

Prioritizing North Carolinians’ Mental Health

Recommendation

Invests \$1.4 billion to provide critical mental health services across the state. Investments will support the expansion of evidence-based behavioral health programs statewide, address the behavioral health workforce shortage, and ensure that youth and adults can access the care they need to thrive. Funds will also support community-based services and mental health initiatives for K-12 and higher education students.

Table 1: Allocation of Funds for Prioritizing Mental Health

	Agency	FY 2023-24	FY 2024-25
IHOPE Fund	HHS	\$1,000,000,000 NR	
988 Suicide & Crisis Lifeline	HHS	\$325,000 R	\$1,300,000 R
Crisis Stabilization Facility	HHS	\$1,694,596 R	\$3,936,499 R
NC Psychiatric Access Line	HHS	\$1,850,000 R	\$1,950,000 R
School Behavioral Health	HHS	\$3,100,000 R	\$2,800,000 R
Local Mental Health Support for First Responders	DPS	\$694,200 R	\$694,200 R
Juvenile Justice Residential Crisis Unit	DPS	\$4,004,124 R	\$4,004,124 R
		\$1,000,000 NR	
Instructional Support Personnel ¹	DPI	\$134,300,00 R	\$267,000,000 R
Mental Health Support Hotline	UNC		\$296,000 R
Operational Support for Mental Health Initiatives	UNC/ NCCCS /NCICU	\$5,000,000 NR	
UNCSA Mental and Physical Health Support	UNC	\$750,000 R	\$750,000 R
	Sub Total	R \$146,717,920	\$ 282,730,823
		NR \$5,100,000	\$0
	Grand Total	\$ 1,151,817,920	\$ 282,730,823

Statement of Need

Invests funds to strengthen support for mental health professionals across the state and expand treatment to ensure that all North Carolinians, including higher-need populations such as young adults, justice-involved individuals, and individuals with mental illness, can access the supports they need.

- In 2022, nearly one in five adults in North Carolina lived with a mental illness. Of those with a mental illness, 51% were untreated and 26% reported that their mental health needs were unmet. Meanwhile, only 61% of North Carolina youth with major depressive disorder received treatment. ²

¹ Funding for Instructional Support Personnel will support school nurse and social worker positions in high-need schools, an internship program for school psychologists, master’s pay for social workers, and increases in the allotment to school districts for school counselors, nurses, social workers, and psychologists.

² Mental Health America, [2023 Rankings](#)

- All justice-involved youth assigned to Youth Development Centers carried at least one mental health diagnosis in 2021. Eighty percent of youth had more than one diagnosis, while 51% had at least one substance use diagnosis.³
- Data from the most recent Youth Risk Behavior Survey shows that a growing proportion of North Carolina’s students experienced mental health challenges in 2021. Forty-nine percent of high school students felt good about themselves, down from 68% in 2017. Thirty-five percent of middle school students felt sad or hopeless, up from 25% in 2017. Twenty-two percent of high school students seriously considered attempting suicide, up from 16% in 2017. Twenty-four percent of high school students did not eat breakfast, up from 14% in 2017.⁴
- A 2021 UNC-Chapel Hill study found that the number of first-year students reporting moderate to severe anxiety rose 40% during the pandemic, while reports of moderate to severe depression rose 48%.⁵

Recommendation Detail

Department of Health and Human Services

IHOPE (Improving Health Outcomes for People Everywhere) Fund

Leverages \$1 billion of the state’s American Rescue Plan Medicaid Expansion bonus dollars to improve behavioral health and draw down federal receipts where possible. Funds will be used to expand access to care, increase the number of providers, and improve critical infrastructure.

Behavioral Health Rates – Invests \$75 million per year over the next three years in state funding, \$225 million total, to increase rates for inpatient and community behavioral health services. Funding will be used to draw down federal match and ensure that Medicaid reimbursement rates reflect the actual cost of providing care.

Behavioral Health Crisis System – Provides \$200 million to expand access to critical supports including mobile crisis and non-emergency department crisis treatment, as well as community-based supportive housing. Funds will also support a statewide involuntary commitment transportation program.

Community and School-Based Behavioral Health Investments – Invests \$175 million for startup costs for primary care practices to adopt the evidence-based Collaborative Care model and support the expansion of Certified Community Behavioral Health Clinics. Funding will also expand youth behavioral health supports in schools and extend mental health education to the public. Funds will also support a targeted clinical loan forgiveness program, and specialty treatment training for behavioral health providers.

Psychiatric Facility Capacity Improvement – Invests \$100 million to increase step-down funding and placements for state psychiatric hospital patients. Funds will also be used to raise salaries and offer loan forgiveness to the state facility workforce, as well as invest in critical infrastructure.

³ [NCDPS Department of Juvenile Justice and Delinquency Prevention Annual Report](#)

⁴ [December 2022 Youth Risk Behavior Survey presentation to Child Fatality Task Force](#)

⁵ [Pandemic Worsens Depression, Anxiety Among First-Year College Students - UNC Research](#)

Behavioral Health and Justice Systems Integration – Provides \$150 million to cover start-up costs for county-based pre-arrest diversion and re-entry programs and expands non-hospital capacity restoration programs. These programs provide supports and access to care for criminal defendants who are deemed Incapable of trial so that they can more quickly get through the court system. Funds will also support statewide judicial diversion and mental health treatment education and training.

