

# RESOURCE ALLOCATION TO SUPPORT WELL-BEING IN PUBLIC SCHOOLS

Prepared by the Texas Association of School Business Officials  
for the Meadows Mental Health Policy Institute



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## Mental Health Needs are Increasingly Urgent in Public Schools

Mental health and child advocacy experts were concerned about the state of children's mental health well before the pandemic, and the pandemic only heightened that concern. Consider the following:

In 2019, **1 in 5 Texas high school students** were reported to have seriously considered suicide in the past year.

In October 2020, **mental health-related emergency room visits** for U.S. **children of all ages increased by an average of 27.5%** compared to the prior year.

In early 2021, emergency department visits in the U.S. for **suspected suicide attempts were 51% higher for adolescent girls and 4% higher for adolescent boys** compared to the same time period in early 2019<sup>1</sup>.

In addition to impacting overall well-being, academic outcomes, and behavior in the classroom, heightened mental health challenges have also been associated with reduced attendance rates. In fact, educational leaders are increasingly recognizing the link between increased levels of anxiety and depression and student absence. According to Education Week, one to two percent of all students refuse or resist attending school in their school careers. This problem is more pronounced among students with disabilities and worsened during the pandemic<sup>2</sup>.

At the same time, concern for the mental health and well-being of school staff is also increasing. Education Week reported in 2024 that teacher morale is worse now than it was one year ago, and administrators are realizing the importance of improving teacher and staff mental health both to improve teacher retention rates in an increasingly tight labor market and to enhance job performance and job satisfaction among educators. According to the Charles Butt Foundation's 2023 Texas Teacher Poll, only 58% of Texas public school teachers rated their mental health or emotional well-being positively specifically in relation to their work.

**To address these challenges, Texas school districts need long-term systematic and sustainable plans to support both student and staff emotional wellness.**

<sup>1</sup> *Mental Health–Related Emergency Department Visits Among Children Aged 18 Years During the COVID-19 Pandemic—United States, January 1–October 17, 2020* | MMWR. (n.d.). Available at <https://www.cdc.gov/mmwr/volumes/69/wr/mm6945a3.htm>

<sup>2</sup> *Addressing the Link Between Anxiety, Depression, and Student Attendance* (Oct. 2022), <https://www.edweek.org/leadership/addressing-the-link-between-anxiety-depression-and-student-attendance/2022/10>

## How to Address the Mental Health Challenge When Resources are Scarce

While the Texas school finance system, administered by the Texas Education Agency, has more than 20 separate allotments designed to address specific education-related costs, there is no allotment specifically for student well-being or mental health. Several other states allocate funding to support school-based mental health.<sup>3</sup> In the absence of specific allocations, Texas school districts must consider other funding options. In response to the survey administered by the Collaborative Task Force for Public School Mental Health in 2022<sup>4</sup>, school districts indicated reliance on a variety of funding sources to address student mental health.

Funding Source	Number of Districts Reporting Use	The proportion of Districts Reporting Use (N=714)	Funding Source	Number of Districts Reporting Use	The proportion of Districts Reporting Use (N=714)
ESSER	525	73.5%	Medicaid/ SHARS	140	19.6%
Local Funds	384	53.8%	Non-Financial Agreement	125	17.5%
Title I	343	48.0%	Title III	89	12.5%
Foundation School	323	45.2%	Philanthropy	69	9.7%
State Compensatory Education	300	42.0%	Other	55	7.7%
McKinney Vento	182	25.5%	Title IVB	23	3.2%
Title IVA	179	25.1%	Private Pay / Insurance	22	3.1%
School Safety Allotment	141	19.7%	VOCA	11	1.5%

Source: Collaborative Task Force for Public School Mental Health, District Survey results, 2022

Funding school mental health programs can be especially challenging at a time when school districts are faced with budgetary constraints caused by inflation and the expiration of federal pandemic relief funding (ESSER), among other things, and competing priorities for limited funds. Possible solutions to the funding challenge may involve exploring and considering new sources of funding as well as combining sources of funding by braiding or blending.

**BRAIDING** involves coordinating funds from different sources for a single purpose. Each fund retains its identity and requirements.

