

Tuscany Insights

K-12 Mental Health & Wellness Market

Background & Table of Contents

About Tuscany

Founded in 2007, Tuscany Strategy Consulting (TSC) is a Baltimore-based, advisory services firm specializing in the \$7 trillion global education market. Our work enables private equity and C-suite executives to analyze and navigate education markets including workforce development, higher education, and primary, secondary & early childhood education. Our firm principles include:

- **Practical and actionable recommendations.** We bring an operator’s perspective to our work.
- **Rigorous and evidence driven.** We generate unique insights through the integration of primary, secondary, qualitative, and quantitative research and analysis.
- **Proprietary approaches.** Our team pioneers new methodologies and unique databases to map underlying market drivers, identify whitespace, and bring analytic control to the most pressing business questions.

Since founding, Tuscany has completed hundreds of engagements for market leaders and innovators. Our rapid growth is fueled by quality casework and long-term clients. Over 85% of our clients engage TSC multiple times, and over 50% of repeat clients have engaged TSC for 5 or more years.

Our Mental Health Practice

Our **extensive experience in mental health** uniquely positions Tuscany to support market expansion, M&A, product development, and operational effectiveness across multiple market sectors.

- **Our work spans Tiers I-III, through classroom, in district classrooms, multi-unit clinics, non-public schools, and residential schools across all aspects of mental health services.**
- Tuscany maintains **multiple proprietary databases** including:
 - Market map of companies & non-profits serving K-12 mental health needs.
 - Special education spending for all 50 states, by need area & class setting.

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Balancing Minds, Building Futures

Private Sector Solutions for K-12 Mental Health Challenges

Over the past several years, mental health and wellness has come to the fore across all major education sectors including early childhood, K-12, higher education, and workforce development. There is clear evidence that mental health needs have increased both prior to and further exacerbated by the pandemic.

We are especially concerned about K-12 students, where mental health stressors can have a lasting impact on academic performance and wellbeing. We heard these concerns first-hand through scores of interviews with high school and college counselors, students, advocates, and industry experts. The issues they raise are deeply concerning, citing students are:

- Markedly less-prepared for the rigors of career and college,
- Entering higher education with lower proficiency in basic academic skills,
- Demonstrating less effective study habits and lower confidence, and are
- Less independent and more socially isolated – with students being described as less willing to engage with both peers and mentors either in-person or virtually.

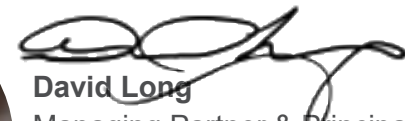
There are also important bright spots:

- **We are seeing decreased stigma around mental health issues.** This is true for many students, educators, and administrators, and critically, parents.
- **Funding for mental health initiatives has increased at the federal, state, and local levels.** While pandemic-related funding will run out (e.g., ESSER), funding levels will stay higher than pre-pandemic levels.

- **Mental health continues to be a bi-partisan issue**, with the caveat that the language used to discuss issues can vary state by state.
- **A plethora of novel 3rd party approaches to K-12 mental health** have emerged out of the constraints related to Covid-19 combined with increased funding. Early trends point to continued innovation, including the development of tech-enabled mental health platforms, text support for students, and AI aided systems.

However, more work is needed:

- **The current K-12 mental health crisis shows no signs of abating;** and schools continue to struggle to staff positions related to mental health and wellness. Importantly, U.S. public education is in the midst of a multi-decade trend towards more holistic and inclusive education.
- **These trends point to long-term expansion of both in-school services and 3rd party providers.** Private organizations have a critical role to play in supporting schools as they work to meet this monumental challenge.



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Acknowledgements & Methodology

Acknowledgements

David Long, Managing Partner of Tuscany Strategy, and a team lead by Carolyn Ma, Consultant and Rachel Yuh, Associate, prepared this report. Contributors include Business Analysts, Suleiman Tahir and Jonathan MacGregor.

The authors wish to thank Tim Thompson, Partner & Principal, and Tom Reilly, Associate Principal for their contributions.

Scope and methodology of this report

This report was compiled based on:

- **Over 100 in-depth interviews** with:
 - High school and higher education counselors, students, and executives
 - Special education directors and providers,
 - Advocacy organizations, and
 - Industry experts, including mental health professionals and company executives.
- **Tuscany's ongoing market monitoring efforts** which track **140+ organizations** that provide education-related mental health and wellbeing services. Of these organizations, 90+ are for-profit and 30+ are non-profit private providers. Detailed product, financial and investment data was collected from company websites, government databases, and multiple proprietary data sources. Providers included in this assessment were focused on those primarily serving the K-12 space with products and services related to:
 - The evaluation or design of mental or behavioral health programs (e.g., MTSS),
 - Behavioral management support software or tools (e.g., software solutions, educator resources),
 - Human capital development and content related to improving proficiency in mental health (e.g., coaching, training), and
 - Identification and direct intervention services (e.g., screening, therapy).
- **Secondary research** including data and reports from industry, advocacy organizations, the Education Commission of the States, and government reports.



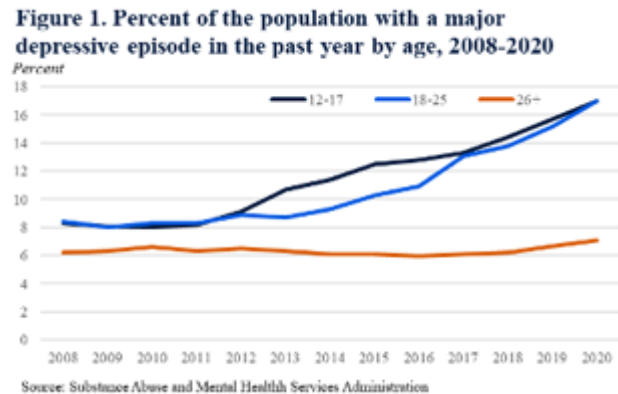
Executive Summary

Market Summary and key takeaways

Youth mental health in the U.S. has declined steadily over the past 10 years and was further exacerbated by the Covid-19 pandemic

1. The bleak state of K-12 mental health and wellness began before the pandemic

- Youth mental health in the U.S. has declined steadily over the past 10 years and was exacerbated by the Covid-19 pandemic. According to the Harvard T.H. Chan School of Public Health, the Covid-19 pandemic “dramatically accelerated a decline in youth mental health in the U.S.”¹ While the pandemic put a spotlight on youth mental health, rates of depression and anxiety in children have been rising steadily over the past 10 years. The U.S. Preventative Services Task Force now recommends regular anxiety/depression screens for youths ages 8-18 and 12-18.²



- According to a 2017 research study conducted by the University of South Carolina, less than 50% of schools are fit to serve mental health needs. Furthermore, research examining patterns in service use have found that School Behavioral Health (SBH) programs are the primary source of mental health services for youth.³

2. While change is happening, the need is massive

- **While there has been an increase in the proportion of K-12 public schools offering mental health services over recent years, nearly half of schools still did not offer services in 2019-20 due to funding and access limitations.**⁴
 - **In 2019-20, only 55% of public schools offered mental health assessments, and fewer offered treatment.**
 - **Inadequate funding and access to licensed professionals is cited by schools as major limitations** to providing mental health services.
 - **Poorly-trained or equipped teachers:** Schools struggle with teachers that are either not knowledgeable about mental health concepts or personally struggle to handle students with mental health needs.
 - **Delayed interventions:** For schools without in-school intervention, external referrals often come with long wait times that delay or prevent a student from receiving mental health services.
- **Care deserts leave many rural counties without access to care in or out of schools.** The mental health professional shortage isn't just in schools. Throughout the country, hundreds of counties are still without a single mental health provider in 2022.⁵
 - 75% of rural counties across the country have no mental health providers or fewer than 50 per 100,000 people, especially in the Midwest and Southeast.
 - 570 U.S. counties still have no psychologists, psychiatrists or counselors.

