

JOINT LEGISLATIVE OVERSIGHT COMMITTEE
ON HEALTH AND HUMAN SERVICES

ARPA Temporary Savings Fund: DHHS Behavioral Health Investment Update

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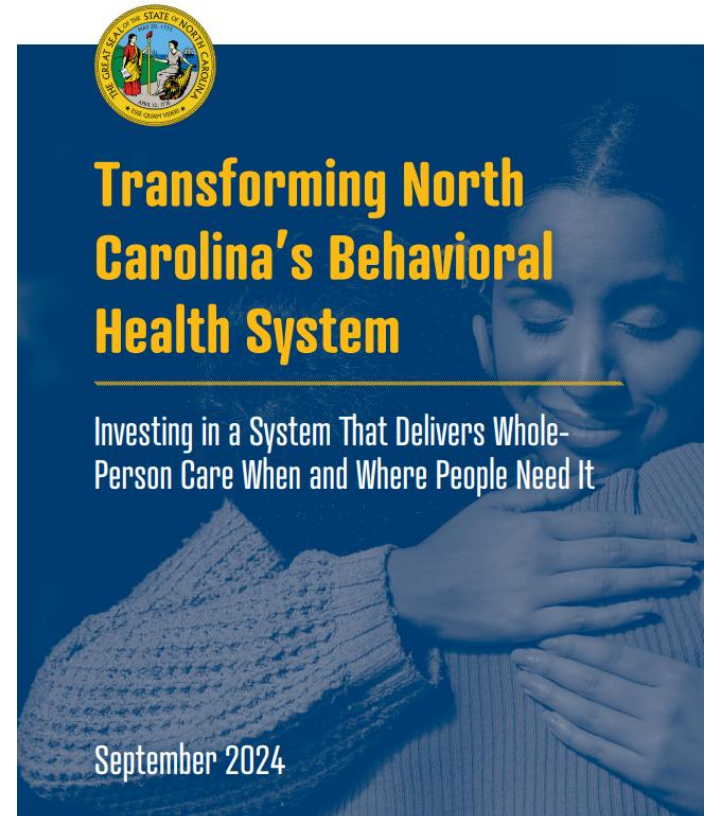
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Our Approach to Allocating Behavioral Health ARPA Funds

- **Released a 2024 white paper** outlining the vision for this historic investment
- **Engaged the public and stakeholders** through listening sessions, advisory groups, and monthly *Side by Side* updates
- **Used data to guide planning**, for example, crisis facility placement
- **Partnered with counties** to support shovel-ready projects
- **Used competitive bidding** to select new projects



Framework for Behavioral Health ARPA Investments

- **Crisis** – Ensuring that in NC, all have someone to contact, someone to respond, and a safe space to go in during a mental health crisis.
- **Justice** – Expanding services to help divert individuals with mental health and substance needs into treatment not incarceration; receive the care they need while incarcerated; received re-entry supports to maintain their health and get/keep a job and stable housing.
- **Workforce** – Creating a well-qualified workforce; creating access to care in more places
- **Child Welfare & Family Wellbeing** – Creating a strong continuum of family-based services and supports for children with complex needs

Funding Status Criteria

- **"Under Contract" includes projects with:**
 - Signed Memorandum of Agreement (MOA)s, Signed Contracts, Signed Allocation Letters, Funding Authorizations, Agreement Addenda, and Awarded Procurements
- **"Obligated"**
 - Projects in Active Procurement (RFA, RFQ, RFP)
 - Projects pending re-procurement
- **"Expended"**
 - Projects with expenditures documented in the NC Accounting System
- **"Planned"**
 - Projects in active development

Behavioral Health Projects Funded with ARPA Temporary Savings Fund

	Provision	Appropriated by NCGA	Under Contract	Obligated	Planned	Expended
Crisis	Crisis System Response & Capacity (e.g., mobile crisis, FBCs)	\$80 M	\$49.4 M	\$3 M	\$8.8 M	\$18.8 M
	Non-Law Enforcement Transportation Pilot Program	\$20 M	\$1.6 M	\$17.99 M	--	\$433,000
	Crisis Technology / BH SCAN	\$20 M	\$8.4 M	\$6.4 M	--	\$5.2 M
Justice	Justice-Involved Programs <ul style="list-style-type: none"> Community-based pre-arrest diversion and reentry programs Community-based and detention center-based restoration programs 	\$99 M	\$53.8 M	--	\$42.1 M	\$3.1 M
Workforce /Access	Workforce Training Center	\$18 M	\$13.8 M	--	\$2.6 M	\$1.6 M
	State Facility Workforce Investment	\$40 M	--	--	--	\$40M-
	Collaborative Care	\$5 M	\$3.1 M	--	--	\$ 1.9 M
CFWB	Child Welfare and Family Well-Being Programs <ul style="list-style-type: none"> Provide supports to families caring for children with BH or other special needs Strengthen available specialized behavioral health treatment options. 	\$80 M	\$36.6 M	\$16.1 M	\$11 M	\$14.4 M

Vision for Crisis Investments

We are strengthening our system of crisis care to ensure everyone has someone to contact, someone to respond, and a safe place for help in a mental health and substance use crisis.

