

**Department of Planning and Budget  
2025 General Assembly Session  
State Fiscal Impact Statement**

---

**PUBLISHED: 1/26/2025 1:49 PM**

**ORIGINAL**

**Bill Number:** HB1760 **Patron:** Gardner  
**Bill Title:** Infant and Early Childhood Mental Health Act; report.

**Bill Summary:** Directs the Department of Health (the Department), in collaboration with the Department of Behavioral Health and Developmental Services and the Department of Education, to establish several programs related to mental health for children five years of age or younger. The bill directs the Department to establish a mental health consultation program for early childhood education providers, health care providers, and families. In service of this program, the bill requires the Department to employ or contract with mental health professionals to provide consulting services on mental health. The bill also requires the Department to establish mandatory training programs for early childhood educators, child care providers, and pediatric health care providers, as those terms are defined in the bill, and to require such programs in order to maintain licensure in such professions. The bill directs the Department to establish parent education programs that are available in multiple locations as well as to create an evidence-based home visiting program to provide at-risk families with direct support and education on early childhood development. The bill requires the Department to collect data on the programs and report annually to the General Assembly.

**Budget Amendment Necessary:** Yes **Items Impacted:** VDH - 277  
DOE – 117  
DMAS – 289 and 292  
DBHDS - 720

**Fiscal Summary:** The provisions of this legislation would have a fiscal impact on the Virginia Department of Health (VDH) to establish a Mental health Consultation Program that provides mental health consultation services to early childhood education providers, pediatric health care providers, and families. VDH shall employ or contract with mental health professionals to act as infant and early childhood mental health (IECMH) consultants who will work with child care providers, pediatric practices, and other early childhood care and education entities, as that term is defined in § 22.1-289.02, to identify and address mental health concerns. IECMH consultants shall provide direct support and guidance to early childhood educators and caregivers on how to foster healthy emotional development, manage challenging behaviors, and create supportive environments for children. VDH is not able to handle the provisions of the bill within existing resources and would need general fund support.

This bill would require the Department of Education to implement a mandatory infant and early childhood mental health training program for all early childhood educator and child care providers and ensure that this training is incorporated into existing continuing education requirements for early childhood educators.

The proposed legislation will require DMAS to provide coverage for early childhood mental health screening and treatment services. However, such services cannot be provided before design and federal approval

**Department of Planning and Budget  
2025 General Assembly Session  
State Fiscal Impact Statement**

occurs. As such, only administrative costs are assumed in FY 2026. The outyear DMAS costs reflect potential medical assistance expenditures if Virginia implemented services similar to those recently authorized in Maryland.

The Office of Child and Family Services (OCFS) housed under DBHDS would require additional support to consult with the Department of Health to develop a mental health consultation program for early childhood education providers, health care providers, and families. OCFS would require an individual with a graduate degree in Social Work, Psychology, Maternal Health, or Education with knowledge of infant and early childhood mental health in a part time capacity for about 25 hours a week. This role would serve Virginia Department of Health in a consultative capacity to 1) develop a mental health consultation program that provides services to early childhood education providers, pediatric health care providers, and families and 2) develop and implement a mandatory (Infant and early childhood mental health) IECMH training program for all early childhood educations and childcare providers on the principles of infant and early childhood mental health.

Expansion through HB 1760 would address gaps for childcare centers, pediatric facilities, and families. As the education program expands and early childhood mental health screenings increase, there is a chance that more individuals with previously unidentified developmental disabilities or mental health issues may be identified, particularly in underserved areas. Projections estimate approximately 50 referrals monthly for new mental health consultation cases, though this figure is preliminary and lacks comprehensive data to predict service demand accurately. There is a potential for an unknown increase in youth applicants for DD waivers and as well as an increase in screenings conducted by CSBs as IECMH education and training services are expanded across the commonwealth.

**General Fund Expenditure Impact:**

<u>Agency</u>	<u>FY2025</u>	<u>FY2026</u>	<u>FY2027</u>	<u>FY2028</u>	<u>FY2029</u>	<u>FY2030</u>
VDH		\$12,841,177	\$3,767,177	\$3,767,177	\$3,767,177	\$3,767,177
DOE		\$541,182	\$41,182	\$41,182	\$41,182	\$41,182
DMAS		\$485,128	\$1,750,884	\$1,838,428	\$1,930,350	\$2,026,867
DBHDS		\$54,000				
<b>TOTAL</b>		<b>\$13,921,487.00</b>	<b>\$5,559,243.00</b>	<b>\$5,646,787.00</b>	<b>\$5,738,709.00</b>	<b>\$5,835,226.00</b>