Notes: *CAGRs for each segment vary and were not consistently reported. Figures reported from various sources range from 8% to 28%.^{6,7}

Source: 1. Pandemic accelerated youth mental health crisis – Harvard T.H. Chan, 2. Students of all ages need greater access to mental health care, 3. Siceloff ER, Bradley WJ, Flory K. Universal Behavioral/Emotional Health Screening in Schools: Overview and Feasibility. Rep Emot Behav Disord Youth. 2017 Spring;17(2):32-38. PMID: 30705612; PMCID: PMC6350819, 4. Pew Research Center, 5. ABC 6. 2022 Social & Emotional Learning - Simba Report, 7. 2020 Defining the Mental Wellness Economy – Global Wellness Institute

Market Summary and key takeaways

The U.S. K-12 Mental Health and Wellness market is a \$5.7B opportunity; PE investment activity increased 159% between 2019-20

3. Within a large, quickly changing market environment...

- **The U.S. K-12 Mental Health and Wellness Market is projected to be \$5.7Bⁱ in 2023 within 9 key market segments.** The largest segment (Counseling & Therapy) accounts for nearly half of the entire market, with opportunity for additional growth at current penetration rates of 50%. Three market segments (MTSS Behavior Management & Software, Mental Health Universal Screening, and MTSS Assessment & Design) have less than 30% penetration.
- **Private equity investment activity in Mental Health and Wellness has increased by 159% from \$481M to \$1,245M from 2019 to 2020.** The increase in investment activity is driven by an increase in demand and awareness on mental health needs, recent influxes of government funding, and policy changes to state mental health requirements and insurance.ⁱⁱ
- **In 2022, the Bipartisan Safer Communities Act was signed into law. It invests \$1B over the next 5 years to expand mental health supports in K-12 schools in response to trends in youth mental health.** Funding is allocated to 2 programs designed to increase access to qualified mental health providers in schools.¹

4. With some important tailwinds...

- **Mental health awareness has become increasingly normalized.** Once a hushed topic, mental health and wellness is being increasingly addressed in a forthright manner by elementary, secondary, and higher education. This appears to be a bipartisan phenomenon, with both blue and red and states leaning into mental health supports, although often by different names (e.g., psychosocial skills vs behavioral supports vs social-emotional learning/SEL).

5. Investments are vital.

- **Covid-19 accelerated the adoption of tech-enabled services through both greater acceptance and increased funding; enabling districts to increase staffing levels and offer new services to students, families, and educators.** Providers that took advantage of these opportunities to introduce new offerings and or build internal capacity should be able to maintain higher valuations compared to those that focused on short-term revenue. Revenue sustainability will be a key issue in M&A processes over the next several years.
- **“School connectedness” is key to boosting emotional resilience.** According to a 2021 CDC study, youth who felt cared for, supported, and belonging at school were “significantly less likely to report persistent feelings of sadness or hopelessness, or that they seriously considered or attempted suicide”.²
- **Physical education is also critical.** There is a positive correlation between physical activity and executive function especially cognitive skills. During the pandemic, physical activity decreased dramatically.³
- **There is a need for rapid product and service innovation.** Current funding levels and approaches have proven insufficient to meet the unmet demands of today’s students, teachers, and administrators. Further, many students get left behind if they do not have an IEP or use private pay services. We are seeing an exciting wave of digital-first product and service innovation that we hope will give schools a new set of tools to address students’ mental health and wellness needs.

Note: i. Details on market projections can be found on [slide 12](#). ii. Details on private equity investment activity can be found on [slide 15](#).

Source: 1. [Fact Sheet, The White House](#), 2. [New CDC data illuminate youth mental health threats during the Covid-19 pandemic](#), 3. [Peters Hinton and Burstein, Students’ Physical and Mental Health Declined During the Pandemic. Could a New Telehealth Initiative Help? Jul 29, 2022.](#)

Market Summary and key takeaways

Technology is critical to breaking breaking barriers to widespread mental health services

Telehealth is exploding

- **As a response to Covid, congress significantly reduced Medicare barriers to the use of telemedicine in March 2020.**¹ In turn, this eased interstate practices and privacy regulations. A national study of 36 million working age adults with private insurance claims found that **telemedicine encounters increased 766%** between March and June 2019, from 0.3% to 23.6% of all interactions.² **Widespread use of telemedicine is continuing post-Covid.**
- **The increasingly broad utilization of telehealth has big implications for K-12 schools.** In a time when 1 in 5 U.S. youth ages 9-17 have a diagnosable mental health disorder, schools need to utilize all the tools at their disposal. Current U.S. mental health staffing in schools is 25-50% of recommended ratios and 61% cite insufficient mental health staff coverage as a limiting factor to their ability to address their students' mental health needs. With a lack of mental health professionals in schools being a major constraint, teletherapy can be a critical way for schools to bolster their Tier 2 and 3 support offerings. LEAs, School boards, and State Agencies should critically review the policies and regulations governing the use of teletherapy with the goal of lowering the barriers to effective care for both students and teachers, especially those operating in "care deserts".
- **Not only can teletherapy help address critical staffing shortages, but it can be integrated into the student experience in ways that in-person sessions cannot.** For example, combining teletherapy with text-based support (human or AI driven) can facilitate serving students outside of school hours and or place a highly-distressed student directly into care in times of high need.

Integrated mental health platforms are positioned to dominate state and LEA markets

- **The human services sectors, especially education and allied health, are undergoing seismic changes through technology platforms that deliver human capital-intensive services at scale.** These platforms are digital-first and leverage data to increase their speed of organizational learning. While there will be room in the market for smaller players, our analysis of the market leads us to believe that platforms will increasingly dominate these markets. While spot solutions and support from local community organizations will always have relevancy, human capital-technology platforms are increasingly critical to winning in state marketplaces.
 - **We expect this trend will extend more broadly into mental health services at both the higher ed and K-12 level.** We have seen this trend towards statewide contracting in a number of areas including Uwill's partnership with New Jersey (announced by CEO Michael London and NJ's higher ed secretary Brian Bridges) and Pearl's enterprise high-dosage tutoring platform work with the Illinois Tutoring Initiative.^{3,4}
 - If the NJ/UWill partnership results in verifiable, positive outcomes at a cost lower than an aggregation of spot solutions, then we can expect a proliferation of similar partnerships. If not, then these partnerships will be eventually be supplanted by more effective point solutions.
 - Talkspace secured a \$26M contract with NYC to offer free tele-mental health services to teens aged 13-17. They also inked a deal with Baltimore City Public School to provide telehealth therapy for students aged 13 and above.^{5,6}
 - Kooth secured a contract with the Department of Health Care Services to bring mental health care services to all individuals aged 13-25 in California.⁷

Source: 1. Ryan Spaulding and Carol E. Smith How telehealth care exploded due to COVID, Res Nurse Health. 2021 Feb; 44(1): 5–8 2. Shaver J. The State of Telehealth Before and After the COVID-19 Pandemic. Prim Care. 2022 Dec;49(4):517-530. Epub 2022 Apr 25, 3. Higher Ed Dive, 4. Kuykendall, Illinois Tutoring Initiative to Scale Statewide In Partnership with Pearl The Journal 09/15/22, 5. Talkspace, 6. Fierce Healthcare, 7. Kooth