Someone to Contact



- 988
- Peer Warm Line
- SOMETHINGS (Teen Peer Mentors)

Someone to Respond



- Mobile Crisis Team Response
- MORES (child crisis teams)
- Co-Response with EMT or LEO

A Safe Place for Help



- Behavioral Health Urgent Care (BHUC)
- Facility Based Crisis (FBC)
- Peer Respite

Continuation of Care

- BH SCAN: Appointments/Directory
- BH SCAN: Referrals to Crisis Facilities
- BH SCAN: Access to Crisis Telehealth



Non-Law Enforcement Transportation will connect people to crisis stabilization and treatment.

Crisis Investments - DMH/DD/SUS

INCREASING CRISIS RESPONSE (\$13.5M)	Status
Two additional lines to support 988	Completed
Expanding 5 teams of Law-Enforcement Co-Response crisis models by June 2026	Completing June 2026
Expanding MORES teams by December 2025 (child focused mobile crisis responders) to 8 new counties, now totaling 20 counties, in process with 15 operating	Completing December 2025
INCREASING CRISIS FACILITY CAPACITY (\$66.5M)	Status
32 child beds at 2 facility based crisis centers	<i>In progress</i>
80 adults beds at 5 facility based crisis centers, with 16 beds now open	Completing December 2026
13 new 24/7 Behavioral Health Urgent Care (BHUC), with 7 now open	<i>In progress</i>
3 new peer respite centers	<i>In progress</i>
2 new transitional residential treatment homes for youth, with 1 open	<i>In progress</i>
NON-LAW ENFORCEMENT TRANSPORTATION (\$20M)	Status
Request for Proposal released for Non-law enforcement transportation (NLET) pilot program	Completed
Launch NLET pilot program	Completing Spring 2026

Crisis Investments - DMH/DD/SUS

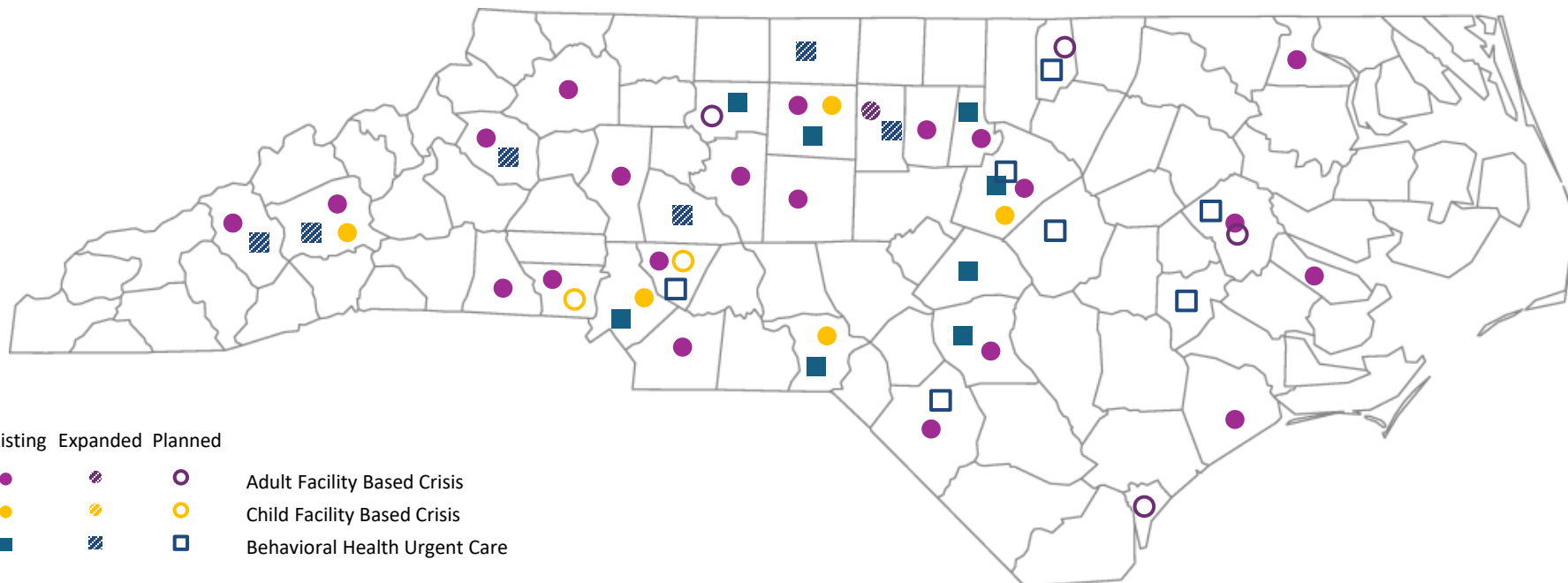
ENHANCING CRISIS TECHNOLOGY (BHSCAN) (\$20M)	Status
Expanding bed tracking for community crisis facilities and residential facilities (PRTF)	Completed
Launching Mobile-Crisis Dispatch & Tracking Pilot	Completing January 2026
Expanding telehealth in schools	Completed

NON-LAW ENFORCEMENT TRANSPORTATION (\$20M)	Status
Request for Proposal released for Non-law enforcement transportation (NLET) pilot program	Completed
Launch NLET pilot program	Completing Spring 2026

