

GENERAL ASSEMBLY OF NORTH CAROLINA  
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SENATE BILL DRS35203-NHa-98

Short Title: School Mental Health Support Act.

(Public)

Sponsors: Senators Batch, Garrett, and Lowe (Primary Sponsors).

Referred to:

1 A BILL TO BE ENTITLED  
2 AN ACT TO APPROPRIATE FUNDS FOR A SCHOOL MENTAL HEALTH GRANT  
3 PROGRAM AND TO ESTABLISH A MENTAL HEALTH WORKER LOAN  
4 REPAYMENT PROGRAM.

5 The General Assembly of North Carolina enacts:

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7 **PART I. SCHOOL MENTAL HEALTH GRANT PROGRAM**

8 **SECTION 1.(a)** Article 25B of Chapter 115C of the General Statutes is amended by  
9 adding a new section to read:

10 **"§ 115C-376.6. Mental Health Grant Program.**

11 (a) Definitions. – For purposes of this section, the term "mental health support personnel"  
12 refers to any of the following:

- 13 (1) School counselors, school psychologists, and school social workers.  
14 (2) Psychiatrists licensed in accordance with Article 1 of Chapter 90 of the  
15 General Statutes.  
16 (3) Psychologists, as defined in G.S. 90-270.136(6).  
17 (4) Licensed psychological associates, as defined in G.S. 90-270.136(7).  
18 (5) Licensed clinical mental health counselors, as defined in G.S. 90-330(a).  
19 (6) Substance use disorder professionals, as defined in G.S. 90-113.31A(26).  
20 (7) Social workers engaged in clinical social work practice, as defined in  
21 G.S. 90B-3(6).

22 (b) Program; Purpose. – The Department of Public Instruction shall establish the School  
23 Mental Health Grant Program (Program). To the extent funds are made available for the Program,  
24 its purpose is to increase student access to mental health support personnel in public school units.

25 (c) Applications. – The Department shall make grant applications available to public  
26 school units pursuant to this section. The Department shall establish (i) deadlines for receipt of  
27 applications and the award of funds and (ii) any information to be included in the applications.

28 (d) Award of Funds. – The Department shall award funds to selected public school units  
29 based on the need of the public school unit. In evaluating the need of the unit, the Department  
30 shall prioritize the award of funds to units with a greater proportion of students who have limited  
31 or no access to mental health services, including students who do not have health insurance and  
32 students with disabilities.

33 (e) Use of Funds. – A public school unit shall use funds received pursuant to the Program  
34 to contract with mental health support personnel to provide mental health services in one or more  
35 schools in the unit.



1       (f)     Supplement Not Supplant. – Grants provided to public school units pursuant to the  
2 Program shall be used to supplement and not supplant funds from any source already provided  
3 for mental health services in schools.

4       (g)     Report. – No later than March 15, 2024, and every year thereafter in which funds are  
5 provided for the Program, the Department shall report on the Program to the Joint Legislative  
6 Education Oversight Committee and the Joint Legislative Oversight Committee on Health and  
7 Human Services. The report shall include at least the following information:

8           (1)   The identity of each public school unit that received a grant through the  
9           Program.

10          (2)   The amount of funding received by each public school unit.

11          (3)   The services purchased with grant funds by each public school unit that  
12 received a grant.

13          (4)   Recommendations for the implementation of additional measures to improve  
14 student mental health, especially among students with limited or no access to  
15 mental health services."

16       **SECTION 1.(b)** There is appropriated from the General Fund to the Department of  
17 Public Instruction for the 2023-2024 fiscal year the sum of forty million dollars (\$40,000,000) in  
18 recurring funds to provide grants for school mental health services in public school units in  
19 accordance with G.S. 115C-376.6, as enacted by this act. The Department may use up to fifty  
20 thousand dollars (\$50,000) of these funds each year for administrative costs related to the  
21 Program.

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## 23 **PART II. MENTAL HEALTH WORKER LOAN REPAYMENT PROGRAM**

24       **SECTION 2.(a)** Part 1 of Article 23 of Chapter 116 of the General Statutes is  
25 amended by adding the following new section to read:

### 26 **"§ 116-209.47. Mental Health Worker Loan Repayment Program.**

27       (a)     Definitions. – The following definitions shall apply in this section:

28           (1)   Authority. – The State Education Assistance Authority.

29           (2)   Eligible mental health worker. – A psychologist, psychiatrist, counselor,  
30 social worker, or nurse who meets all of the following requirements:

31           a.     Is employed full time in a high-need area in the State.

32           b.     Graduated from a postsecondary constituent institution of The  
33 University of North Carolina.

34           c.     Has student debt.

35           (3)   High-need area. – A development tier one or tier two area, as defined in  
36 G.S. 143B-437.08.

37           (4)   Program. – The Mental Health Worker Loan Repayment Program.

38           (5)   Student debt. – The total outstanding federal, State, and private student debt  
39 held by an eligible mental health worker for his or her own education.

40       (b)     Program; Purpose. – There is established the Mental Health Worker Loan Repayment  
41 Program to be administered by the Authority. The purpose of the Program is to provide loan  
42 repayment grants to eligible mental health workers to repay student debt held by the worker to  
43 the extent funds are made available for this purpose.

44       (c)     Eligibility. – The Authority shall establish the criteria for initial and continuing  
45 eligibility to participate in the Program, as follows:

46           (1)   All grant recipients shall be residents of North Carolina and be graduates of a  
47 postsecondary constituent institution of The University of North Carolina.

48           (2)   The Authority shall adopt standards deemed appropriate by the Authority to  
49 ensure that only qualified, potential recipients receive a grant under the  
50 Program.

(3) To the extent funds provided pursuant to this section are insufficient to award forgivable loans to all interested eligible mental health workers, the Authority may establish a lottery process for selection of grant recipients from among qualified applicants within criteria established by this section.

(d) Award of Funds. – The Authority shall award funds to eligible mental health workers in an amount of twenty percent (20%) of each eligible mental health worker's student debt as of the date of his or her initial award. Funds shall be awarded no later than October 1 of each year, and no award recipient shall receive an award of funds for more than five years.

(e) Rulemaking Authority. – The Authority may adopt rules necessary to implement, administer, market, and enforce the provisions of this section.

(f) Report to the General Assembly. – The Authority shall report no later than December 1, 2023, and annually thereafter while grants are awarded by the Authority, to the Joint Legislative Education Oversight Committee regarding the Program and grants awarded pursuant to the Program, including at least the following information:

- (1) Grants awarded under the Program, including the following:
  - a. Demographic information for grant recipients.
  - b. Number of grant recipients by constituent institution of graduation, field of employment, and high-need area.
- (2) Recommendations to improve the Program and increase the number of eligible mental health workers in high-need areas."

**SECTION 2.(b)** There is appropriated from the General Fund to the Board of Governors of The University of North Carolina the sum of fifty million dollars (\$50,000,000) in recurring funds to be allocated to the State Education Assistance Authority for the 2023-2024 fiscal year to establish the Mental Health Worker Loan Repayment Program pursuant to subsection (a) of this section. Of the recurring funds appropriated in this act for the Program, beginning in the 2023-2024 fiscal year, the Authority may retain up to five hundred thousand dollars (\$500,000) each fiscal year to administer the Program.

**SECTION 2.(c)** This section becomes effective July 1, 2023, and applies to applications for the disbursement of funds beginning in the 2023-2024 fiscal year.

**PART III. EFFECTIVE DATE**

**SECTION 3.** Except as otherwise provided, this act becomes effective July 1, 2023.