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# SENATE BILL DRS15376-NHa-194

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| Short Title: | School Mental Health Support Act. | (Public) |
| Sponsors: | Senator Bradley (Primary Sponsor). | |
| Referred to: | | |

A BILL TO BE ENTITLED

AN ACT TO APPROPRIATE FUNDS FOR A SCHOOL-BASED MENTAL HEALTH GRANT PROGRAM AND TO ESTABLISH A MENTAL HEALTH WORKER LOAN REPAYMENT PROGRAM.

The General Assembly of North Carolina enacts:

## PART I. SCHOOL-BASED MENTAL HEALTH GRANT PROGRAM

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

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

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

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

(b) Program; Purpose. – The Department of Public Instruction shall establish the School-Based Mental Health Grant Program (Program) for the purpose of increasing student access to mental health support personnel in public school units. To the extent funds are made available for the Program, it shall be administered in accordance with this section.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

a. Resides in North Carolina.

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

c. Has student debt.

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

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

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

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

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

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

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

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

(c) Selection; Lottery. – The Authority shall establish criteria for initial and continuing eligibility to participate in the Program in accordance with subsection (a) of this section. The Authority shall adopt appropriate standards to ensure that only qualified, potential recipients receive a loan repayment grant under the Program. To the extent funds provided pursuant to this section are insufficient to award loan repayment grants to all qualified applicants, the Authority

may establish a lottery process for selection of grant recipients from among qualified applicants within criteria established by this section. As part of that process, the Authority shall prioritize the award of loan repayment grants to qualified applicants who received an award in the prior year.

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

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

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

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

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

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

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

a. Demographic information for grant recipients.

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

(2) Recommendations to improve the Program and increase the number of eligible school 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 nineteen million dollars ($19,000,000) in recurring funds to be allocated to the State Education Assistance Authority for the 2026-2027 fiscal year to establish the School Mental Health Worker Loan Repayment Program pursuant to subsection (a) of this section.

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

**PART III. EFFECTIVE DATE**

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