Crisis Investments - DMH/DD/SUS

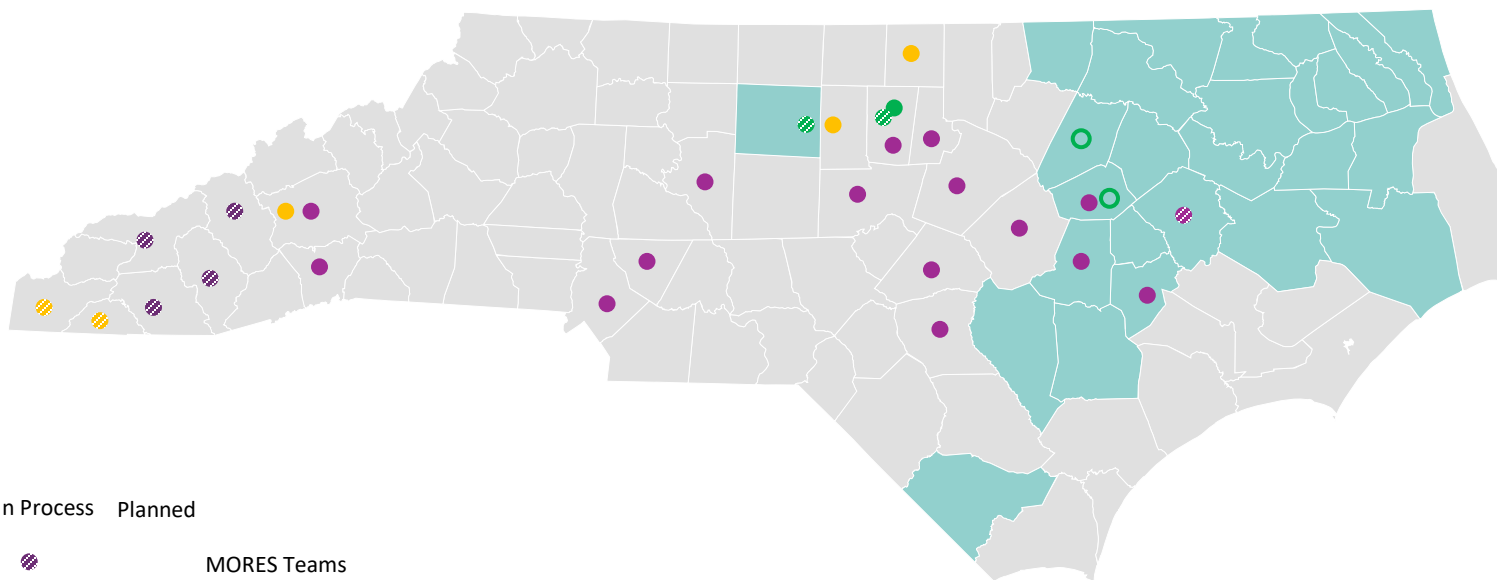
DMH/DD/SUS is expanding and building new crisis facilities across the state **to increase use of community-based behavioral health crisis facilities as an alternative to higher levels of care**

Existing + Anticipated Crisis Facilities



Crisis Investments - DMH/DD/SUS

Implemented + Planned Crisis Response Teams



Implemented In Process Planned

- (Purple)
- (Yellow)
- (Green)
- (Purple with diagonal lines)
- (Yellow with diagonal lines)
- (Green with diagonal lines)
- (Light Blue)
- (Green)

MORES Teams
DMH/DD/SUS Supported Law Enforcement Co-Responder- All Funding
Law Enforcement Co-Responder- Roadmap Funding
Mobile Crisis Dispatch and Tracking Pilot

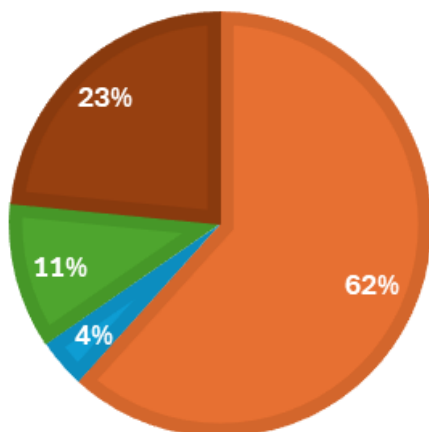
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Crisis Investments

Investing in a comprehensive crisis system is essential to ensure timely, effective care for people in crisis, reduce strain on emergency departments, and connect individuals to the long-term support they need.

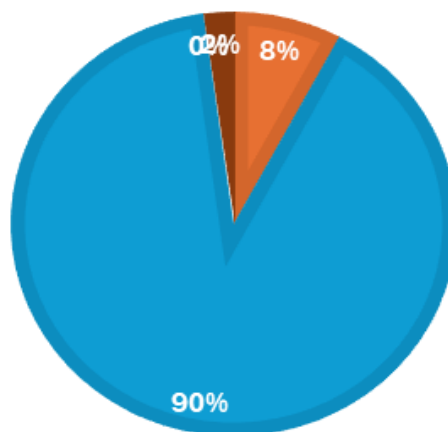
\$80M CRISIS SYSTEM RESPONSE & CAPACITY

- Under Contract
- Obligated
- Planned
- Spent



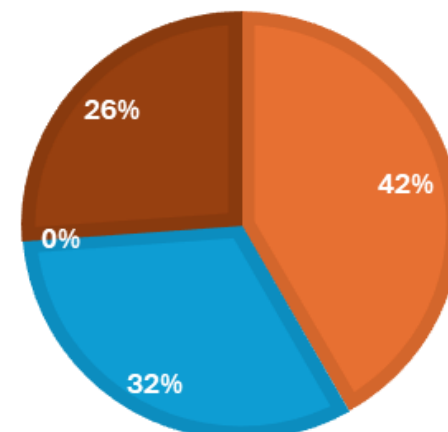
\$20M NON LAW TRANSPORT

- Under Contract
- Obligated
- Planned
- Spent



\$20M CRISIS TECHNOLOGY

- Under Contract
- Obligated
- Planned
- Spent



Vision for Justice Involved Individuals

We are expanding services for justice-involved populations so that more people are diverted from incarceration, get the treatment they need when and where they need it, and re-enter communities successfully.



