



Where are the Federal discretionary funds in FY'23?

January 13, 2023

Overview

Because we are asked routinely about the availability of discretionary federal funds that could be tapped by our clients, we have developed this overview focused on earmark opportunity and federal grant opportunities that would be unique to your organization and initiatives. The memo does not cover federal health policy changes that could also steer more funding to you.

Earmarks

Both the Senate and the House are expected to allow earmarks (Congressionally directed spending) in 2023 – now for the third time in three consecutive years – after a 10-year ban. Congress is expected to allocate about \$13 billion for all earmarks this year, in line with previous years, or about 1% of discretionary spending. Health care earmarks are mostly embedded in the HRSA appropriations account, but not exclusively. Both the House and Senate Appropriations Committees will establish rules within the next few weeks for the 118th Congress that will outline how the process will work. We expect that Members of Congress will continue to establish their own deadlines and process for receiving earmark requests and we encourage you to keep tabs on your delegation's websites.

OUR RECOMMENDATION: It can't hurt to ask for an earmark. Make the request to Members of your delegation (we can help craft the request) and follow the specific rules outlined by your Senators and Representatives. Not all Republicans will do earmarks (almost all Democrats will).

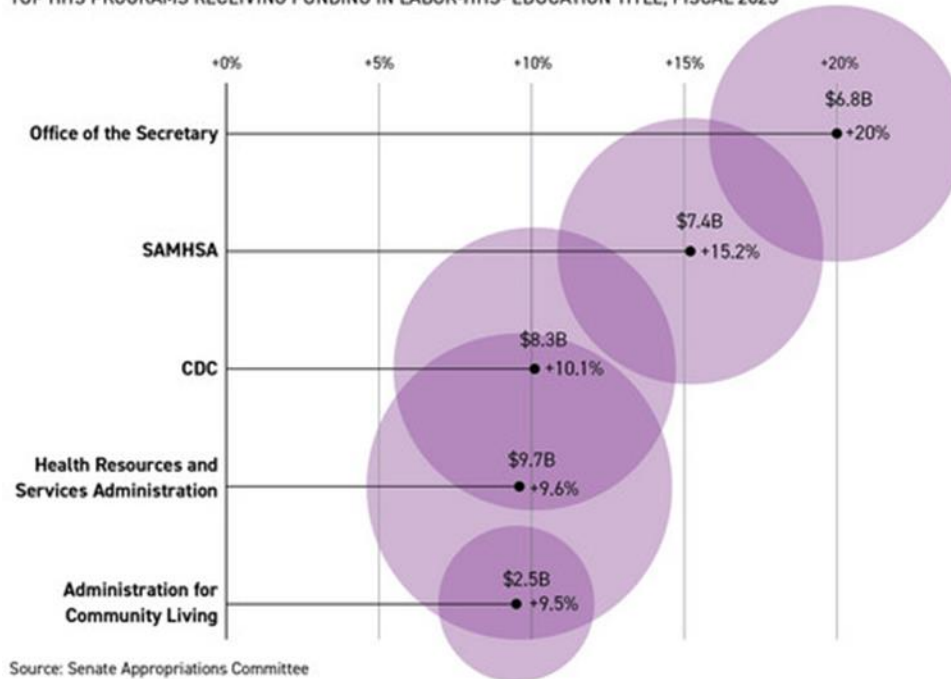
CAUTION: If the House and Senate are unable to agree on a new FY 2024 budget by the end of the year, Congress could pass a Continuing Resolution (CR), which would likely negate all earmark requests for the length of that CR. Additionally, the House has said it will allow floor amendments on the Appropriations Bills – that means all earmarks could be subject to floor amendments. We will keep you informed as we learn additional information.

Federal Grants

This is where the treasure trove of discretionary federal funding exists. From 2008 through 2011, Congress cut grant funding substantially over budget issues. During the past year, Congress has passed numerous bills that have contained billions of new grant dollars – most of it for mental, behavioral and substance abuse programs. HHS received \$1.25 trillion in the FY23 omnibus package. The Office of the Secretary and SAMHSA saw the biggest increases over last year, as the Biden administration remains focused on combating the mental health and drug overdose crises. This chart says it all:

Secretary's office, SAMHSA receiving the largest percentage bumps to funding

TOP HHS PROGRAMS RECEIVING FUNDING IN LABOR-HHS- EDUCATION TITLE, FISCAL 2023



The following summary is not meant to be exhaustive, but it will give you a clear picture of where much of the new grant funding for providers is anchored. At a minimum, you should reassess your grant research, writing, editing abilities. **Much of the new funding has NOT yet been programed for release. We anticipate more grants being released this spring.**

