

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025

FILED SENATE
Apr 21, 2026
S.B. 783
PRINCIPAL CLERK

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SENATE BILL DRS15376-NHa-194

Short Title: School Mental Health Support Act. (Public)

Sponsors: Senator Bradley (Primary Sponsor).

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO APPROPRIATE FUNDS FOR A SCHOOL-BASED MENTAL HEALTH
3 GRANT 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-BASED 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. School-Based 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
23 School-Based Mental Health Grant Program (Program) for the purpose of increasing student
24 access to mental health support personnel in public school units. To the extent funds are made
25 available for the Program, it shall be administered in accordance with this section.

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

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

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

4 (g) Report. – No later than March 15 of each year of the Program, the Department shall
5 report to the Joint Legislative Education Oversight Committee and the Joint Legislative
6 Oversight Committee on Health and Human Services at least the following information:

7 (1) The public school units that received a grant through the Program.

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

9 (3) The services purchased with grant funds by each public school unit.

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

13 **SECTION 1.(b)** There is appropriated from the General Fund to the Department of
14 Public Instruction for the 2026-2027 fiscal year the sum of fifty million dollars (\$50,000,000) in
15 recurring funds to provide grants for school mental health services in public school units in
16 accordance with G.S. 115C-376.6, as enacted by this act. The Department may use up to
17 seventy-five thousand dollars (\$75,000) of these funds each year for administrative costs related
18 to the Program.

19 **PART II. SCHOOL MENTAL HEALTH WORKER LOAN REPAYMENT PROGRAM**

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

22 "§ 116-209.47. School Mental Health Worker Loan Repayment Program.

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

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

25 (2) Eligible school mental health worker. – A school psychologist, school
26 counselor, school social worker, or school nurse who meets all of the
27 following requirements:

28 a. Resides in North Carolina.

29 b. Graduated from a postsecondary constituent institution of The
30 University of North Carolina.

31 c. Has student debt.

32 d. Is employed by a high-need public school unit.

33 e. Has been employed in a public school unit for at least one year.

34 (3) High-need public school unit. – A public school unit that meets at least one of
35 the following criteria:

36 a. Is located, in whole or in part, in a development tier one or tier two
37 area, as defined in G.S. 143B-437.08.

38 b. Is a high-need school, as defined in G.S. 116-74.41A(5).

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

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

42 (b) Program; Purpose. – There is established the School Mental Health Worker Loan
43 Repayment Program to be administered by the Authority. The purpose of the Program is to
44 provide loan repayment grants to eligible school mental health workers to repay student debt held
45 by those workers.

46 (c) Selection; Lottery. – The Authority shall establish criteria for initial and continuing
47 eligibility to participate in the Program in accordance with subsection (a) of this section. The
48 Authority shall adopt appropriate standards to ensure that only qualified, potential recipients
49 receive a loan repayment grant under the Program. To the extent funds provided pursuant to this
50 section are insufficient to award loan repayment grants to all qualified applicants, the Authority
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1 may establish a lottery process for selection of grant recipients from among qualified applicants
2 within criteria established by this section. As part of that process, the Authority shall prioritize
3 the award of loan repayment grants to qualified applicants who received an award in the prior
4 year.

5 (d) Award of Funds. – The Authority shall award loan repayment grants to eligible school
6 mental health workers each year. Awards shall be in an amount of twenty percent (20%) of each
7 eligible school mental health worker's student debt as of the date of the award, up to fifteen
8 thousand dollars (\$15,000) per worker. Funds shall be awarded no later than October 1 of each
9 year, and no grant recipient shall receive an award of funds for more than five total years.

10 (e) Administration; Carryforward. – To the extent funds are appropriated for the
11 Program, the following shall apply:

12 (1) The Authority may retain up to four percent (4%) of those funds each year for
13 the administration of the Program.

14 (2) The funds shall not revert at the end of the fiscal year in which they are
15 appropriated but shall remain available for the award of loan repayment grants
16 in the subsequent fiscal year.

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

19 (g) Report to the General Assembly. – The Authority shall report no later than December
20 1 of each year to the Joint Legislative Education Oversight Committee regarding the Program,
21 including at least the following information:

22 (1) Loan repayment grants awarded under the Program, including all of the
23 following:

24 a. Demographic information for grant recipients.

25 b. Number of grant recipients by constituent institution of graduation,
26 field of employment, and type of high-need area.

27 (2) Recommendations to improve the Program and increase the number of
28 eligible school mental health workers in high-need areas."

29 **SECTION 2.(b)** There is appropriated from the General Fund to the Board of
30 Governors of The University of North Carolina the sum of nineteen million dollars (\$19,000,000)
31 in recurring funds to be allocated to the State Education Assistance Authority for the 2026-2027
32 fiscal year to establish the School Mental Health Worker Loan Repayment Program pursuant to
33 subsection (a) of this section.

34 **SECTION 2.(c)** This section becomes effective July 1, 2026, and applies to
35 applications for the disbursement of funds beginning in the 2027-2028 fiscal year.

36 37 **PART III. EFFECTIVE DATE**

38 **SECTION 3.** Except as otherwise provided, this act becomes effective July 1, 2026.