Divert: Prevent justice involvement by strengthening pathways to community-based treatment.



Effectively support youth and adults with mental health and substance use needs through justice system involvement with evidence-based treatment.



Ensure seamless re-entry and stabilization in the community.

Justice-Involved Individuals: Understanding the Need

60%

60% of individuals in jail reported symptoms of a mental health disorder within the 12 months prior to their incarceration

83%

83% of incarcerated individuals with mental illness did not receive any mental health treatment after being admitted to jail.

68%

68% of people in jail have a history of misusing drugs, alcohol, or both

40X

In North Carolina, formerly incarcerated individuals are 40 times more likely to die from an opioid overdose within the first two weeks after release, compared to the general population.

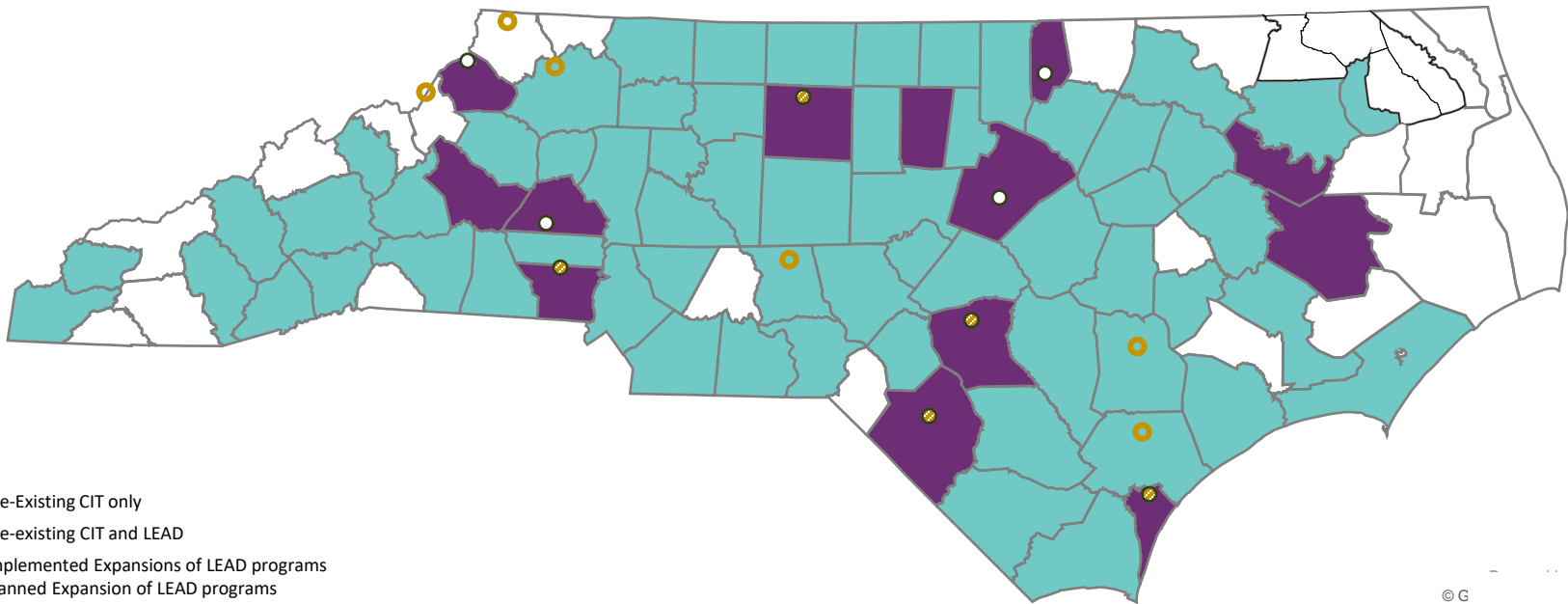
Justice Involved Investments - DMH/DD/SUS

DIVERTING INDIVIDUALS TO CARE (\$30M)	Status
Law Enforcement Assisted Diversion (LEAD) Expansion to 11 Counties	<i>In Progress</i> 5 Counties Complete
Expanding access to LEAD program in 10-15 additional counties (Law Enforcement Assisted Diversion)	<i>In Progress</i>
Expansion of Crisis Intervention Training (CIT) for All Local Law Enforcement and Training for Court Official on MH/SUD Services	<i>In Progress</i>
SUPPORTING INDIVIDUALS REENTERING THE COMMUNITY (\$49M)	Status
UNC FIT (Integrated Medical/MH/SUD Re-entry Programs) Expansion	Completed
Improvements in TASC (Treatment Accountability for Safer Communities) statewide	<i>In Progress</i>
Expansion of Re-entry supports (treatment & housing)	<i>In Progress</i>
INCREASING ACCESS TO TREATMENT (\$20M)	Status
5 New Statewide Forensic Assertive Community Treatment (FACT) Teams	Completed
Expansion of Capacity Restoration Pilot Programs	Completed
DJJ Facility Based Mental Health and Substance Use Treatment	<i>In Progress</i>
“Talkspace” and “Credible Messenger” Programs for Youth with DJJ Involvement (<i>Telehealth and Peer Mentor Platforms</i>)	Completed

Justice Involved Investments - DMH/DD/SUS

DMH/DD/SUS supports Law Enforcement Diversion Programs (LEAD & CIT).