Market Summary and key takeaways

Health and wellness are critical to academic achievement

8. Learning Loss is real and persistent

Extensive post-pandemic research is highlighting the dire effect of the pandemic on academic achievement, physical activity, mental health, and attendance. The net effects are well demonstrated by the stunning drop in the NAEP long-term reading and math scores. The last 40-50 years of gains in NAEP reading and math scores were essentially wiped out during the pandemic. Based on in-depth interviews and secondary research, underlying factors include a complex interaction involving:

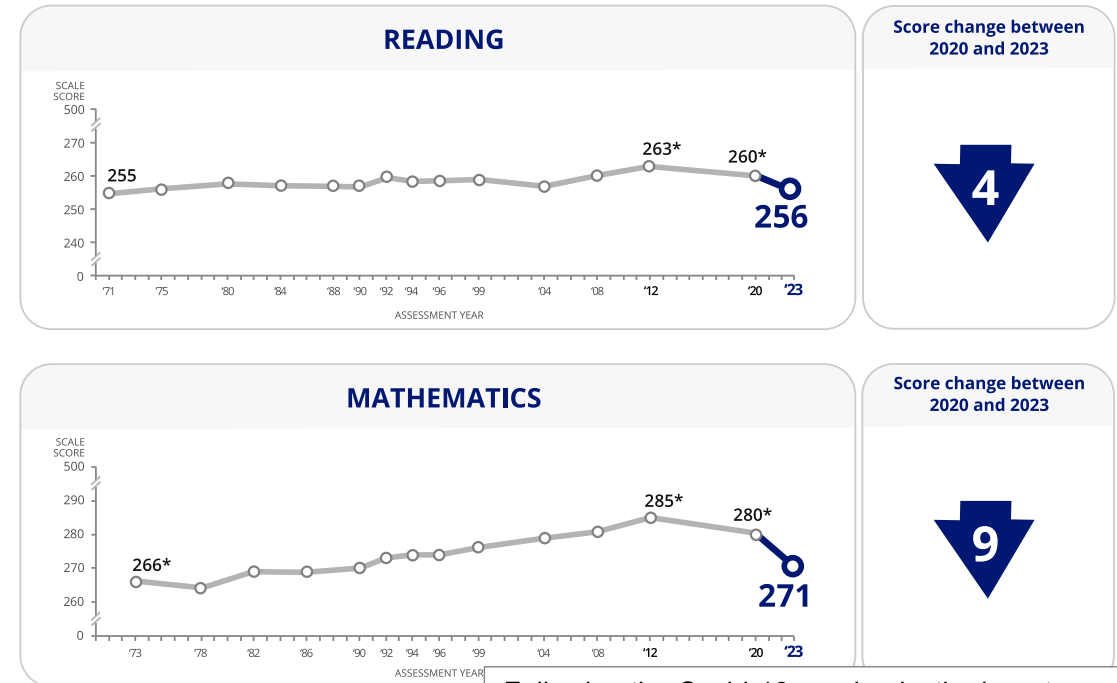
- The turbulent shift to remote education
- School closures
- Covid-19 illness affecting students and families
- Chronic absenteeism
- Disruptions to household employment
- Decreased expectations on the part of schools, and
- Declines in student and educator mental health and wellness.

Addressing student and educator mental health and wellness is an important component of improving academic input. Further, there are strong parallels between MTSS design for mental health and academic intervention.

Note: The NAEP long-term trend (LTT) assessment results are reported by the year in which the school year ends. For example, the age 13 assessment was administered during the fall of the 2022–23 school year and results are reported as 2023 LTT at age 13.

Source: [Nations Report Card](#) 2023, Peters Hinton and Burstein, Students' Physical and Mental Health Declined During the Pandemic. Could a New Telehealth Initiative Help? Jul 29, 2022. Modan, Higher chronic absenteeism rates linked to NAEP score declines, [Higher Education Dive](#), 9.6.2023

Trend in NAEP long-term trend reading and mathematics average scores for 13-year-old students



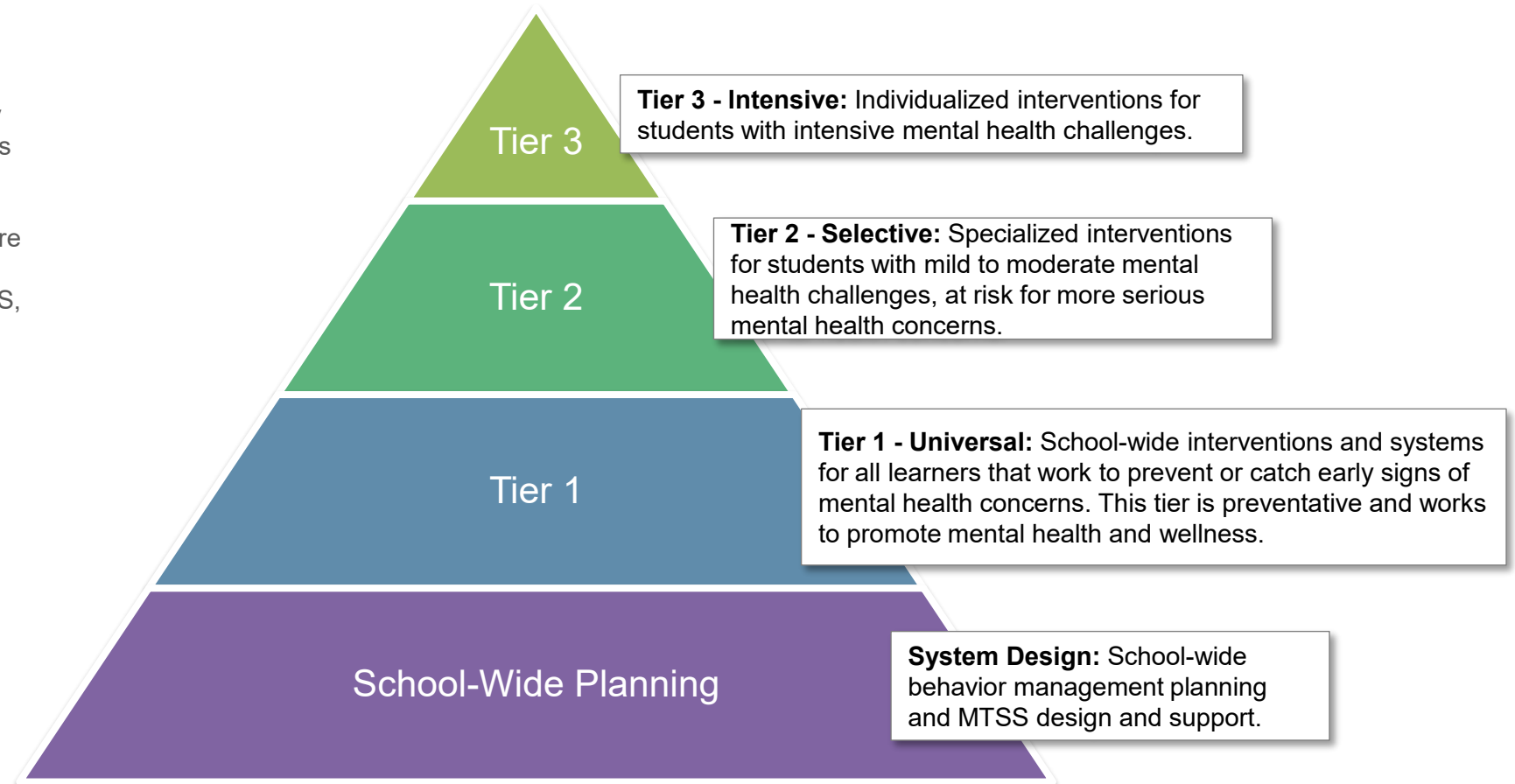
Following the Covid-19 pandemic, the long-term reading and math scores paint a dim picture of the state of public education. The gains of the last 40-50 years have essentially been reversed.

