

THE STATE SCHOOL AID ACT OF 1979 (EXCERPT)
Act 94 of 1979

388.1631n Licensed behavioral health providers for general education pupils; advisory council; application; services by child and adolescent health centers; services to nonpublic students; measurements of outcomes and performance.

Sec. 31n.

(1) From the state school aid fund money appropriated in section 11, there is allocated for 2024-2025 for the purposes of this section an amount not to exceed \$106,545,000.00 and from the general fund money appropriated in section 11, there is allocated for 2024-2025 for the purposes of this section an amount not to exceed \$1,300,000.00. The department and the department of health and human services shall continue a program to distribute this funding to add licensed behavioral health providers for general education pupils, and recipients of the funds under subsection (6) shall continue to seek federal Medicaid match funding for all eligible mental health and support services.

(2) The department and the department of health and human services shall maintain an advisory council for programs funded under this section and any other funding under this act to improve or maintain the mental health of students, except for programs funded under section 31a(7) and (8). The advisory council shall define goals for implementation of programs, and shall provide feedback on that implementation. At a minimum, the advisory council shall consist of representatives of state associations representing school health, school mental health, school counseling, education, health care, and other organizations, representatives from the department and the department of health and human services, and a representative from the school safety and mental health commission. The department and department of health and human services, working with the advisory council, shall determine an approach to increase capacity for mental health and support services in schools for general education pupils, and shall determine where that increase in capacity qualifies for federal Medicaid match funding.

(3) The advisory council shall develop a fiduciary agent checklist for intermediate districts to facilitate development of a plan to submit to the department and to the department of health and human services. The department and department of health and human services shall determine the requirements and format for intermediate districts to submit a plan for possible funding under subsection (6). The department shall make applications for funding for this program available to districts and intermediate districts by not later than December 1 of each fiscal year for which funds are allocated under this section and shall award the funding by not later than February 1 of each fiscal year for which funds are allocated under this section.

(4) The department of health and human services shall amend the state Medicaid plan to obtain appropriate Medicaid waivers as necessary for the purpose of generating additional Medicaid match funding for school mental health and support services for general education pupils, and this expansion is called Caring for Students (C4S).

(5) From the state school aid fund money allocated under subsection (1), there is allocated for 2024-2025 an amount not to exceed \$14,300,000.00 to be distributed to the network of child and adolescent health centers to place a licensed master's level behavioral health provider in schools that do not currently have services available to general education students. Child and adolescent health centers that are part of the network described in this subsection shall provide a commitment to maintain services and implement all available federal Medicaid match methodologies. The department of health and human services shall use all existing or additional federal Medicaid match opportunities to maximize funding allocated under this subsection. The department shall provide funds under this subsection to child and adolescent health centers that are part of the network described in this subsection in the same proportion that funding under section 31a(7) is provided to child and adolescent health centers that are part of the network described in this subsection and that are located and operating in those districts. A payment from funding allocated under this subsection must not be paid to an entity that is not part of the network described in this subsection.

(6) From the state school aid fund money allocated under subsection (1), there is allocated for 2024-2025 an amount not to exceed \$87,245,000.00 to be distributed to intermediate districts for the provision of mental health and support services to general education students. Recipients of funds under this subsection shall continue to seek federal Medicaid match funding for all eligible mental health and support services. If a district or intermediate district is not able to procure the services of a licensed master's level behavioral health provider, the district or intermediate district shall notify the department and the department of health and human services and, if the department and department of health and human services verify that the district or intermediate district attempted to procure services from a master's level behavioral health provider and was not able to do so, then the district or intermediate district may instead procure services from a provider with less than a master's degree in behavioral health. To be able to use the exemption in the immediately preceding sentence, the district or intermediate district must submit evidence satisfactory to the department and department of health and human services demonstrating that the district or intermediate district took measures to procure the services of a licensed master's level behavioral

health provider but was unable to do so, and the department and department of health and human services must be able to verify this evidence. From the first \$56,173,600.00 of the funds allocated under this subsection, the department shall distribute up to \$1,003,100.00 for 2024-2025 to each intermediate district that submits a plan approved by the department and the department of health and human services by February 1 of each fiscal year for which funds are allocated under this section. The department shall distribute the remaining \$31,071,400.00 of the funds allocated under this subsection for 2024-2025 to intermediate districts on an equal per-pupil basis based on the combined total number of pupils in membership in the intermediate district and its constituent districts, including public school academies that are considered to be constituent districts under section 705(7) of the revised school code, MCL 380.705. The department and department of health and human services shall work cooperatively in providing oversight and assistance to intermediate districts and shall monitor the program upon implementation. An intermediate district shall use funds awarded under this subsection to provide funding to its constituent districts, including public school academies that are considered to be constituent districts under section 705(7) of the revised school code, MCL 380.705, for the provision of mental health and support services to general education students. In addition to the criteria identified under subsection (9), an intermediate district shall consider geography, cost, or other challenges when awarding funding to its constituent districts. Districts receiving funding under this subsection are encouraged to provide suicide prevention and awareness education and counseling.