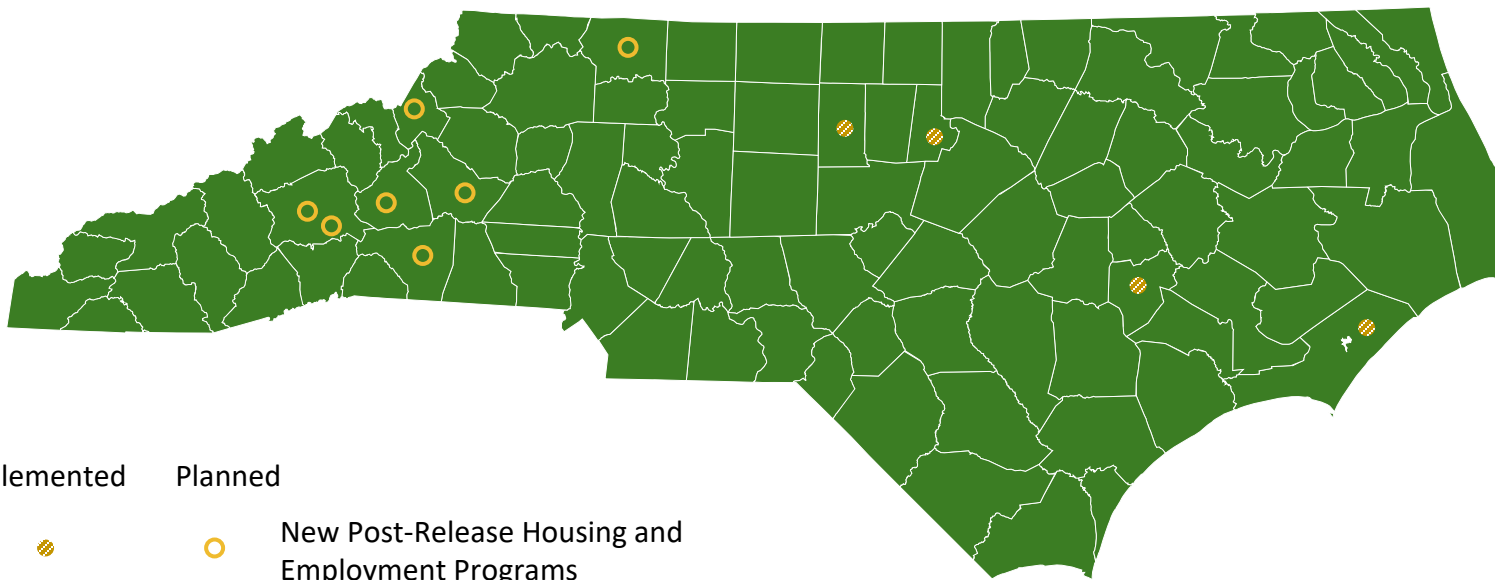
[Law Enforcement Assisted Diversion (LEAD), Critical Intervention Teams (CIT)]



Justice Supports for People with MH/SUD

DMH/DD/SUS supports Housing and Employment Support Programs provide coverage for **all counties in North Carolina.**

[Expanding Supports for Justice-Involved Adults Community-Based Initiatives]