A primer on Multi-Tiered System of Supports (MTSS)

All 50 states, the District of Columbia and Guam have statutes or other policies to implement a multi-tiered system of support¹

MTSS Three-Tiered Approach

Multi-Tiered Systems of Support (MTSS)² use a public health model to identify and vary intensity of services based on student need. This includes broad strategies for all students, small group interventions for students with higher need, and intensive 1:1 treatments and therapies. MTSS are evidence-driven and they enable schools to efficiently match resources with need. The MTSS, creates “tiers” that dictate social, emotional and behavioral programs and activities for specific groups. While every state, district, and school is different, the MTSS creates a standardized approaches to highly varied student needs.



Source: 1. [State Policies, National Association of State Boards of Education](#), 2. Advancing Comprehensive School Mental Health Systems, National Center for School Mental Health (NCSMH),

Mental health products and services used by K-12 public schools address needs across the spectrum, ranging from general wellness promotion to therapy

Products and services can be grouped into 6 subcategories under “System Design & Management” and “Service Delivery”

Mental health products and services used by K-12 public schools

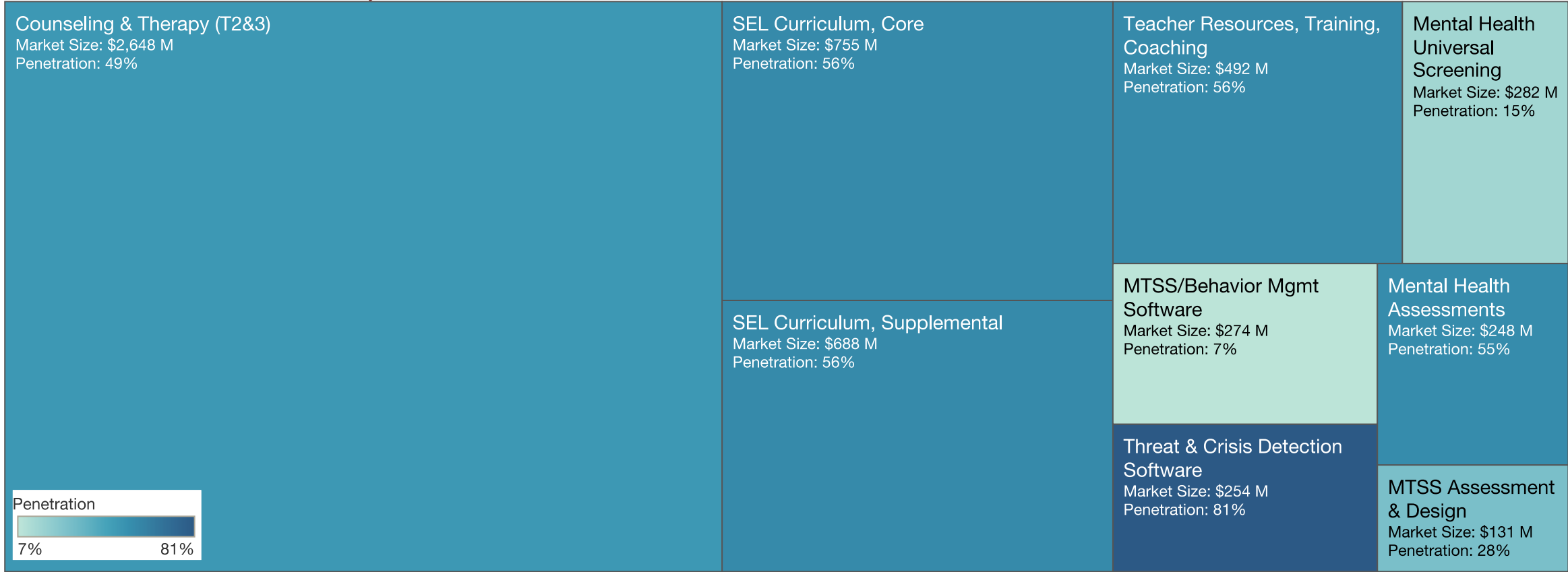
	Subcategory	Products & Services	Description
System Design & Management	Program Design	MTSS Program Assessment	Assess a school or district's MTSS structure and identify areas of opportunity
		MTSS Design	Create culturally inclusive mental health and behavioral support programs
	Technical Systems	MTSS/Behavior Management Software	Software solutions that aid districts in identifying, tracking, planning, monitoring and reporting student data related to mental health/MTSS
		Threat & Crisis Detection	Software solutions that identify and flag concerning content in students' school-issued accounts, block harmful content, and aid with intervention
	Human Capital Development	Staff Training	Workshops and group/individual trainings that aid in the roll-out/implementation and ongoing proficiency of new mental health products/supports
		Educator Resources	Print or digital online education material for school staff regarding mental health
		Coaching	Ad-hoc individualized support provided to educators and other staff to aid in the ongoing implementation of new mental health products/supports
Service Delivery	Content	SEL Core Curriculum	Programs implemented school or district-wide that support the development of core SEL competencies and promote mental health awareness
		Tier 2 Supplemental SEL Intervention Content	Ideas, resources, and guidelines that mental health service providers can follow to ensure the effectiveness of their interventions
	Identification	Screening	School or district-wide screeners to identify the prevalence of mental health needs
		Assessments	Evaluating mental health of select students to identify challenges and needs. Assessments range from informal evaluation to diagnosis.
	Direct Intervention	Counseling & Therapy (T2 & 3)	Group or individual counseling/therapy sessions administered to students that have been identified with mild-to-moderate mental health needs
		Crisis Intervention (Tier 3)	Identifying students in a mental health crisis that pose a threat to themselves or others and referring them to proper professionals

Source: Tuscany Analysis

K-12 Mental Health and Wellness is a \$5.7B Total Addressable Market (2023)

Counseling & Therapy is the largest subsector within the K-12 Mental Health & Wellness Market

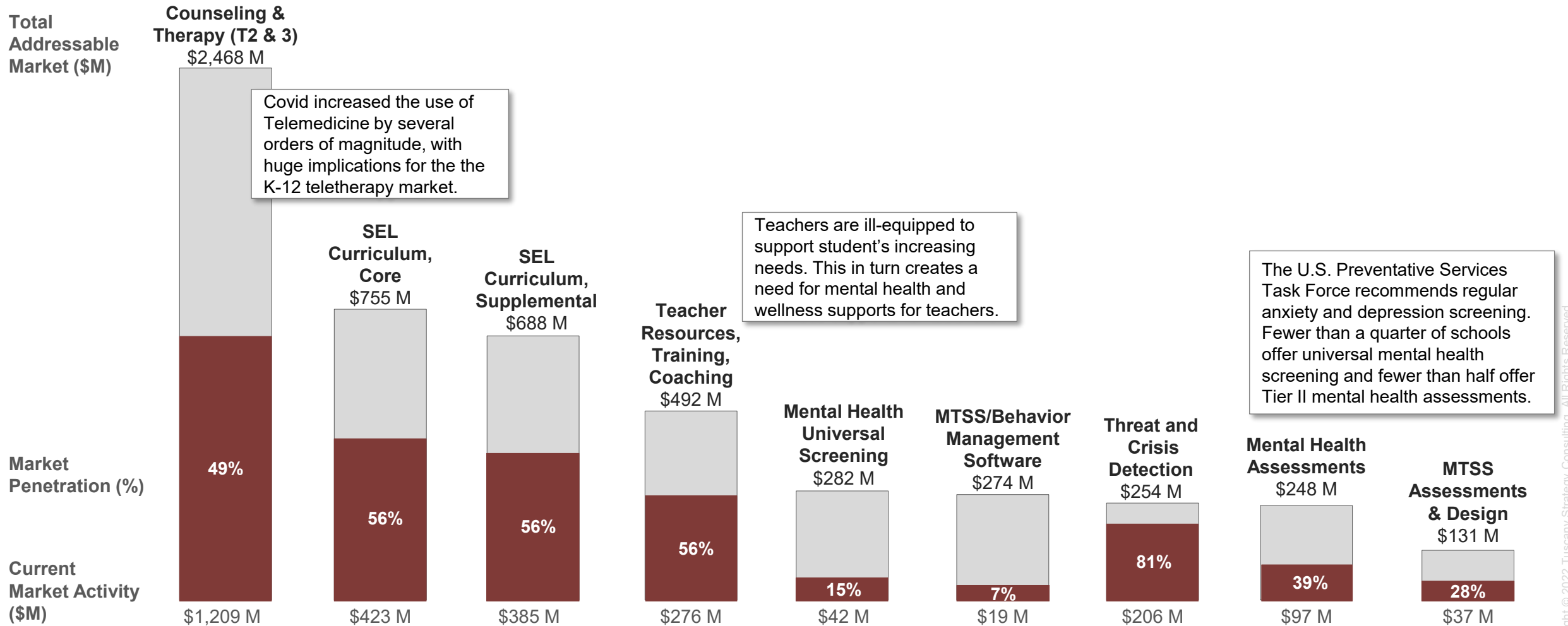
K-12 Mental Health & Wellness Market, by Sub-Sector