(7) If funding awarded to an intermediate district remains after funds are provided by the intermediate district to its constituent districts, the intermediate district shall notify the department and department of health and human services and submit evidence satisfactory to the department and department of health and human services demonstrating how it would like to use funds for purposes other than hiring licensed behavioral health providers for general education pupils. With permission from the department and department of health and human services, the intermediate district may hire or contract for experts to provide mental health and support services to general education students residing within the boundaries of the intermediate district, including, but not limited to, expanding, hiring, or contracting for staff and experts to provide those services directly or to increase access to those services through coordination with outside mental health agencies; the intermediate district may also contract with 1 or more other intermediate districts for coordination and the facilitation of activities related to providing mental health and support services to general education students residing within the boundaries of the intermediate district; the intermediate district may also use the funds under this section to create or strengthen school-based behavioral health assessment teams that focus on providing age-appropriate interventions, identifying behaviors that suggest a pupil may be struggling with mental health challenges, providing treatment and support of the pupil, and using disciplinary interventions and the criminal justice system as methods of last resort; and the intermediate district may also use the funds under this section to provide evidence-based trainings that support student mental health.

(8) If funding awarded to an intermediate district under this section remains unspent, or if the intermediate district submits an application requesting a lower allocation than the maximum amount permitted, the department, in conjunction with the intermediate district, may reallocate the funds to another intermediate district or other intermediate districts capable of expending the funds before the funding deadline in accordance with this section as if those funds were originally allocated to the intermediate district or intermediate districts to which the funds are being reallocated.

(9) A district requesting funds under this section from the intermediate district in which it is located shall submit an application for funding for the provision of mental health and support services to general education pupils. A district receiving funding from the application process described in this subsection shall provide services to nonpublic students upon request. An intermediate district shall not discriminate against an application submitted by a public school academy simply on the basis of the applicant being a public school academy. The department shall approve grant applications based on the following criteria:

(a) The district's commitment to maintain mental health and support services delivered by licensed providers into future fiscal years.

(b) The district's commitment to work with its intermediate district to use funding it receives under this section that is spent by the district for general education pupils toward participation in federal Medicaid match methodologies. A district must provide a local match of at least 20% of the funding allocated to the district under section 31n.

(c) The district's commitment to adhere to any local funding requirements determined by the department and the department of health and human services.

(d) The extent of the district's existing partnerships with community health care providers or the ability of the district to establish such partnerships.

(e) The district's documentation of need, including gaps in current mental health and support services for the general education population.

(f) The district's submission of a formal plan of action identifying the number of schools and students to be served.

(g) Whether the district will participate in ongoing trainings.

(h) Whether the district will submit an annual report to the state.

- (i) Whether the district demonstrates a willingness to work with the state to establish program and service delivery benchmarks.
- (j) Whether the district has developed a school safety plan or is in the process of developing a school safety plan.
- (k) Any other requirements determined by the department or the department of health and human services.
- (10) Funding under this section, including any federal Medicaid funds that are generated, must not be used to supplant existing services.
- (11) Both of the following are allocated to the department of health and human services from the general fund money allocated under subsection (1):
 - (a) For 2024-2025, an amount not to exceed \$1,000,000.00 for the purpose of upgrading technology and systems infrastructure and other administrative requirements to support the programs funded under this section.
 - (b) For 2024-2025, an amount not to exceed \$300,000.00 for the purpose of administering the programs under this section and working on generating additional Medicaid funds as a result of programs funded under this section.
- (12) From the state school aid fund money allocated under subsection (1), there is allocated for 2024-2025 an amount not to exceed \$5,000,000.00 to intermediate districts on an equal per intermediate district basis for the purpose of administering programs funded under this section. Recipients of the funds under this subsection shall continue to seek federal Medicaid match funding for all eligible mental health and support services and participate in all learning collaboratives about C4S required by the department and department of health and human services.
- (13) The department and the department of health and human services shall work with the advisory council to develop proposed measurements of outcomes and performance. Those measurements must include, at a minimum, the number of pupils served, the number of schools served, and where those pupils and schools were located. The department and the department of health and human services shall compile data necessary to measure outcomes and performance, and districts and intermediate districts receiving funding under this section shall provide data requested by the department and department of health and human services for the measurement of outcomes and performance. The department and department of health and human services shall provide an annual report by not later than December 1 of each year to the house and senate appropriations subcommittees on school aid and health and human services, to the house and senate fiscal agencies, and to the state budget director. At a minimum, the report must include measurements of outcomes and performance, proposals to increase efficacy and usefulness, proposals to increase performance, and proposals to expand coverage.
- (14) A district or intermediate district that receives funding directly or indirectly under this section may carry over any unexpended funds received under this section for up to 2 fiscal years beyond the fiscal year in which the funds were received.

History: Add. 2018, Act 586, Imd. Eff. Dec. 28, 2018 ;-- Am. 2019, Act 58, Eff. Oct. 1, 2019 ;-- Am. 2020, Act 165, Imd. Eff. Sept. 30, 2020 ;-- Am. 2021, Act 3, Imd. Eff. Mar. 9, 2021 ;-- Am. 2021, Act 48, Eff. Oct. 1, 2021 ;-- Am. 2022, Act 144, Eff. Oct. 1, 2022 ;-- Am. 2023, Act 103, Eff. Oct. 1, 2023 ;-- Am. 2024, Act 120, Eff. Oct. 1, 2024