School-Based Services: Sustainability and Return on Investment

VOA Alaska shares the Trustees' concerns about long-term sustainability, and that is precisely what this investment is intended to address. Today, our School-Based Services program is supported by approximately 70% grant funding and 30% earned revenue. Our goal is to reverse that funding structure over the next three years through increased earned revenue, operational efficiencies, and strategic partnerships with DEED, the Division of Behavioral Health, school districts, and other funding partners. We recognize this transition will not happen in a single year, nor will Medicaid reimbursement alone sustain the prevention and early intervention services that are foundational to this model. A braided funding approach will remain necessary.

Every school day, our program reaches students where they are, providing support early, before challenges escalate into crises. Over FY25 and FY26, we delivered more than 15,000 prevention and early intervention supports and provided mental health treatment to over 400 students, with 70% of discharged clients achieving favorable outcomes. The estimated annual cost of Tier 1 and Tier 2 services is $1.2 million, services that are provided at no cost to schools and families and are not currently reimbursable through Medicaid.

The return on this investment extends beyond the program's financial performance. Early intervention has the potential to reduce the need for more costly services, including emergency department visits, psychiatric hospitalization, residential treatment, and involvement with child welfare or juvenile justice systems. These interventions carry significant costs to the State of Alaska, reinforcing the importance of investing in prevention. While earned revenue currently covers approximately 38 cents of every dollar spent operating the program, grant funding brings that figure to 92 cents. We are already making progress, with earned revenue increasing 80% in the first two months of FY27 compared to the same period last year.

We anticipate that continued Trust investment may be needed during this three-year transition, but at a significantly reduced level from our current request. This year's investment will help us develop and implement a sustainable model, establish measurable financial benchmarks, and develop a rural approach that can be replicated across Alaska. We are particularly encouraged by the Trust's Prevention and Early Intervention Moonshot and its focus on expanding school-based mental health supports. Much like the Trust's leadership in advancing Crisis Now, we see an opportunity to bring partners together to strengthen the policy and funding infrastructure needed to sustain this work.

Ultimately, our intent is not to return to the Trust year after year with the same request, but to work together to build a financially stronger model that preserves early intervention services, reduces the potential for more costly crises, and ensures Alaska's youth have access to the right care at the right time.

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