Sources: 1. Edweek Education Statistics: Facts About American Schools, 2022; 2. GovSpend; 3. Branching Minds; 4. Panorama Ed survey; 5. NCES Back to School Fast Facts, 2021; 6. Branching Minds-Waco Contract; 7. Branching Minds FW ISD Contract; 8. Gaggle Pricing Sheet; 9. Edsurge Are Schools Disproportionately Surveilling Students Who Rely on School-Owned Devices? 2022; 10. MH Education 2021 SOCIAL AND EMOTIONAL LEARNING REPORT (note: based on “do [teachers] have the skills needed to identify mental health challenges”, 11. American Progress Curriculum Reform in the Nation’s Largest School Districts 2018 12. Edweek K-12 Print Needs Persist Despite Digital Growth 2015 (note: freq. of purchase for curriculum calculated by print once every 4 yrs and digital annual license x 70% print); 13. Friendly Pricing Sheet; 14. Empowering Education Pricing; 15. Monroe School District Screening Cost Analysis; 16. FastBridge Screening Assessment 17. Siceloff et.al. 2017; 18. CEEDAR Assessment Practices Within a Multi-Tiered System of Supports 2020; 19. Parallel Learning Diagnostic Assessment; 20. Dalsgaard et.al. 2019 ; 21. NCES Prevalence of Mental Health Services Provided by Public Schools and Limitations in Schools’ Efforts to Provide Mental Health Services 2022; 22. EMSI (Bureau of Labor Statistics) 23. NCES Mental Health & Well Being 2022; 24. 2022 Simba Report, Social Emotional Learning

The K-12 mental health market is significantly underserved

Despite the critical impact on academics and well-being, about half of mental health needs go unserved

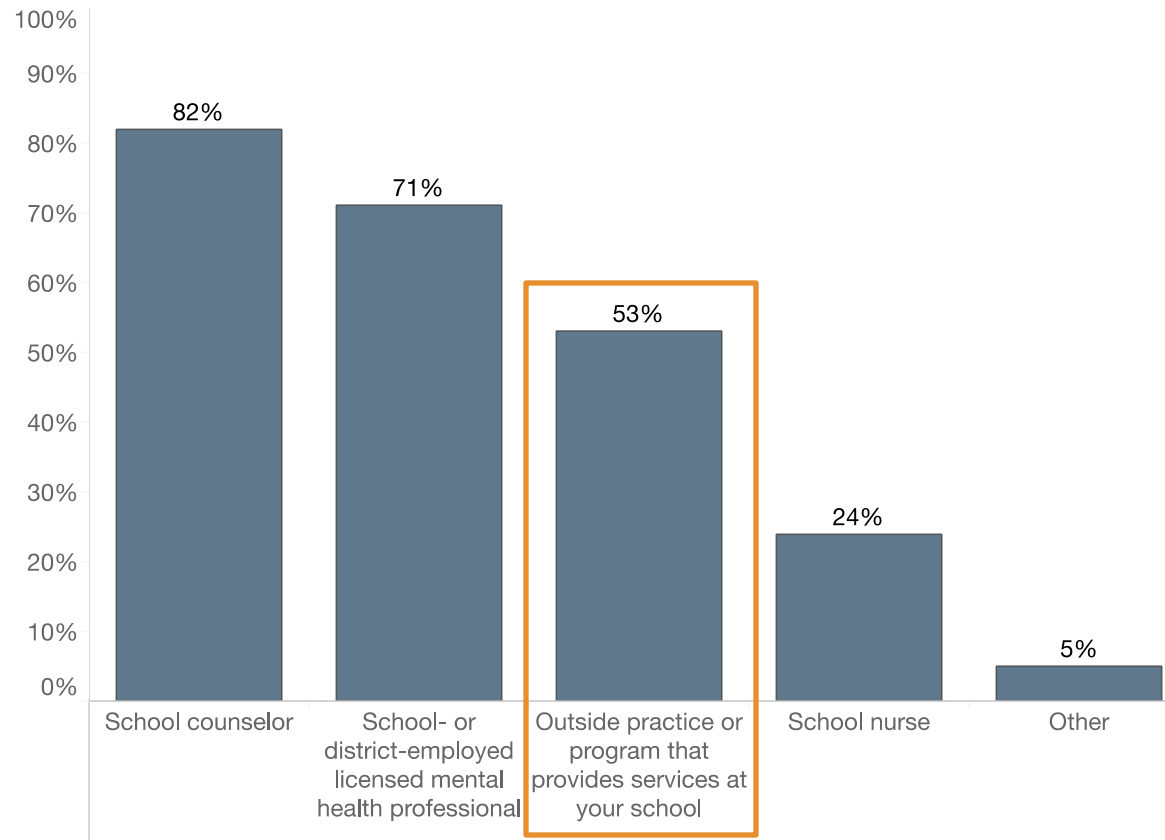


Notes: Two emerging sub-sectors, Workflow & Billing and Staffing, are not included in this analysis. We anticipate that Workflow & Billing will increase in prominence over the next several years.
Source: Tuscany Analysis

K-12 schools & outsourcing

53% of public schools utilize outside practices or programs to provide at least some mental health services

“Who provides the mental health services offered at your school?”¹



A large portion of schools utilize outside practices/programs to some degree

Outside practices or programs are used by about half of public schools. In some instances, this can be due to state regulations, and others it's because schools have the funding and support to expand their mental health offerings. These third parties can provide anything from curriculum to screening to intervention to MTSS consulting.

- **Community-based mental health organizations** - These organizations can help coordinate a community event, locate speakers who have expertise in mental health, offer peer and family supports, and provide general information on mental health as well as treatment, and available services for mental health issues².
 - Recent studies have estimates of around 48%³ of schools utilizing these partnerships, while prior studies estimated 70%⁴.