**Nongeneral Fund Expenditure Impact:**

<u>Agency</u>	<u>FY2025</u>	<u>FY2026</u>	<u>FY2027</u>	<u>FY2028</u>	<u>FY2029</u>	<u>FY2030</u>
DMAS		\$514,872	\$1,789,116	\$1,878,572	\$1,972,500	\$2,071,125
<b>TOTAL</b>		<b>\$514,872</b>	<b>\$1,789,116</b>	<b>\$1,878,572</b>	<b>\$1,972,500</b>	<b>\$2,071,125</b>

**Fiscal Analysis:**

**Department of Planning and Budget**  
**2025 General Assembly Session**  
**State Fiscal Impact Statement**

---

**Virginia Department of Health:** VDH believes it could model the new program off the existing model used for Virginia's Title V Development Screening Initiative's programmatic hub sites, and potentially use those hub sites as the locations for launching this new work. VDH would require seven programmatic FTEs, one epidemiologist/evaluator, and a 0.5 FTE to help with overall program development and sustainability, call line implementation and ongoing support, data collection and evaluation, and development and implementation of professional development programs and family support programs.

Total personnel costs are calculated to be \$962,477 annually. Costs estimates include:

- One Program Director that is responsible for oversight of the program and would provide daily administrative support, assist with developing and managing the program's budget, maintain the program timeline (including tracking deadlines for program deliverables), and coordinate the mandatory training and professional development with appropriate agencies/partners. The position would also supervise the Lead Consultant and the Early Childhood Mental Health Education and Parent Education Coordinator, and coordinate with the epidemiologist. This position would be responsible for any fiscal responsibilities for the program and would be responsible for reviewing and submitting the program reports to leadership. (\$80,000 salary + \$47,276 fringe = \$127,276)
- One Epidemiologist/Evaluator that will provide epidemiological support and ongoing technical assistance to the Program Director regarding data provision, statistical analyses, surveillance, and visualizations. They will be responsible for the development and maintenance of the data system and for the development of metrics needed to track needed data. This would fulfill the bill's requirement to develop data collection and reporting on the number of children screened, the number and type of services provided, and long-term outcomes related to social and emotional development. (\$75,000 salary + \$35,727 fringe = \$110,727)
- One Lead Consultant that would be working under the Program Director, the Lead Consultant will manage the completion of the deliverables and activities outlined in the annual work plan; collaborate with the Epidemiologist/Evaluator and project team to collect, analyze, and disseminate program data; oversee the development of program materials including educational materials, marketing materials, website, forms, and reports; develop, implement, and maintain databases and files related to the program; help to coordinate education and training development with partners for program participants; and ensure compliance with regulatory and institutional policies. In addition, the Lead Consultant will be responsible for answering the call line that VDH intends to set up for early childhood educators, pediatric health care providers, and families to call for support. This position will supervise the Regional Consultants – mental health consultants across 5 regional hub sites – and maintain program integrity by providing program coverage as needed. (\$75,000 salary + \$35,727 fringe = \$110,727)
- Five Regional Consultants that will provide training and expertise in early childhood development (including social-emotional development), positive parent-child relationships, pregnancy through age 5 family support needs and practices, trauma-informed care, and health and early childhood system navigation. The Regional Consultants would work with the early childhood care providers and families

**Department of Planning and Budget  
2025 General Assembly Session  
State Fiscal Impact Statement**

to create a care plan and connect them with necessary services to community resources, including diagnostic evaluations, interventions, or other SDOH supports. Regional Consultants will direct pediatric providers to VMAP if they request consultation. It is anticipated that each will provide approximately 10 new program consultations per month to early care providers and carry an average caseload of 20-30 early child care providers receiving ongoing support. (\$65,000 salary + \$43,499 fringe = \$108,499; \$108,499 x 5 = \$542,495)

- A portion (0.5) of an Early Childhood Mental Health Education and Parent Education Coordinator that is responsible for the oversight of the coordination of educational programs and family education support, program quality assurance and data management, and collaboration with project staff to review program metrics. This position will also develop program resources through literature searches, contact with outside programs, and review of funding opportunities. Salary: \$42/hour x 1500 hours = \$63,000 salary + \$8,252 fringe = \$71,252
- Costs for travel and office estimated at \$5,900.

VDH would also need funding for the Office of Information Management (OIM) to set up and manage required technological systems to support implementation of this work. There would be costs to set up the data infrastructure to receive data to establish/maintain security protocols. There would also be costs for a project manager, quality assurance testing, funding for the Information Security Office team to assure the new system meets appropriate security standards and requirements, licensing costs, a business analyst, request for proposal estimates, GCP/Tableau, etc. Initial costs for implementation, including one-time RFP estimates which are based on similar systems that require a similar product and have similar requirements, are for FY26 only. VDH shall contract for these positions as they are more cost effective due to a lack of benefits, require specialized skills which would normally require training, and supply costs. A breakdown of OIM costs is below:

Resource/ Activity	Quantity	Rate	Hours	Years	Year 1	Year 2 and ongoir
IT Contract Administration	1	\$ 80.00	500	5	\$ 40,000.00	\$ 40,000.00
Technical Program and Project Management	1	\$ 100.00	2080	5	\$ 208,000.00	\$ 208,000.00
Information Security Office	1	\$ 110.00	2080	5	\$ 228,800.00	\$ 228,800.00
Solutions Engineering and Architecture	1	\$ 110.00	2080	5	\$ 228,800.00	\$ 228,800.00
Quality Assurance	1.5	\$ 90.00	2080	5	\$ 280,800.00	\$ 280,800.00
GCP/ Tableau				5	\$ 30,000.00	\$ 30,000.00
Data Sharing Agreement (DSA)/ Business Associate Agreement (BAA)					\$ 4,000.00	0
Estimated Licensing Cost					\$ 1,200,000.00	\$ 1,200,000.00
Reporting Requirement/ Informatics					\$ 70,000.00	0
Business Analyst	2	\$ 85.00	2080	5	\$ 353,600.00	\$ 353,600.00
RFP Estimated Cost					\$ 9,000,000.00	0
Systems Administrator	1	\$ 110.00	2080	5	\$ 228,800.00	\$ 228,800.00
<b>Totals</b>					<b>\$ 11,872,800.00</b>	<b>\$ 2,798,800.00</b>

Total costs for VDH in FY26 are \$12,841,177 and \$3,767,177 in FY27 and ongoing.

**Department of Education:** DOE anticipates that additional staff will be required on an ongoing basis to maintain this training and ensure compliance. DOE estimates a total cost of \$41,182 general fund per year to support this additional staff.

**Department of Planning and Budget**  
**2025 General Assembly Session**  
**State Fiscal Impact Statement**

---

DOE also estimates that there will be \$500,000 in one-time development costs to produce and develop this training that would require additional general fund appropriation in FY26. This would integrate into its existing online statewide training program for early childhood educators.

**Department of Medical Assistance Services:** DMAS maintains that the bill requires DMAS to “provide coverage for early childhood mental health screening and treatment services” upon its effective date (July 1, 2025). However, such coverage cannot be provided without service design and approval from the Centers for Medicare and Medicaid Services. Therefore, it is assumed that DMAS would design the services, with input from VDH in FY 2026 and services costs would begin in FY 2027.

Developing the required early childhood mental health screening and treatment services would require effort and expertise that is not available within existing DMAS resources. DMAS reports that this requirement would necessitate the development of services, protocols, and cost projections associated with these services. This would also include the development of actuarially sound rates for capitation and fee-for-service programs. It is also assumed the contractor would incorporate information from VDH efforts. Based on previous experiences, DMAS estimates that this bill would require one-time administrative funding of \$1,000,000 (\$485,128 general fund) to procure the expertise, including actuarial services for rate development, necessary to develop this benefit within the timeframe required in the bill.

There is no way to determine a fiscal impact on medical assistance costs without knowledge gained from the work of VDH and the subsequent DMAS service design. However, beginning July 1, 2023, Maryland received an appropriation of \$3.0 million in their annual state budget to establish an infant and early childhood mental health support program. Based on the proportional difference of Medicaid enrollment between Maryland and Virginia, DMAS estimates a comparable Virginia benefit would cost \$3,540,000 (\$1,750,884 general fund) in the first full year of implementation, with a subsequent assumed growth rate of five percent. Again, this impact is provided to demonstrate the potential future impact. However, to the extent Virginia’s program design varies so will costs.

**Department of Behavioral Health and Developmental Services:** The Department of Behavioral Health and Developmental Services (DBHDS) would require one-time funding for a temporary subject matter expert to consult with the Department of Health. The requirements of this position would necessitate an individual with a graduate degree in Social Work, Psychology, Maternal Health, or Education with knowledge of infant and early childhood mental health in a part time capacity. This role would serve Virginia Department of Health in a consultative capacity. DBHDS estimates this cost at \$54,000.

As the education program expands and early childhood mental health screenings increase, more individuals with previously unidentified developmental disabilities or mental health issues may be identified, particularly in underserved areas. There is a potential for an increase in youth applicants for DD waivers and as well as an increase in mental health screenings conducted by CSBs as IECMH education and training services are expanded across the Commonwealth. These potentialities could increase the future costs of this proposal.

**Department of Planning and Budget**  
**2025 General Assembly Session**  
**State Fiscal Impact Statement**

---

**Other:** The introduced budget includes language in Item 288 that requires a reserve amount be appropriated for new Medicaid initiatives. In addition to the cost of the initiative, the reserve equals the difference between the general fund appropriated for the initiative in FY 2026 and the highest annual general fund cost of the initiative over the next six fiscal years. While not reflected in the table above, the reserve amount is estimated at \$2.1 million general fund for the initiative required by this bill. Act language also delays initiative implementation until the reserve requirement is met.