



Guidelines For Using State & Federal Grant Funds to Cover Mental Health and AODA Treatment Costs For Youth

Background

According to the Substance Abuse and Mental Health Services Administration, the most cited barrier to mental health treatment in 2020 was not being able to afford the cost (The White House 2022). According to the Department of Education School Pulse Panel 2021-2022, 41 percent of respondents indicated that inadequate funding is a barrier in schools to providing effective mental health services to students.

Given that these barriers impact students' ability to access the treatment and services needed to be successful, the Department of Public Instruction (DPI) reviewed its previous interpretation prohibiting the use of state and federal funds to pay for mental health treatment costs. Since that interpretation to prohibit the use of such funds for treatment went into effect in 1991, changes in statute, and subsequent interpretation by courts, have occurred and DPI has modified its interpretation in line with those changes.

Current Statutory Interpretation

It is now DPI's position that state and federal grant funds *may* be used to pay for treatment costs for students for mental health and Alcohol and Other Drug Abuse (AODA) services that are ***school-based***, meaning that they occur **at a school or district building**. This includes students receiving treatment via telehealth **as long as the student is receiving that service in a school or district location**. Treatment must be provided by a professional licensed to provide mental health or AODA treatment in Wisconsin. The key factor is where the service occurs. These services must be school-based; **state and federal grant funds cannot be used to pay for these costs if the treatment or service is provided off of school district property**.

Some funding sources (e.g., Substance Abuse and Mental Health Services Administration [SAMHSA] grants, Title IVA) may have additional requirements that are necessary when using funds for treatment services. Always check specific grant guidelines for necessary additional information.

DPI recommends that prior to exercising this funding option, districts consult their district legal counsel. The provisions of any service that may be interpreted as medical requires compliance with a variety of federal and state laws. While DPI provides some general guidelines around best practices below, how districts implement this statutory interpretation will be determined by local school boards through consultation with district legal counsel.

General guidelines for using *state and federal grant funds* to cover mental health treatment costs for Wisconsin students.

- Grant funds can only be used for treatment costs when the treatment or service occurs at a school building or facility. This requirement is addressed in the grant assurances. When



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the Local Education Agency (LEA) signatory signs the assurances, they are stating that they will only be covering treatment costs under this condition.

- Grant funds cannot be used for the prescribing of medications or for the cost of medications.
- It is recommended that funds covering treatment costs are part of a comprehensive system that includes mental health promotion, early intervention, as well as treatment and crisis response. Preventing student mental health crises will reduce the need for treatment services. For that reason, it is recommended that LEAs determine a maximum amount, not to exceed 20 percent of grant funds, that will be budgeted for school-based treatment costs.
- It is recommended that third party insurers be billed for services when available and when it is not a barrier to a student accessing needed services.
- It is recommended that LEAs work with their school board and local legal counsel to determine a process and procedure for:
 - a. identifying the students and families in greatest need of the assistance;
 - b. ensuring that the distribution of the treatment funds is equitable; and
 - c. determining how billing and payment will occur.
- As the fiscal agent, the LEA is responsible for establishing agreements with providers for the provision of services and the methods of payment. It is recommended that LEAs have a memorandum of understanding (MOU) or contract in place with the relevant providers to ensure proper implementation of this statutory interpretation.
- It is recommended that LEAs have a sustainability plan for the continuation of treatment services for students in the event that grant funds are no longer available. This is a significant risk when relying on “soft” money to cover treatment costs. Removing treatment services for a student after grant funds are depleted, if the family cannot otherwise pay to continue the services, may cause significant harm.

Please consult with specific grant program managers for additional federal or state requirements attached to statutorily-authorized funds.

Summary

DPI recognizes that there are considerable barriers to providing access to needed mental health and AODA services. Local schools and communities are in the best position to know what is needed to support students and increase access to mental health and wellness services for all students. Addressing the mental health and AODA needs of our students requires a multi-faceted approach which goes well beyond treatment, however, students in crisis need an increased level of support. This new statutory interpretation allows LEAs to prioritize their needs by reducing some restrictions on funds.

References



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The White House. 2022. "Reducing the Economic Burden of Unmet Mental Health Needs."

<https://www.whitehouse.gov/cea/written-materials/2022/05/31/reducing-the-economic-burden-of-unmet-mental-health-needs/>.