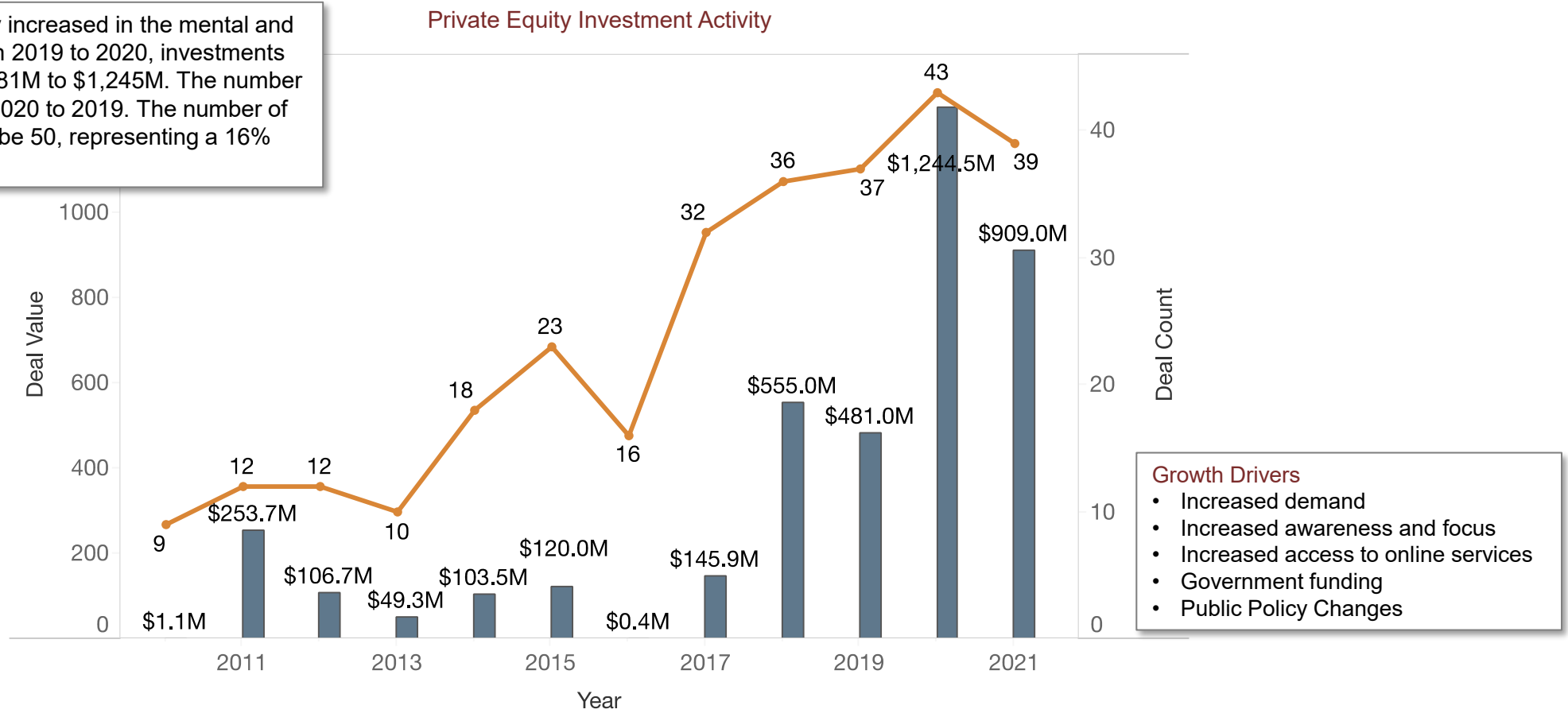
- **School-based health centers** - Primary care clinics based on school campuses, providing a combination of primary care, mental health care, substance abuse counseling, case management, and health promotion.
 - Approximately 2,300 school-based health clinics operate throughout the U.S.⁵

Source: 1. [2022 School Pulse Panel](#), 2. [Substance Abuse and Mental Health Services Administration](#), 3. [Reaves et. al.2022](#); 4. [Ianchi et. al. 2013](#); 5. [KidsHealth](#)

The summative deal value of private equity deals has increased over 150% from 2019 to 2020 with a 16% increase in the number of deals

Investments in Mental & Behavioral Health have increased largely due to Covid-19 but demand for these services continues to grow

Private equity deals have steadily increased in the mental and behavioral health space. Between 2019 to 2020, investments have increased by 159% from \$481M to \$1,245M. The number of deals increased by 16% from 2020 to 2019. The number of deals for 2021 was forecasted to be 50, representing a 16% increase from 2020.



Source: [Vector Medical Group](#), [Pitchbook](#)

The background of the slide is a faded, green-tinted image of Leonardo da Vinci's Vitruvian Man and various architectural sketches. The figure of the man is on the left, and the architectural drawings, including a large rectangular structure and a smaller one with a diagonal line, are on the right. The overall tone is historical and intellectual.

Product & Service Models

How are providers serving the market?

Companies to watch

Notable providers under each category from Tuscany's market map are listed below

Logos are
hyperlinked
to company
websites

1. Labor	2. Tech-enabled human capital			3. Technology			4. Curriculum & Screeners		
Labor businesses are human-capital intensive services are usually provided within an in-person setting including Counseling & Therapy and MTSS design, consulting, and training.	Use technology to provision a variety of labor-based services (e.g. tele-therapy or text-based counseling.) ¹ Mental Health Platforms deliver a wide variety offerings that can span the breadth of mental health services.			Technology businesses providing software to allow schools to enhance and more effectively implement their MTSS solutions and interventions.			Classroom materials including core and supplemental SEL curriculum. Also includes screeners and assessments. SEL platforms deliver SEL curriculum, screeners & assessments, and analytics.		
Counseling & Therapy      	MTSS Consulting & Training   	Mental Health & Wellness Platforms        	Tele-Therapy         	Coaching  	Behavior Management Software     	Threat and Crisis Detection   	Digital Classroom Tools   	SEL Platforms    	SEL Curriculum       

Notes: *BetterHelp's subsidiary Teen Counseling provides therapy for teens ages 13-19.
Source: Tuscany Analysis, Provider Websites

U.S. K-12 Mental Health & Wellness Market Map

Tuscany's maintains a proprietary database of notable product & service providers

Tuscany also tracks key financial metrics and events

Organization	Employees 2023	Program Design																			Technical Systems																			Human Capital Development																			Content																			Identification																			Intervention																			Other																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																											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Source: Company websites, CEO Interviews, Crunchbase, Pitchbook, S&P NetVantage, Market Reports, Tuscany Strategy Analysis

U.S. K-12 Mental Health & Wellness Market Map

Tuscany's maintains a proprietary database of notable product & service providers

