

## 2023-25 State Budget: Mental Health

# Governor's Budget Proposes a more Extensive Behavioral Health System that Better Supports Counties and Schools

March 27, 2023

Everyone in Wisconsin, regardless of what county they live in, deserves to live in a community that supports their health and wellness, including access to quality, affordable mental health and substance use disorder services. Governor Evers' proposed budget expands access to behavioral health care, strengthens schools' abilities to provide mental health supports to students, invests in peer support, and provides millions in funding to county behavioral health services.

### Bolstering mental health in Schools

Youth are experiencing a mental health crisis. However, this crisis is not felt equally. According to the National Survey of Children's Health, about 1 in 4 Black children, 1 in 5 Latine children, and more than 1 in 2 Native American children were diagnosed with or reported to have anxiety or depression in Wisconsin. This is in contrast to about 1 in 7 white children. These disparities are not surprising given the blend of significant [stress Black and Brown families experienced](#) during the early days of the pandemic, and Wisconsin's history of systemic racism. Wisconsin ranks among [the worst states in the nation for racial inequality](#).

A substantial investment is needed to support children's mental health. The proposed budget includes an increase of **\$36 million to expand school-based mental health services** to include school counselors, psychologists, and nurses as well as social workers.

The budget also proposes **\$236 million for comprehensive school mental health systems**. Rather than schools having to rely on competitive grants, this funding would be distributed on a per pupil basis, giving schools a more stable, reliable source of funding to provide mental health supports.

[Mental health](#) is a combination of one's social, psychological, and emotional well-being. Mental health affects how we cope with stress, interact with others, and make decisions. Conversations regarding the importance of mental health are more prevalent recently, but stigma around mental health diagnoses and treatment still exists. Severe mental illnesses are disorders that substantially interfere with or limit one or more major life activities, such as caring for oneself, communicating, and working.

The governor's budget would also better fund school services, which Medicaid helps to cover, by sending **more federal dollars back to schools** for providing services. The governor's budget estimates that this change would result in **\$112 million additional funding for school-based services**.

Better funding schools so they can meet students' mental health needs is critical. Further, policymakers should consider targeting some of these resources to students of color who have been disproportionately impacted by the pandemic and are more likely to report or be diagnosed with anxiety and/or depression.

## Investing in Medicaid to Improve Mental Health and Substance Use Services

Medicaid—including BadgerCare which insures mostly children, parents, and adults with lower incomes—is the [largest payer for mental health services in the US](#). Medicaid expansion, which the governor proposed in his budget would likely increase access to mental health treatment and decrease instances of people delaying care due to costs. In addition, the governor's budget also expands the scope of mental health and substance use services that are reimbursable through Medicaid and increases rates for existing services. This means that more people can access the supports that work for them, and providers will be better compensated for providing that care.

Most notably, the budget proposes that **Wisconsin pay the non-federal cost of Wisconsin's Community Support Program**, which offers community-based care and treatment for adults living with a [severe mental illness](#) diagnosis that interferes with daily living. Statewide, this would free up roughly \$20 million per year that counties can use to meet other community needs.

The proposed budget also invests in Medicaid by:

- Increasing reimbursement rates for outpatient mental health and substance use disorder services
- Allowing Medicaid to reimburse non-county providers for [psychosocial rehabilitation](#) services and pay for room and board at residential substance use disorder treatment facilities

## Strengthening peer-delivered services

People with lived experience of mental health and substance use challenges are uniquely positioned to provide support to others who are navigating the behavioral health system. Many [studies](#) have demonstrated the effectiveness of peer support services in reducing hospitalization, increasing use of outpatient services, and improving quality of life. The Governor's proposed budget makes several important investments in peer support services.

- Expanding Medicaid benefits to cover peer support specialist services
- Stabilizing funding that supports a [peer-run respite](#) for veterans
- Increasing support for existing [peer recovery centers](#) and development of two new centers in counties without this resource

## Creating a behavioral health treatment program for people who are deaf and hard of hearing

The Governor's budget recommends providing funding to establish a behavioral health treatment program for individuals who are deaf, hard of hearing, or deaf-blind. To improve the quality of care and diagnostic accuracy, services through the program would be offered by health care providers fluent in American Sign Language and aware of the culturally unique difficulties experienced by individuals who are deaf, hard of hearing, or deaf-blind who are seeking behavioral health treatment.