Existing Implemented

Planned



New Post-Release Housing and Employment Programs

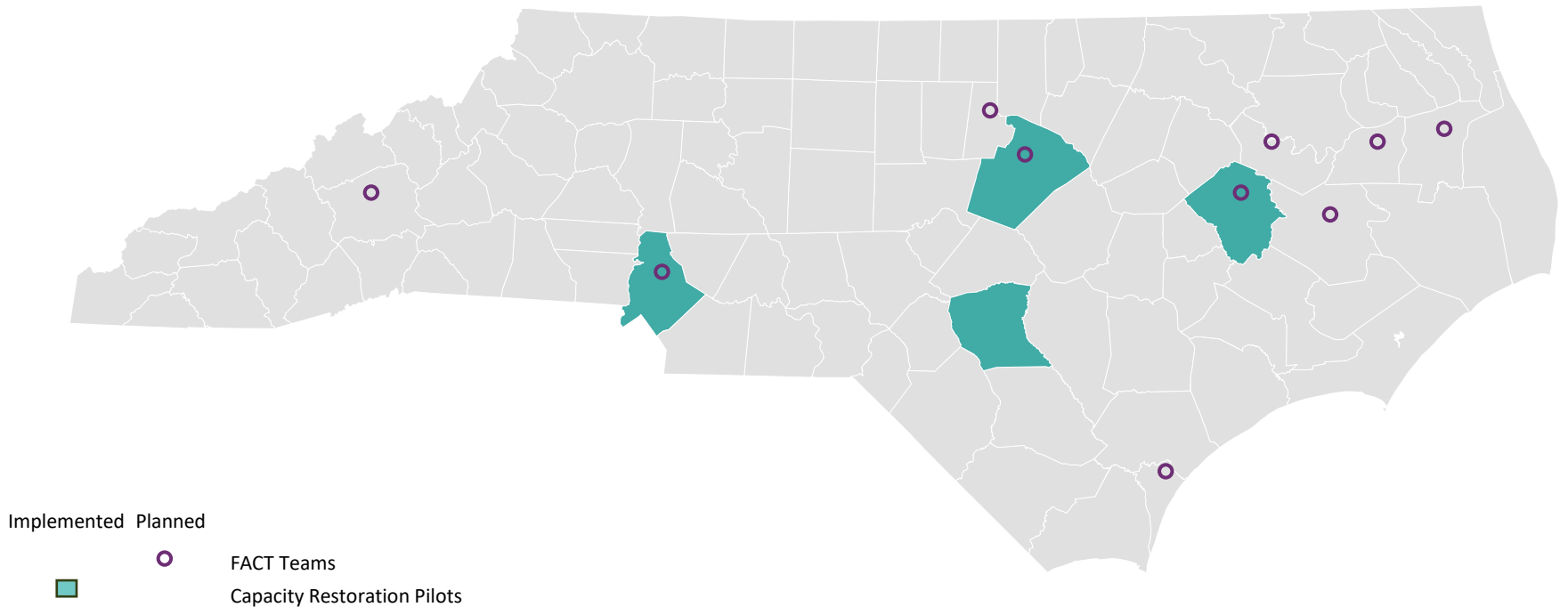


Counties Served by Existing DMH/DD/SUS-supported Post-Release Housing and Employment Programs

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Justice Involved Investments - DMH/DD/SUS

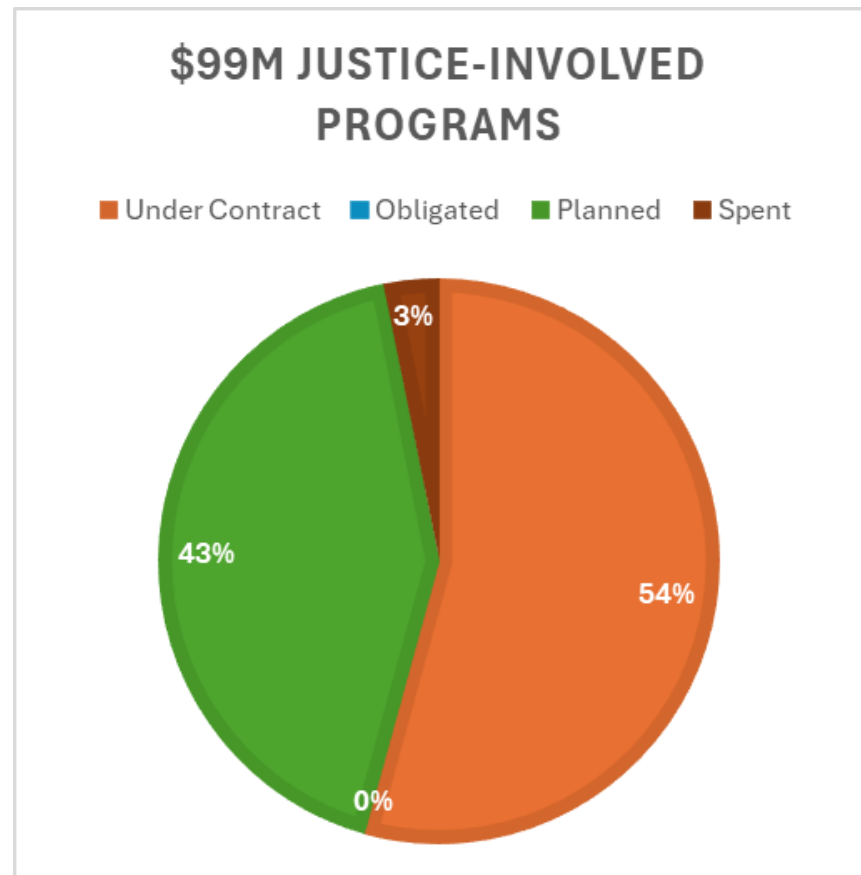
Increasing Access to Treatment Post Incarceration



Justice Investments

Investing in community-based treatment and supports is critical to reducing justice-system involvement among North Carolinians with behavioral health, I/DD, and TBI needs, ensuring access to care, supporting successful re-entry, and using detention only as a last resort.

- Community-based pre-arrest diversion and reentry programs
- Community-based and detention center-based restoration programs



Vision for Behavioral Health Workforce Investments

- **40% of North Carolina residents live in a Mental Health Professional Shortage Area (HPSA)**
- **North Carolina I/DD provider agencies experience turnover rates of 30% among their Direct Support Professional (DSP) staff**
- **Goals:**
 - More Licensed Professionals in public workforce
 - Better trained unlicensed professionals & Certified Peer Specialists w/career pathway
 - Strengthen Direct Support Professional Workforce (more workers, less turnover) w/career pathway

Workforce Investments – DMH/DD/SUS & DSOHF

STRENGTHEN THE PEER WORKFORCE (\$6 M)	Status
120+ Certified Peer Support Specialist Scholarships	Completed
Standardized the Certification curriculum for Peer Support Specialist	Completed
Creating additional job specialty trainings to ensure peers feel prepared for employment	Completed
Expanding CPSS employer matching & support programs	<i>In Progress (anticipated completion June 2026)</i>