Tuscany also tracks key financial metrics and events

Organization	Employees 2023	Business Model	Sub-Sector	Grades Served	Adults Served?	Tiers Served	MTSS Program Assessment	MTSS Design	Behavior Mgmt Software	Threat & Crisis Detection	Staff Training	Educator Resources	Coaching	SEL Core Curriculum	Tier 2 SEL Intervention Content	Screening & Assessments	Diagnosis	Counseling & Therapy	Crisis Intervention	Other Services
Protocol Services	228	Tech-Enabled	Integrated MH&W Platform	K-12, College	Yes	2,3										Yes			Yes	Yes
eLuma	127	Tech-Enabled	Integrated MH&W Platform	K-12		2,3			Yes							Yes	Yes	Yes		
E-Therapy	113	Tech-Enabled	Integrated MH&W Platform	K-12		2			Yes		Yes	Yes			Yes	Yes	Yes	Yes		
LifeSpeak	108	Tech-Enabled	Integrated MH&W Platform		Yes	1,2,3										Yes	Yes	Yes		
Parallel Learning	87	Tech-Enabled	Integrated MH&W Platform	K-12		2,3			Yes						Yes	Yes	Yes	Yes		
Daybreak Health	85	Tech-Enabled	Integrated MH&W Platform	pK-12		1,2,3					Yes			Yes	Yes	Yes	Yes	Yes		
7 Mindsets	67	Tech-Enabled	Integrated MH&W Platform	pK-12	Yes	1,2			Yes		Yes	Yes	Yes	Yes	Yes	Yes				
Manatee	41	Tech-Enabled	Integrated MH&W Platform	pK-12		3											Yes	Yes		
Starling Minds	25	Tech-Enabled	Integrated MH&W Platform		Yes	3					Yes					Yes		Yes		
RethinkEd	9	Tech-Enabled	Integrated MH&W Platform	K-12		1,2,3	Yes		Yes		Yes	Yes		Yes	Yes	Yes				
Seed Sessions	3	Tech-Enabled	Integrated MH&W Platform			2,3										Yes	Yes	Yes	Yes	
Kooth		Tech-Enabled	Integrated MH&W Platform	K-12, College	Yes	2,3										Yes		Yes		Yes
LifeStance Health	2,129	Tech-Enabled	Tele-Therapy	K-12	Yes	2,3										Yes	Yes	Yes		
Valera Health	307	Tech-Enabled	Tele-Therapy	K-12		3											Yes	Yes		
Hazel Health	193	Tech-Enabled	Tele-Therapy	K-12		2,3										Yes	Yes	Yes		
GlobalTeletherapy	142	Tech-Enabled	Tele-Therapy	K-12		3										Yes	Yes	Yes		
Uwill	84	Tech-Enabled	Tele-Therapy	College	Yes	2,3				Yes						Yes	Yes	Yes	Yes	
BetterMynd	33	Tech-Enabled	Tele-Therapy	College	Yes	3										Yes	Yes	Yes		
Takalam	30	Tech-Enabled	Tele-Therapy		Yes	2										Yes	Yes	Yes		
Platinum Teletherapy	21	Tech-Enabled	Tele-Therapy	K-12		1,2										Yes	Yes	Yes		
Open Mind Health	14	Tech-Enabled	Tele-Therapy	Teens, College, Workfo		1,2,3										Yes	Yes	Yes	Yes	
CollegeTelehealth	6	Tech-Enabled	Tele-Therapy	College	Yes	3										Yes	Yes	Yes		
Go-Guardian	618	Technology	Behavior Mgmt Software	K-12		1			Yes	Yes										
Panorama Education	513	Technology	Behavior Mgmt Software	9-12 (K-12)		1,2,3			Yes		Yes		Yes	Yes		Yes				
Illuminate Education	163	Technology	Behavior Mgmt Software	K-12		1,2,3	Yes	Yes	Yes		Yes	Yes	Yes			Yes				
Branching Minds	98	Technology	Behavior Mgmt Software	K-12		1,2	Yes	Yes	Yes		Yes	Yes			Yes	Yes				
Ion Software Group	7	Technology	Behavior Mgmt Software	K-12		2,3			Yes											
EmoteNow	3	Technology	Behavior Mgmt Software	K-12	No	1			Yes											
Leaps for Schools	1	Technology	Behavior Mgmt Software	K-12		1			Yes			Yes		Yes	Yes					
PBISRewards		Technology	Behavior Mgmt Software	K-12		1			Yes											
SuperBetter	8	Technology	Digital Classroom Tools	4-12, College	Yes	1,2								Yes	Yes					
Stronger Brains	7	Technology	Digital Classroom Tools	K-12		2,3					Yes	Yes	Yes		Yes	Yes		Yes		
Recovr Health	5	Technology	Digital Classroom Tools	K-12		3											Yes			Yes
Vector Solutions K-12	780	Technology	Threat & Crisis Detection	K-12		1			Yes	Yes		Yes		Yes						
Gaggie	294	Technology	Threat & Crisis Detection	K-12		1,2,3			Yes	Yes	Yes							Yes	Yes	
Securly	274	Technology	Threat & Crisis Detection	K-12		1			Yes	Yes						Yes				
Navigate 360	230	Technology	Threat & Crisis Detection	K-12		1,2		Yes	Yes	Yes	Yes	Yes		Yes	Yes	Yes				
Rosa Technology		Technology	Threat & Crisis Detection	K-12		1,2,3			Yes	Yes	Yes		Yes	Yes		Yes		Yes	Yes	
ECINS	15	Technology	Workflow & Billing	K-12	Yes	1,2,3			Yes											
Frontline Education	913	Technology	Workflow & Billing	K-12		1,2			Yes											Yes
Juniper		Technology	Workflow & Billing	K-12		2,3														Yes

Notes: # of employees and revenue estimates may be inaccurate.

Source: Company websites, CEO Interviews, Crunchbase, Pitchbook, S&P NetVantage, Market Reports, Tuscany Strategy Analysis

Labor providers

Labor models tend to focus on Counseling & Therapy which, at \$2.6B, represents the single largest sub-sector within K-12 mental health

Overview

Most labor-based providers focus on Counseling & Therapy (\$2.6B) which represents, by far, the single largest sector within K-12 mental health. These services may be provided in school, clinic, or separate school settings. Most companies provide services across multiple categories and include:

- Coaching, In Person
- Counseling & Therapy, School
- Counseling & Therapy, Clinic
- Counseling & Therapy, Separate
- School
- Diagnosis
- MTSS Consulting
- Training

Together, labor businesses address over half the total market (\$3.5B). Compared to technology businesses, they are typically lower margin and place greater emphasis on geographic concentration.

Schools struggle to fill open positions for mental health staff and meet ratios.

Many schools recognize the need for additional mental health staff but are either unable to get qualified applicants to apply to their job postings or are unwilling to bring on full time staff due to lack of permanent funding. Within the 2021-22 school year, the ratio of hires to job openings currently stands at 0.57.³

- **School counselor** – Approximately 25% of schools (8.7 million students) have no counselor on staff. Over 90% of all students in the US attend a school that doesn't meet the recommended ratio: 250:1 (actual ratio 415:1)^{1,2}
- **School social worker** – Approximately 68% of schools have no social worker on staff. Recommended ratio: 250:1 (actual ratio: 1,100:1)
- **School psychologist** – Approximately 43% of public schools (19 million students) have no school psychologist. Recommended ratio: 500:1 (actual ratio: 1,031:1)

Notable Providers

Effective School Solutions (ESS) takes a collaborative, end-to-end approach offering clinical programs, MTSS supports, professional learning, and consulting services. This includes services across Tier 1, 2, and 3, enabling ESS to serve a district or school's entire spectrum of needs. ESS also provides a wealth of thought leadership including practical tools, ideas, and a district funding guide. From an efficacy standpoint, ESS makes claims around increased GPA and retention and decreased absences and severe disciplinary incidents. Operating in more than 90 districts across 9 states (CA, CT, MD, NH, NJ, NY, PA, RI, and VA), ESS augments their labor-based business with a variety of non-labor tools and frameworks. By working in close collaboration with districts and augmenting existing district services, ESS attempts to create a sticky business model that is difficult to displace.⁷

Collaborative Learning Solutions (CLS) offers its proprietary C5 (Core Five) program, a cognitive-based intervention program targeted towards students with a history of behavioral challenges. From an efficacy standpoint, CLS claims the program increases test scores, grades, and attendance. Furthermore, they claim the program is fiscally lucrative for districts by decreasing their reliance on sending students to non-public schools and residential treatment services. CLS also provides districts with consulting, professional learning, coaching, and SEL services. CLS has made a measurable impact with a reach of over 2025 schools, 65K educators, and 1.3M students. CLS has a presence across multiple states including VA, TX, WA, GA, however, their presence is mostly concentrated in CA.⁸

Source: 1. [ACLU School Discipline Report 2019](#) 2. [ABC](#) 3. [NEA](#) 4. [EdWeek](#) 5. BLS [School Psychologists, Social Workers](#), 6. [Schoolcounselor.org](#), 7. [Effective School Solutions](#), 8. [Collaborative Learning Solutions](#) Tuscany Analysis.