Data and Technology for Health Outcomes Provides \$50 million for provider start-up costs to launch telehealth programs, expanding access to behavioral health treatment in underserved area in the state. Funds will also allow under-resourced providers to transition to electronic health records and be used to streamline the department’s online centralized behavioral health bed registry.

Child Welfare and Family Well-Being Transformation – Invests \$100 million to expand behavioral health assessment and treatment services including new specialty treatment programs and support for families in recovery to keep children at home. This funding also creates respite services and safer placement options for children with complex needs.

988 Suicide & Crisis Lifeline – Invests \$325,000 in FY 2023-24 and \$1.3 million in FY 2024-25 to support 988 Crisis Helpline Call Center staff currently funded by a Substance Abuse and Mental Health Services Administration (SAMHSA) grant that will end April 2024. The staff are required to meet the increased call volume following the implementation of the helpline.

Crisis Stabilization Facility – Invests \$1.6 million in FY 2023-24 and \$3.9 million in FY 2024-25 to address the needs of children who are currently boarded in emergency departments by investing funds to increase the number of crisis stabilization beds at facilities statewide.

NC Psychiatric Access Line – Provides \$1.8 million in FY 2023-24 and \$1.9 million in FY 2024-25 to increase capacity for the NC Psychiatric Access Line (NC PAL) through an existing contract with Duke University. NC PAL offers consultation and education on the diagnosis, management, and appropriate treatment of patients with behavioral health concerns to providers in all 100 counties.

School Behavioral Health Package - Invests over \$3.1 million to expand evidence-based behavioral health supports and services for children in schools, including telehealth resources and sustaining Project AWARE/ACTIVATE. Funds will be used to pilot telehealth technology in schools across the state, and sustain NC Project AWARE/ACTIVATE, increasing access to mental health care services and ensuring that high-risk youth receive the care they need.

Department of Public Safety

Local Mental Health Support for First Responders - Includes \$700,000 to expand the Responder Assistance Initiative (RAI) to local first responders. RAI will provide a common entry point to connect first responders with peer support, consultation, and comprehensive behavioral health resources.

Juvenile Justice Residential Crisis Unit - Provides \$4 million recurring and \$100,000 nonrecurring for operating and start-up costs for a crisis unit serving juvenile justice youth with mental and physical health concerns at the C.A. Dillon Detention Center. This unit addresses an increase in behavioral and physical health concerns since the implementation of Raise the Age.

Department of Public Instruction

Instructional Support Personnel – Provides \$134.3 million in FY 2023-24 and \$267 million in FY 2024-25 for Specialized Instructional Support Personnel (SISP), including school counselors, nurses, social workers, and psychologists, to support student mental and physical health. Funds provided for SISP will support the programs described below, as well as increases in the SISP position allotment that allows school districts to flexibly hire SISP staff to best meet student needs.

School Nurse and Social Worker Positions - Provides \$108 million in FY 2023-24 and \$116.6 million in FY 2024-25 to hire a school nurse or social worker in every Tier 1 and Tier 2 county school that does not currently employ one. The program will ensure that every school building has a nurse or social worker onsite to meet students' mental and physical health needs.

School Psychologist Internship Program - Invests \$5.4 million in FY 2023-24 and \$5.8 million in FY 2024-25 to fund 115 year-long school psychologist internship positions at a starting teacher salary. The program will provide stipends for students in school psychology preparation programs to conduct their required third-year internships in public schools, growing a pipeline of qualified school psychologists in currently underserved school districts.

Social Worker Pay Increases - Provides \$7.5 million each year for school districts to pay social workers on the master's degree salary schedule. Competitive salaries for school social workers will help districts recruit and retain qualified candidates to fill critical vacancies.

UNC/Community Colleges

Mental Health Hotline – Invests \$296,000 to continue the contract with the UNC System's 24/7 telephonic mental health support hotline available across all UNC System institutions.

Operational Support for Mental Health Initiatives – Invests \$5 million to support staff and ongoing Mental Health First Aid, suicide prevention, resilience training, and other efforts across the UNC System, North Carolina Community College System, and member institutions of the North Carolina Independent Colleges and Universities.

UNC School of the Arts Mental and Physical Health Support – Invests \$1.5 million for the UNC School of the Arts to bolster its student mental and physical health care support staff and services.

Expected Impact

- Ensure the 300 beds in state run inpatient psychiatric facilities that are currently unused due to staffing shortages become operable.
- Increase the number of mobile crisis teams to ensure immediate on-site support to individuals experiencing a behavioral health crisis in all 100 counties.
- Expand access to approximately 10,000 students in districts without school-based behavioral health programs by funding telehealth pilots and technical assistance.
- Provide emergency, short-term shelter and therapeutic services, including rapid assessments, for up to 600 youth per year.
- Expand the availability of mental health support to local first responders.

- Increase the availability and accessibility of services the Division of Juvenile Justice provides to justice-involved youth experiencing a mental health crisis.
- Fund up to 1,000 new nurse and social worker positions plus 115 school psychologist interns for K-12 schools.
- Extend the After Hours Telephonic Behavioral Health Service, a hotline that fields over 250 calls a month from students across the UNC System.
- Extend the behavioral resilience training program at UNC, with the goal of producing an estimated 72 instructors who will deliver the training to students across the UNC system.
- Extend the suicide prevention initiative for 3,500 UNC, NCCCS, and independent college and university faculty, staff, and students to complete the training program.