## Reforming and better funding emergency mental health and crisis services

Wisconsin's emergency mental health system relies heavily on law enforcement, hospital emergency departments, and jails—none of which were designed to meet the needs of people experiencing a mental health emergency.

This has meant that people with mental illness are significantly overrepresented in jails and prisons. According to the [National Alliance on Mental Illness](#), about two in five people who are incarcerated have a history of mental illness, and more than half of people report not receiving treatment in jails and prisons.

Furthermore, systemic racism has meant that people of color in Wisconsin are even more likely to be incarcerated for mental health or substance use-related emergencies, instead of receiving the actual care they need.

The governor's budget proposes funding two new **regional crisis urgent care and observation centers** with staff who are better trained to support people with behavioral health needs. The two regional centers would also better utilize law enforcement because these facilities would be able to accept people without requiring officers to wait through the often lengthy emergency department medical clearance process.

The governor's budget also **increases funding to the state's "988" suicide and crisis lifeline** and other suicide prevention initiatives, as well as proposing to use general purpose revenue to ensure **youth crisis stabilization facilities** in Wisconsin have a reliable, continued source of funding. The proposed budget also allocates \$1.8 million to develop a **psychiatric residential treatment facility**, which would provide treatment for up to 25 children and youths under the age of 21 with complex behavioral health conditions. Lastly, it includes funding to **expand the [Juvenile Treatment Center](#)** at Mendota Mental Health Institute.

## Expanding behavioral health care for people involved in the criminal justice system

The proposed budget also increases support for people with mental health diagnoses who are or have been involved with the criminal justice system, including funding to expand [Opening Avenues to Reentry Success](#) and developing a forensic [assertive community treatment](#) team model of care that helps divert people from incarceration and hospitalization and provides treatment in the community.

## Legalizing marijuana and using revenues to fund county behavioral health

Lastly, the Governor's budget boldly proposes to fully legalize marijuana and direct those revenues to support each county's behavioral health services and systems. Marijuana is legal in 21 states and the District of Columbia, including Michigan and Illinois. The proposal would establish retail and wholesale taxes and direct those revenues to a community reinvestment fund to support county-delivered mental health and substance use disorder treatment. The Legislative Fiscal Bureau estimates **legalization and taxation would generate about \$44 million in the second year of the budget.**

Legalizing marijuana may help reduce racial disparities in arrests and criminal justice involvement. Additionally, allowing people with prior convictions to petition for review or dismissal would help address past instances of over-policing Black and brown people related to marijuana use. According to the [Wisconsin ACLU](#), Black people are six times more likely to be arrested for simple possession compared to white people — despite the fact that [studies show](#) white people are just as likely to use marijuana.

Governor Evers' proposed budget creates a more robust mental health system, better equips schools to provide care, expands the continuum of care, and rethinks the role of law enforcement in addressing mental health crises. Addressing student's mental health needs as well as strengthening programs that prevent and divert from more intensive services or the criminal justice system will likely improve quality of life for families and communities, reduce trauma and stress from incarceration or forced hospitalization, and reduce costs associated with confinement in jails, prisons, and psychiatric hospitals.

## Contact

William Parke-Sutherland, [wparkesutherland@kidsforward.org](mailto:wparkesutherland@kidsforward.org)

# About Kids Forward

Kids Forward inspires action and promotes access to opportunity for every kid, every family, and every community in Wisconsin, notably children and families of color and those furthest from opportunity. Using a research- and community-informed approach, we advocate for effective, long-lasting solutions that break down barriers to success for children and families. Visit [kidsforward.org](https://kidsforward.org).

An initiative of Kids Forward, the **Wisconsin Budget Project** is working to enact transformative change with the goal of constructing a new, more equitable economy. Visit [wisconsinbudgetproject.org](https://wisconsinbudgetproject.org).