Technology-enabled providers

Tech-enabled human capital businesses intersect with subsectors representing over 75% of the entire K-12 mental health market

Overview

Tech-enabled human capital intersects with a variety of subsectors; with a primary focus on Counseling & Therapy (\$2.5B) and SEL Core Curriculum (\$755M). These represent the two largest sectors within K-12 Mental Health. Tech-Enabled business models use technology to provision a variety of labor-based services such as teletherapy and text-based counseling. They may also address other services such as Mental Health Assessments (\$248M), SEL Curriculum, Supplemental (\$688M), Teacher Resource, Training & Coaching (\$492M). Together, tech-enabled human capital businesses address 75% of the market.

Covid-19 accelerated the adoption of tech-enabled services through both greater acceptance and ESSER funding, enabling districts to both increase staffing levels and offer new services to students, families, and educators. Providers that took advantage of these opportunities to introduce new offerings and or build internal capacity should be able to maintain higher valuations compared to those that focused on short-term revenue. Services provided include:

- Tele-Therapy
- Tech-Enabled Coaching
- Integrated Mental Health & Wellness Platform

If integrated platforms demonstrate strong, positive outcomes their valuations should increase disproportionately over point solutions. While point solutions and support from local community organizations will always have relevancy, human capital-technology platforms are increasingly critical to winning in state marketplaces. We have seen this trend towards state contracting in other markets. We expect this trend will extend more broadly into mental health services at both the higher ed and K-12 level. We anticipate that platform valuations will increase disproportionately.

Notable Providers

Presence provides a comprehensive range of teletherapy services, addressing various needs, including speech-language therapy, mental health counseling, behavioral services, psychoeducational evaluations, and occupational therapy. They also offer the Kanga Therapy platform, which enhances therapy experiences by incorporating assessments and interactive games. With a network of 2,200 clinicians, Presence Learning has conducted over 5 million therapy sessions throughout the United States.

Notably, Presence Learning is a leader in advancing teletherapy technology, having earned recognition through ten awards for their technological and innovative contributions. Additionally, they actively engage in mental health advocacy, supporting legislative and regulatory efforts aimed at aiding children with disabilities and mental health requirements.¹

Parallel Learning offers a diverse range of services, encompassing tele-therapy, assessments, and executive function coaching through their proprietary platform. They harness the power of technology and a nationwide network to deliver swift and scalable staffing solutions to schools. Currently, Parallel Learning serves more than 70 school districts across 12 states.

What sets Parallel Learning apart is their personalized approach, where they match each student with a school psychologist and other providers to meet individual needs. Key members of their leadership team have been engaged in thought leadership, with Dr. Jordan Wright, the Chief Clinical Officer, playing a pivotal role in publishing three whitepapers covering topics such as Executive Functioning Coaching, Psychoeducational Tele-Assessment, and Tele-Practice in Speech-Language Pathology.²

Sources: Tuscany Analysis, 1. [Presence Learning](#), 2. [Parallel Learning](#)

Technology providers

Technology businesses include some of the market subsectors with the lowest penetration rates

Overview

Technology businesses mainly focus on MTSS/Behavior Management Software (\$274M) and Threat & Crisis Detection Software (\$254M). They may also address additional services such as Teacher Resources, Training & Coaching (\$492M), SEL Curriculum, Core (\$755M), SEL Curriculum, Supplemental (\$688M), Mental Health Assessments (\$248M), and Mental Health Universal Screening (\$282M). Altogether, technology businesses represent \$2.9B of the total K-12 Mental Health market.

Technology is segmented into the following categories

- Behavior Management System
- Threat & Crisis Detection Software
- Workflow & Billing
- Digital Classroom Tools

Behavior Management System companies are often seen providing Threat & Crisis Detection Software and vice versa.

Notable Providers

Gaggle is a threat and crisis detection software that utilizes machine learning technology to analyze content associated with students' school-issued accounts. It automatically notifies district-appointed contacts when necessary. Notably, Gaggle is the first and only safety solution for student learning platforms to incorporate gun detection technology. Gaggle's reach extends to over 1,500 school districts, making it a significant player in enhancing student safety in educational environments.

In terms of effectiveness, Gaggle reports that 95% of their district partners acknowledge that the platform has identified students who were struggling with depression but had not been previously identified. Additionally, Gaggle has published a comprehensive report titled "The State of Student Safety," which is based on data collected during the 2021-2022 school year.¹

Illuminate Education provides districts with the ability to make data-driven decisions. Their Behavior Management System provides tailored solutions for assessments and universal screenings to accommodate the specific needs of schools and districts. Currently, Illuminate Education serves over 5,200 districts and schools across all 50 states.

From an outcomes perspective, Illuminate Education claims to reduce the time spent on reviewing individual student-level data from 30 minutes to just 3 minutes, resulting in a 900% decrease in time investment. Additionally, they contribute to thought leadership in education, with their research cited by third-party publications like Edweek and EdSurge. They are also dedicated to simplifying policy and funding updates for educators.²

Source: Tuscany Analysis, 1. [Gaggle](#), 2. [Illuminate Education](#)

Curriculum and Mental Health Screening providers

Provide core and supplementary social-emotional learning (SEL) curriculum and/or mental health screening

Overview

Curriculum and assessment businesses are primarily focused on SEL Curriculum, Core (\$755M) and SEL Curriculum, Supplemental (\$688M). Additional services provided include Mental Health Universal Screening (\$282M), and Teacher Resources, Training & Coaching (\$492M). In total, curriculum and mental health screening businesses make up \$2.2 B of the entire K-12 Mental Health market. Services provided include:

- SEL Curriculum
- Social Emotional Learning Platforms
- Universal Screening

Social Emotional Learning Platforms are designed to deliver SEL curriculum and provide appropriate screeners. These platforms also provide analytics regarding a student's social emotional learning progress. This allows educators and the platform to personalize the student's emotional learning progress, while also identifying students who require more personalized attention. Like Mental Health and Wellness (MHW) Platforms, SEL platforms represent an emerging and important part of the market. They are distinct from MHW Platforms in that they focus more narrowly on curriculum, screening, and training.

Notable Providers

Emotional ABCs provides an evidence-based Social and Emotional Learning (SEL) curriculum designed to help children enhance their emotional management skills. Their curriculum aligns with the guidelines established by the Collaborative for Academic, Social and Emotional Learning (CASEL).

Notably, Emotional ABCs claims to hold the distinction of being America's top-awarded emotional skills program. A study conducted during the 2019/2020 academic year revealed that students using the Emotional ABCs program achieved 3x higher scores on the DESSA-Mini test, a nationally recognized SEL evaluation tool. Moreover, the program serves as a valuable skill-based pediatric behavioral health tool.

Emotional ABCs has gained international traction, with parents in 120 countries and over 118K schools utilizing the program to support children's emotional development.¹

Base Education is a CASEL approved mental health platform providing an evidence-based curriculum. Base Education distinguishes themselves through their unique Learn, Connect & Respond (LCR) methodology. Their platform allows students to connect the material to their current situation. It also recognizes harmful words for real-time screening purposes. Furthermore, Base Education's BASEline assessment is a full-scale research validated screener to measure student growth that can be used by their teacher to personalize instruction.

Base Education reports that BASE users experience improved academics, decreased truancy, improved student engagement, and decreased negative behaviors.²

Source: Tuscany Analysis, 1. [Emotional ABC](#), 2. [Base Education](#)

