA intends to distribute the remaining \$700,000 to Tribes for mental health services and substance use prevention. OHA has already begun its review of reimbursement strategies for school-based health centers under medical assistance programs and can absorb ongoing costs to complete the study.

The measure has a minimal fiscal impact on the Department of Education and no fiscal impact on school districts.

Relevant Dates

The measure takes effect on the 91st day after sine die.