**BLENDING** involves combining funds into a single pot with its own requirements. The identity of each fund is lost.

Remember that each type of funding will be accompanied by various requirements. For instance, in the case of state funding, many of the individual allotments come with specific spending requirements, and each year, the LEA is required to demonstrate that it spent a statutorily defined amount on direct and allowable programs and services. Private partnerships may include contractual requirements. Grants—particularly federal grants—may include the most stringent requirements.

When considering funding options, it is important to understand the requirements before pursuing the funding. Failure to do so may lead to unanticipated consequences later, such as reduction of funds, grant award revocation, disallowance of expenditures, or other audit findings.

Because resources are somewhat scarce, school districts are faced with competing priorities. Consequently, resources must be used in an effective manner. Not only is it important to clearly evaluate the anticipated benefits of a particular mental health resource, service, or program before implementation, but ongoing evaluation is also critical, particularly given that implementing a new program may require the discontinuation of another program or service.

### Effectively Maximizing Resources Involves the Following:

1. Identify all eligible sources of funding that might be used for the proposed purpose;
2. Identify current uses of eligible funds to see whether any reductions could be made in those areas to create capacity for new investments;
3. Identify any current programs that aim to accomplish the same goals that could be combined or eliminated in an effort to make capacity for new investments; and
4. Identify any potential cost savings or revenue enhancements that may result from the investment (i.e., improvements in student or teacher attendance rates, reductions in the need for costlier interventions, etc.).

### Where to Begin: State Funding

Texas provides several allotments to address specific educational costs. The regular program allotment can be used for general educational costs and is not subject to specific spending requirements. However, districts must spend specified percentages of other allotments in direct costs

<sup>3</sup> States Take Action to Address Children's Mental Health in Schools, National Academy for State Health Policy (Feb. 14, 2022). Available at <https://nashp.org/states-take-action-to-address-childrens-mental-health-in-schools/>; State Approached to Addressing Student Mental Health, Education Commission of the States (May 2021). Available at <https://www.ecs.org/state-approaches-to-addressing-student-mental-health/>.

<sup>4</sup> The Collaborative Task Force on Public School Mental Health Services, Year 3 Report, Table 13 (2022), <https://schoolmentalhealthtx.org/wp-content/uploads/2023/02/Collaborative-Task-Force-on-Public-School-Mental-Health-Services-Year-3-Report.pdf>



related to the program’s intent. Identifying specific allotments where mental health is an allowable direct cost can be helpful in budgeting scarce resources because doing so may preserve flexible dollars for other uses.

## Before using any of these allotments, be sure to:

- 1. Discuss the proposed use of funds with the program coordinator and/or district business manager or CFO to determine whether there is room in the budget;**
- 2. Determine what specific program requirements must be met for this to be an allowable cost;**
- 3. Determine whether any staff being paid through this source of funding would need to be split funded because the staff member spends part of their time on activities unrelated to the allotment.**

Below is a list of allotments that may be used for mental health, with a short description of the legal requirements around using the allotment for mental health/student well-being.

### *Regular Program Allotment*

**Statute:** [TEC 48.051](#)

**Additional Resources:** [Basic Allotment \(texas.gov\)](#)

The largest allotment is the regular program allotment, which is determined by multiplying regular program average daily attendance (ADA) by the basic allotment (\$6,160) with no additional weights or adjustments. This allotment is designed to provide funding for a basic, or foundation, educational program for all students. It could be used for mental health resources or services. For example, the regular program allotment might be used for *Tier 1* interventions that are preventative or educational for all students, such as suicide prevention and bullying prevention programs used across all grade levels.