From the FY 2023 Year-End Omnibus Spending Bill:

Mental Health Funding

- \$1.01 billion for the Mental Health Block Grant to provide mental health treatment services and support community mental health services.
- \$385 million for Certified Community Behavioral Health Clinics.
- \$140 million for Project Aware to expand efforts to identify and help children and youth in need of mental health care.
- \$130 million for Children's Mental Health Services.
- \$111 million for Department of Education programs designed to increase the availability of mental health services in schools, including by expanding training programs to prepare new school counselors, social workers and psychologists. Click [here](#) for more Department of Education health care grants from the Bipartisan Safer Communities Act and the FY 22 Omnibus Appropriations Bill.

Opioids and Substance Abuse Funding

- \$4.9 billion, an increase of over \$345 million over FY2022 levels, to address opioids and substance abuse.
- Nearly \$1.6 billion to states to address the opioid epidemic through the State Opioid Response Grant.

- A \$100 million increase for the Substance Abuse Prevention and Treatment Block Grant.
- \$111 million for medication assisted treatment.
- \$80 million to address the needs of children affected by the opioid crisis.
- \$145 million to help affected rural communities combat the opioid epidemic.

From the Bipartisan Safer Communities Act (passed in June 2022)

Many of the grants from this law are just beginning to roll out and grants for providers are likely to come from HRSA (click [here](#)) or SAMSHA (click [here](#)).

Sec. 11001. Expansion of Community Mental Health Services Demonstration Program.

- This provision expands the existing Medicaid certified community behavioral health clinic (CCBHC) demonstration program nationwide to increase access to community based behavioral health services. Up to 10 new states may opt into the demonstration every two years.

Sec. 11005. Pediatric Mental Health Care Access program reauthorization.

- Reauthorizes the Pediatric Mental Health Care Access (PMCHA) grant program for five years and expands teleconsults into emergency departments and schools.
- Administered by HRSA, the program supports state or regional networks of pediatric mental health care teams through teleconsultation, training, technical assistance, and care coordination for pediatric primary care providers to diagnose, treat, and refer children with mental health conditions.

Existing Grants – this includes those grants that have been expanded by new laws and could be utilized by providers:

Department of Health and Human Services Appropriations - Mental Health Training for Primary Care Providers.

- Appropriates \$60 million over five years for training in mental health for primary care clinicians who treat children and youth through HRSA’s Primary Care Training and Enhancement Program.

Pediatric Mental Health Care Access (PMCHA) grant program.

- Appropriates \$80 million over four years in HRSA to support pediatric primary care providers to rapidly access mental health specialists’ expertise in guiding the treatment of their patients.

Community Mental Health Services Block Grant.

- Appropriates \$250 million over four years for SAMHSA’s Community Mental Health Block Grant program that provides states, DC, and territories with flexible funding to provide comprehensive community mental health services.

Mental Health Awareness Training Grant Program.

- Appropriates \$120 million over four years in SAMHSA to prepare and train community members and first responders on how to appropriately and safely respond to individuals with mental disorders.

Mental Health Service Professional Demonstration Grant Program Accepting Applications for New Awards

- The U.S. Department of Education issued a notice inviting applications for fiscal year (FY) 2023 for the Mental Health Service Professional (MHSP) Demonstration Grant Program. The MHSP Program provides competitive grants to support and demonstrate innovative partnerships to train school-based mental health service providers for employment in schools and local educational agencies. Under this program, the Department estimates making 150-250 awards, ranging from \$400,000 to \$1,200,000, for each 12-month budget period for up to 5 years. Note that the deadline for this grant program is January 27, 2023. [Learn More](#)

Project AWARE.

- Appropriates \$240 million over four years for SAMHSA’s Project AWARE that increases awareness of mental health issues among school-aged youth, provides training for school personnel and other adults who interact with school-aged youth to detect and respond to mental health issues, and connects school-aged youth who may have behavioral health issues and their families to needed services.
- Provides a \$28 million set aside for grants to support trauma care in school settings.

National Child Traumatic Stress Network.

- Appropriates \$40 million over four years to SAMHSA’s National Child Traumatic Stress Network grant to improve treatment and services for children, adolescents, and families who have experienced trauma

Links to Current Grants for Providers

Click [here](#) for School safety grants – Providers may work in collaboration with school districts for these grants

Click [here](#) for the latest SAMHSA grants.

Click [here](#) for a HRSA grants overview.

Click [here](#) for the USDA’s Rural Development Broadband ReConnect Program.

Call/email me if you have questions. We hope this is helpful to you.

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