STRENGTHEN THE DIRECT SUPPORT PROFESSIONAL WORKFORCE (\$12 M)	Status
Incentive payments for approximately 10,000 DSPs	Completed
Standardizing core direct support professional (DSP) curriculum	<i>In Progress (anticipated completion June 2026)</i>
Launched an Advanced DSP Certification program with NC Community College System (NCCCS) to create career path	Completed
900 Advanced NCCS training and core competency scholarships	Completed

Workforce Investments – DMH/DD/SUS & DSOHF

EXPANDING COLLABORATIVE CARE (\$5 M)	Status
AHEC Practices training and coaches deployed statewide	Completed
Scholarships granted to 50+ practices to date	Completed

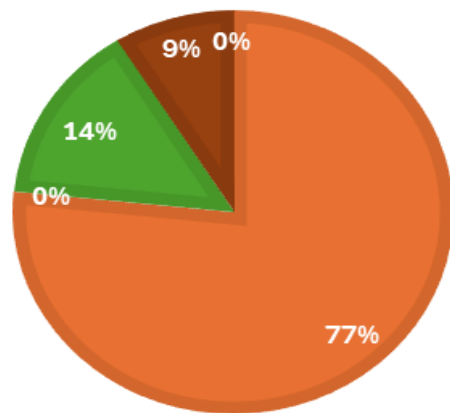
RETAIN THE STATE FACILITY WORKFORCE (\$40 M)	Status
Retention bonus for 2 years for Division of State Operated Health Facility (DSOHF) Staff	Completed

Workforce Investments

Investing in North Carolina’s behavioral health, I/DD, and TBI workforce is critical to addressing provider shortages, reducing delays in care, and building a strong, sustainable system where individuals can access high-quality services in every community when and where they need them.

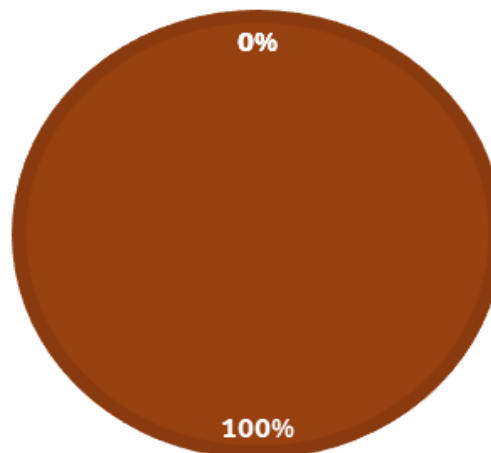
\$18M BEHAVIORAL HEALTH WORKFORCE

- Under Contract
- Obligated
- Planned
- Spent
- Remaining



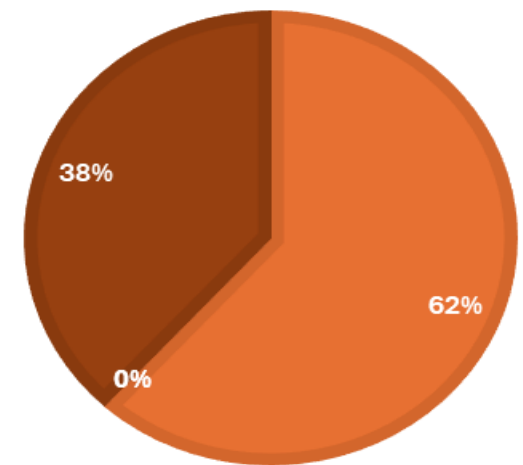
\$40M STATE FACILITY WORKFORCE

- Under Contract
- Obligated
- Planned
- Spent



\$5M COLLABORATIVE CARE

- Under Contract
- Obligated
- Planned
- Spent



Vision for Child Welfare & Family Wellbeing Investments

Investments were strategically targeted to improve the health and well-being of youth and family with projects managed collaboratively across 4 divisions at DHHS

Key themes included:

- Availability of evidence-based practices in the community for kids
- Keeping kids out of foster care
- Supporting kids who are in foster care and at risk for boarding
- When kids need specialty residential care that it exists, it is helpful, and kids and families heal so that children can return home.

Child Welfare & Family Wellbeing - DCFW

SUPPORTS FOR FAMILIES AND FAMILY TYPE PLACEMENTS (\$20.5M)	Status
Develop Respite Program for Families so children can avoid out of home treatment	Services Now Available in the Community <i>(Since May 2025)</i>
Increase Intensive Alternative Family Treatment (IAFT) and Therapeutic Foster Care Beds; specialized bed capacity; improved acceptance rates for high need youth; and short-term emergency family type placements	Services Now Available in the Community <i>(Since November 2024)</i>
Develop Family Peer Support Program- Family Peers use their lived experience to support other families currently navigating the child welfare and/or mental health systems.	Services Now Available in the Community <i>(Since January 2025)</i>
BEHAVIORAL HEALTH IN SCHOOLS (\$7M)	Status
Fund School Based Health Centers (SBHC) to add or expand behavioral health services in existing SBHC.	Services Now Available in the Community <i>(Since August 2024)</i>
School and Family Supports provided through Local Health Departments	Services Now Available in the Community <i>(Since August 2024)</i>
Expand Access to Tele-behavioral Health Services in Schools focused on rural and/or high need schools (A partnership with and matching investment from The Duke Endowment)	Services Now Available in the Community <i>(Since September 2025)</i>