### *Compensatory Education Allotment*

**Statute:** [TEC 48.104](#)

**Additional Resources:** [State Compensatory Education | Texas Education Agency](#)

The state compensatory education (SCE) allotment is designed to provide additional resources to improve academic outcomes for low-income and at-risk students. Although the program is primarily dedicated to improving academic outcomes, statute specifically recognizes the relationship between emotional well-being and academic success with language adopted into TEC 48.104(j-1):

*“...in addition to other purposes for which funds allocated under this section may be used, those funds may also be used to: ... pay expenses related to reducing the dropout rate and increasing the rate of high school completion, including expenses related to: (A) duties performed by attendance officers to support educationally disadvantaged students; and (B) programs that build skills related to managing emotions, establishing and maintaining positive relationships, and making responsible decisions.”*

According to the TEA [Frequently Asked Questions](#), SCE funds can be used to compensate counselors, provided that the services are targeted to low-income and at-risk students and that the services are supplemental to other guidance and counseling services. The FAQ also notes that compensatory education funds can be used to compensate social workers, provided that the services provided are aligned with the purpose of the compensatory education program. Note that staff may need to document time and effort if they are also providing other statutorily required services including assessment and other administrative services.

When districts change the use of compensatory education funds, it is always a good idea to update the campus improvement plan to ensure that the goals and strategies associated with the new investment are captured.

### *School Safety Allotment*

**Statute:** [TEC 48.115](#)

**Additional Resources:** [School Safety Resources | Texas Education Agency](#)

The school safety allotment is designed to provide additional resources to support campus safety. This includes the following:

- Security-related school infrastructure costs, state-required armed security officers, and security-related technology,
- “[T]he prevention, identification, and management of emergencies and threats, using evidence-based, effective prevention practices and including:
  - providing licensed counselors, social workers, chaplains, and individuals trained in restorative discipline and restorative justice practices;
  - providing mental health personnel and support, including chaplains;
  - providing behavioral health services, including services provided by chaplains;
  - establishing threat reporting systems; and

- developing and implementing programs focused on restorative justice practices, culturally relevant instruction, and providing mental health support, including support provided by chaplains;
- Providing programs related to suicide prevention, intervention, and postvention, including programs provided by chaplains; and
- Employing a school safety director and other personnel to manage and monitor school safety initiatives and the implementation of school safety requirements for the district.”

While the school safety allotment may be used to provide mental health supports, in most district these funds are fully committed to satisfying legal requirements regarding school safety, such as facility standards and requirements related to campus security personnel.

**Formula grants are noncompetitive and based on a mathematical formula to calculate the grant entitlement for each eligible applicant.**

**A block grant is a federal formula grant for a broadly defined purpose.**

**Discretionary grants give some discretion to the agency administering the grant. Legislation authorizing the grant may define certain elements of the grant while leaving others to be determined by the agency. Discretionary grants may be competitive or noncompetitive.**

## Digging Deeper: State and Federal Grants

### *Grants Administered by TEA*

In addition to administering state aid to school districts through the school finance system, TEA also administers many state and federal grants. Federal grants are funded through legislation passed by the U.S. Congress. State grants are funded through legislation passed by the Texas Legislature.

According to TEA, grant recipients are subject to all statutory and regulatory requirements and policies, as well as specific grant guidelines.<sup>5</sup>

To ensure compliance with grants it administers, TEA monitors and reviews grantee activities. TEA also conducts annual risk assessments and may perform on-site visits or audits. Each federal grant is unique, but most are subject to requirements like these:

- Compliance with rigorous procurement requirements
- Record maintenance and retention requirements
- Documentation of time and effort for personnel paid in whole or in part with federal funds
- Application amendments if certain program changes are made
- Requirements to supplement rather than supplant

Each district will have policies and procedures that will impact how grants are administered in the district.

### Life Cycle of a Federal Grant in a school district:

1. Notice of Grant Award (NOGA)
2. Budget grant funds in finance system
3. Grant Start-up (procure goods and services)
4. Grant Close-out (final drawdowns and end-of-year grant reconciliation)
5. Annual financial audit, single audit, grant reporting requirements
6. Records retention

### *Title Funds*

In addition to others, TEA administers grant programs authorized by federal law under the Elementary and Secondary Education Act of 1965 (ESEA), as reauthorized in 2015 by the Every Student Succeeds Act (ESSA). Funding under ESSA includes the various “title funds”:

- Title I, Parts A, C, D (supporting education of economically disadvantaged students)
- Title II, Part A (professional development, including developing a support system for teachers and other school leaders)
- Title IV, Part A (Student Support and Academic Enrichment)
- Title V, Part B (Rural Education Initiative)
- Title VII (Impact Aid)
- McKinney Vento (supporting education of students experiencing homelessness)

While these funds are restricted to specific uses and spending requirements, certain mental health related activities may be allowable. Title I and Title II may be the most likely starting point for funding for mental health programs and resources. Title I may be an option for eligible students. For example, it might be appropriate to use Title I funds for a pilot program

<sup>5</sup> <https://tea.texas.gov/finance-and-grants/grants/grants-administration/administering-a-grant>

on a high needs campus. If the program works well and is appropriate for expansion, then it becomes a priority to find additional funds to sustain it. Title II may be a good resource for addressing the needs of teachers.

