

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025

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SENATE BILL 899

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

Sponsors: Senators Smith and Murdock (Primary Sponsors).

Referred to: Rules and Operations of the Senate

April 30, 2026

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 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 in which funds are provided for the
5 Program, the Department shall report to the Joint Legislative Education Oversight Committee
6 and the Joint Legislative Oversight Committee on Health and Human Services at least the
7 following information:

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

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

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

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

14 **SECTION 1.(b)** There is appropriated from the General Fund to the Department of
15 Public Instruction for the 2025-2026 fiscal year the sum of fifty million dollars (\$50,000,000) in
16 recurring funds to provide grants for school mental health services in public school units in
17 accordance with G.S. 115C-376.6, as enacted by this act. The Department may use up to
18 seventy-five thousand dollars (\$75,000) of these funds each year for administrative costs related
19 to the Program.

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

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

23 **"§ 116-209.47. Mental Health Worker Loan Repayment Program.**

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

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

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

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

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

31 c. Has student debt.

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

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

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

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

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

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

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

48 (3) To the extent funds provided pursuant to this section are insufficient to award
49 forgivable loans to all interested eligible mental health workers, the Authority
50

1 may establish a lottery process for selection of grant recipients from among
2 qualified applicants within criteria established by this section.

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

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

9 (f) Report to the General Assembly. – The Authority shall report no later than December
10 1, 2025, and annually thereafter while grants are awarded by the Authority, to the Joint
11 Legislative Education Oversight Committee regarding the Program and grants awarded pursuant
12 to the Program, including at least the following information:

13 (1) Grants awarded under the Program, including the following:

14 a. Demographic information for grant recipients.

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

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

19 **SECTION 2.(b)** There is appropriated from the General Fund to the Board of
20 Governors of The University of North Carolina the sum of fifty million dollars (\$50,000,000) in
21 recurring funds to be allocated to the State Education Assistance Authority for the 2025-2026
22 fiscal year to establish the Mental Health Worker Loan Repayment Program pursuant to
23 subsection (a) of this section. Of the recurring funds appropriated in this act for the Program,
24 beginning in the 2025-2026 fiscal year, the Authority may retain up to five hundred thousand
25 dollars (\$500,000) each fiscal year to administer the Program.

26 **SECTION 2.(c)** This section becomes effective July 1, 2025, and applies to
27 applications for the disbursement of funds beginning in the 2025-2026 fiscal year.

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29 **PART III. EFFECTIVE DATE**

30 **SECTION 3.** Except as otherwise provided, this act becomes effective July 1, 2025.