Child Welfare & Family Wellbeing - DCFW

EVIDENCE-BASED PRACTICE COMMUNITY TREATMENT (\$8.3 M)	Status
Expand Child First Program, a home-based intervention that builds resilience of families experiencing adverse circumstances to reduce the likelihood of child welfare involvement.	Services Now Available in the Community (Since December 2024)
Child Treatment Program at the Center for Child and Family Health for training of providers in evidenced based treatments such as trauma-focused cognitive behavioral therapy.	Services Now Available in the Community (Since July 2024)
CENTER OF EXCELLENCE (\$1.2M)	
Implementation, training, and other supports to maximize the impact of the \$80m investments.	<i>Expected Start Date Early 2026</i>

Child Welfare & Family Wellbeing - DSS

EMERGENCY PLACEMENT FUND (\$5.3 M)	Status
Funds to all 100 Counties DSS Offices to Quickly Resolve Placement Challenges for Children in DSS Custody	Funding Available to all 100 Counties <i>(Since October 2024)</i>
PROFESSIONAL FOSTER PARENTING (\$1.8 M)	Status
Professional Foster Homes in all 7 DSS Regions with Specially Trained Parents who Work to Reunify	Expanded Services Available Now in The Community <i>(Since February 2025)</i>
ENHANCED EMERGENCY CARE (\$5.8 M)	Status
Using existing or eligible DSS licensed residential institutions for enhanced care addressing more complex needs of youth without appropriate placements	<i>In progress</i>
STABLIZE PLACEMENT CAPACITY (\$2.5M)	Status
Provide funding for group (congregate) care settings to prevent the loss of placements for children in foster care	Funding Expended

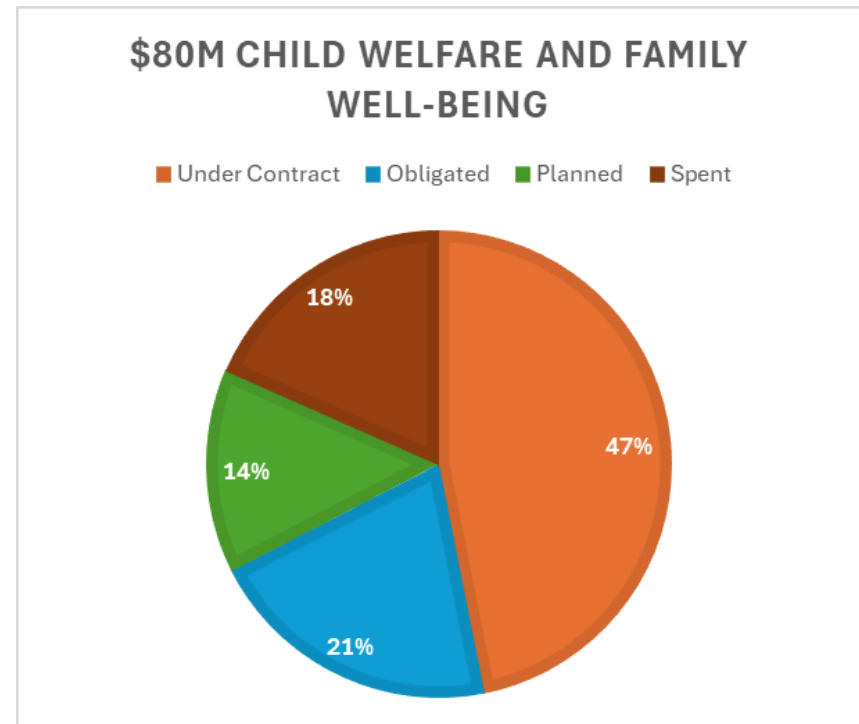
Child Welfare & Family Wellbeing – DMH/DD/SUS + DHSR

INTENSIVE TREATMENT SETTINGS (\$25.5 M)	Status
33 Environment of Care projects across 21 residential treatment providers in 16 counties	Completed
Launch staff training and implementation pilot with all NC PRTFs to advance restraint-free crisis management	<i>In progress</i>
Implement Specialized PRTF Units to support youth with complex needs.	<i>In progress</i>
Implement a NEW comprehensive clinical and quality model for residential treatment	<i>In progress</i>
Develop comprehensive strategies to optimize a youth's successful transition from residential treatment to a family setting.	<i>In progress</i>
Design and evaluate the impact of an independent assessor process for residential entry	<i>In progress</i>
EXPEDITE YOUTH FACILITY LICENSURE (\$500K)	Status
Hire temporary staff to develop an expedited mental health licensure process for youth facilities and address backlog to allow for more placements for youth	Completed

Child Welfare & Family Wellbeing Investments

Investing in accessible, high-quality, and community-based behavioral health services for children and youth is essential to ensure early intervention, prevent crises, support family stability, and provide appropriate care - especially for those involved in child welfare systems - so that all children can thrive in safe, supportive environments.

- Provide supports to families caring for children with BH or other special needs
- Strengthen available specialized behavioral health treatment options.



What Transformation Will Look Like in Our Investment Areas

Crisis

- Fewer repeat users of crisis services
- Reduced emergency department holds and IVCs
- Increased local hospital capacity for psychiatric care

Justice

- Better access to treatment for justice-involved individuals
- Expanded capacity restoration across levels of care
- Lower recidivism rates

Workforce

- Adequate provider coverage in all communities
- Workforce feels supported and confident in their roles
- Better trained workforce = high quality services

Child and Family

- Declining youth suicide and self-harm rates
- Families stay intact with stronger supports
- Shorter, more effective residential stays and smoother transitions