In the end, the decision about which funds may be brought to bear will depend on the specific interventions, the relative share of funding received in the district, and the current uses of those funds. Districts should refer to the [Division of Federal Program Compliance](#) to be sure that their plans are aligned with program requirements.

### **Other State Grants**

Other state agencies may have grant opportunities that could fund school mental health initiatives. For example, Texas Health and Human Services administers several [behavioral health services grants](#).

### **Other Federal Grants**

The Department of Education offers many different grants to support schools. The [Office of Elementary and Secondary Education \(OESE\)](#) administers several [discretionary grants](#) for which LEAs may be eligible. For instance, the OESE administers the [School-Based Mental Health Services Grant Program](#).

Other federal agencies may also have grants that could be used for mental health resources or programs. The [Department of Health and Human Services](#) provides essential mental and physical health supports to students and their families, and the [Department of Justice](#) supports schools in developing approaches for children who are exposed to violence. The Substance Abuse and Mental Health Services Administration (SAMHSA) administers two [block grants](#) and maintains a [grants dashboard](#) where funding opportunities are announced through Notices of Funding Opportunity (NOFO).

Because grant applications are only open for a specified time period, and some grants may be available only in one year while others are available year after year, it is important to familiarize yourself with [Grants.gov](#), an extensive online resource designed to enable federal grant applicants to find and apply for federal grants. This resource includes a searchable database of grant opportunities. You can also [subscribe](#) to receive funding announcements. The [Grants Learning Center](#) covers many topics related to federal grants. The [Greenlights Grant Initiative](#) helps school districts navigate the grant process and apply for federal school safety grants, including resources for mental health services.

In the case of any grant funding—whether state, federal, or private—thoroughly research the grant so that you

understand all eligibility criteria, the extent of the funding (amount, term, etc.), and any requirements that will be imposed on the district as conditions of receiving the grant.

### **Example of blending multiple funding sources to support different components of its program:**

- **ESSER for MTSS training of campus teams**
- **Local and Title 2 funds for district staff support**
- **Philanthropic funds for systems development, coaching, consultation, and technical assistance**

### **Community Support and Partnerships**

Other public or private philanthropic organizations or entities may offer grant or support opportunities. In addition, other governmental entities may be available for collaboration or partnership. School administrators can search for opportunities by exploring grants databases and making connections with local philanthropic foundations – including family foundations, corporate foundations, and community foundations.

TEA and others maintain the [Texas School Mental Health](#) website. In addition to news on mental health initiatives, a school mental health toolkit, and best practices, the site includes the [Texas School Mental Health Resources database](#). You can filter your initial search by ESC region, county, district, key word, or search term. You can then further refine your results by Resource Type, Zip Code, Area of Focus, and other factors. Resource Type includes *Private Funding Opportunity* and *Public Funding Opportunity*, among others.

The [Grantsmanship Center](#) has a Texas Grant Resources site that lists grant resources by area of the state. [Grantmakers for Education](#) is a national association of grant makers who invest in education initiatives in all 50 states. [Texas Rural Funders](#) provides information about resources and grants for rural communities. Local service organizations, like Rotary Club, Junior League, or United Way, may offer grant opportunities. Your district's education foundation may also be able to provide funding support. Ask your district leadership if your district has an active education foundation or search the [Texas Education Foundation Network's Foundation Directory](#).

Consider other types of organizations in your district that might be able to assist. This might include other local governmental departments, like city or county health departments; healthcare institutions; and local nonprofit or faith-based organizations. Local corporations may sponsor

mental health initiatives. Private philanthropic foundations may offer funding opportunities to support school mental health initiatives. Before approaching a foundation or organization, thoroughly research the organization to determine how the organization's offerings align with the district's needs. Ensure that you comply with the district's procedures for contacting outside organizations.

## Tips for Seeking District Approval

Whether you plan to pursue grant funding, use existing resources, or seek a partnership with a private organization, you will likely need to seek approval from the district's chief financial officer if you are seeking funding, human resources if you are seeking to hire additional staff, or your own leadership team for approval to pursue your proposal. Preparation will enhance your likelihood of success. The steps below are suggestions for consideration, but the actual process may vary depending on the size and culture of the district.

- 1. Determine whether there is a required process for seeking approval.** For example, most districts have an internal process for approving grant applications. The process may involve internal stakeholder groups who will decide whether to approve the proposed grant application. Follow this process. Other processes may require the involvement of external stakeholders. For instance, the Texas Education Code requires the School Health Advisory Council (SHAC) to provide feedback and input on health resources and interventions.
- 2. Be prepared to address the requirements of the proposed funding.** For example, if you are considering a grant, determine what the district obligations would be to match funding or continue the program for a certain period.
- 3. Consider how the request for a program or additional staff meets district and board goals and fits into the district's long-range plan,** including, as appropriate, the district and campus improvement plans. What need will it solve?
- 4. Be prepared to offer ideas on funding.** Do your research in advance. Can you (your team, department, campus) contribute to the cost? Are there existing programs that can be cut, modified, or scaled back – that is, what are the trade-offs?
- 5. Be prepared to discuss budgetary factors.** Consider factors like the following:
  - a. Cost of the program, product, and / or personnel
  - b. Time and cost to implement

- c. Maintenance costs
- d. Scalability
- e. Return on investment (how will it be measured and evaluated?)
- f. Sustainability—especially if you plan to rely heavily on time-limited funding, such as federal grant funding

**6. Consider whether the requested program duplicates an existing program.** Is a pilot program advisable, desirable, or feasible? Does it make sense to go full scale on something that is not proven?

**7. Be clear about the objectives and desired outcome.** Know what you are asking for but be prepared with some options.

## Program Evaluation

Because schools operate with scarce resources, investment choices must be weighed in terms of cost/benefit. Even if federal or state grant dollars are identified, in most cases, those dollars are currently allocated to some other program or purpose. Education decision-makers must then determine whether any proposed new use of funds may drive greater benefit than the current allocation. Doing so will require clear goals, a theoretical framework related to expected benefit from the proposed investment, good data on spending, implementation and outcomes, and a process for reviewing and evaluating that data to inform program improvement or even abandonment when data no longer support continued investment. The American Institutes for Research has created a framework for evaluating the multi-tiered systems of support, which you can access here: [Multi-Tiered System of Supports \(MTSS\) Fidelity of Implementation Rubric | MTSS Center \(mtss4success.org\)](https://www.mtsscenter.org/implementation-rubric)

Although your district may want to create a different approach to evaluation, we recommend taking the time to capture and quantify program success. Otherwise, maintaining the program given potential budget cuts or competing priorities will be a challenge. Below are some general tips for capturing the data needed to evaluate program success.

- 1. Conduct a comprehensive needs assessment to identify initiatives or activities to prioritize.** Consider existing programs and whether they effectively address identified needs.
- 2. Create a framework for action.** Make sure proposed interventions are clearly articulated. Clearly define what implementation fidelity looks like and how you will know it was achieved. Where possible, create metrics that allow

you to quantify whether implementation is occurring as planned and if not, what barriers need to be removed.

**3. Consider the creation of local object codes**

**to capture cost.** A local object code in the district accounting system will allow you to quantify spending across fund, function and state object code over time. This may be especially important if your district uses a braided or blended approach to funding so that the investment is not otherwise easily identifiable.

**4. Begin with the end in mind.** Create intermediary and final outcome measures that will allow you to measure program success. Try to make sure those outcome measures are closely aligned with program goals. Creating overly broad outcome measures (like student performance on standardized tests) may leave you wondering whether the change you see is related to this specific investment or one of any number of other interventions or programs implemented at the same time.

**5. Consider linking your program outcomes to quantifiable metrics that support your school improvement efforts.**

These may include improvements in academic achievement, behavior, and/or attendance.

**6. Consider whether your investment had a monetary return, potentially offsetting some of the cost.**

If, for example, you can demonstrate that improvements in student well-being improved attendance rates, how did that improvement in average daily attendance impact state aid? If it improved staff attendance rates, was there an offsetting reduction in substitute teacher costs? These answers may help justify program continuation even in light of tight budgets.

**7. Create a process and timeline for analyzing this data and sharing it with other stakeholders in the district.**



# GLOSSARY

**Allowable costs:** Expenditures under a grant project that are specifically permitted (or not specifically prohibited) by law, regulation, or guidance.<sup>6</sup>

**Blended funding:** Combining funds into a single pot with its own requirements. The identity of each fund is lost.<sup>7</sup>

**Block grant:** A federal formula grant for a broadly defined purpose.<sup>8</sup>

**Braided funding:** Coordinating funds from different sources for a single purpose. Each fund retains its identity and requirements.<sup>9</sup>

**Direct costs:** Costs in a grant project that are identified specifically as part of a particular activity or cost objective.<sup>10</sup>

**Discretionary grant:** Discretionary grants are grants in which the legislation authorizing the grant gives some freedom, or discretion, to the agency administering the grant.<sup>11</sup>

**Formula grant:** Grants for which the legislation authorizing the grant includes a mathematical formula for calculating the amount of grant funds, or the entitlement, that each eligible applicant may receive.<sup>12</sup>

**Indirect costs:** Those organizational costs that are not readily identified with a particular project activity but are necessary for the grantee's general operation and the activities it performs.<sup>13</sup>

**LEA:** Local educational agency, including school districts, charter schools, and education service centers.

**MTSS (multi-tiered systems of support):** A framework that focuses on serving all students through a comprehensive continuum of care and includes strategies to proactively identify students who are at-risk of developing mental or behavioral health challenges, matches student needs to evidence-based interventions, and monitor student progress through the collection of data.<sup>14</sup>

**NOGA:** Notice of grant award; in the case of grants administered by TEA, when TEA and the applicant have negotiated the grant application to approval, TEA awards grant funds by issuing the NOGA, which incorporates by reference all guidelines and instructions as well as the negotiated application, constitutes the binding agreement between TEA and the applicant, and identifies the start and end dates of the grant program.<sup>15</sup>

**Outcome measures:** Agreed upon data points that will be used in program evaluation to evaluate program success.

**Program impact:** Demonstrable change toward a program goal that can be quantified by the measurable data collected within a program.

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<sup>6</sup> <https://www2.ed.gov/about/offices/list/opec/guidancelrcpam.pdf>

<sup>7</sup> Howard-Brown, B., & Zuber, Tara. (2022, March 16). Braiding and Blending Funds: Learning, Collaborating and Understanding. Comprehensive Center Network. Available at <https://region9cc.org/blog/braiding-and-blending-funds-learningcollaborating-and-understanding>.

<sup>8</sup> <https://grantsgovprod.wordpress.com/2020/01/21/what-is-a-block-grant-updated/>

<sup>9</sup> Howard-Brown, B., & Zuber, Tara. (2022, March 16). Braiding and Blending Funds: Learning, Collaborating and Understanding. Comprehensive Center Network. Available at <https://region9cc.org/blog/braiding-and-blending-funds-learningcollaborating-and-understanding>.

<sup>10</sup> <https://www2.ed.gov/about/offices/list/opec/guidancelrcpam.pdf>

<sup>11</sup> <https://tea.texas.gov/finance-and-grants/grants/grants-administration/grant-basics>

<sup>12</sup> <https://tea.texas.gov/finance-and-grants/grants/grants-administration/grant-basics>

<sup>13</sup> <https://tea.texas.gov/finance-and-grants/grants/grants-administration/applying-for-a-grant/paper-rfa-materials/rfa-2012-2013/instructionsschedule-06budget-summary.pdf>

<sup>14</sup> <https://schoolmentalhealthtx.org/multi-tiered-system-of-supports/>

<sup>15</sup> <https://tea.texas.gov/finance-and-grants/grants/grants-administration/applying-for-a-grant>