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Schools at the Front Line - Mental Health Care for Youth in California

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INTRODUCTION

In 2021, the U.S. Surgeon General released an advisory declaring youth mental health a national crisis.[1] Youth today face a variety of stressors, including academic pressure, social concerns about physical appearance and how others perceive them, and general anxiety over the news. Schools have traditionally been seen as safe environments for youth and key access points for support. As such, providing integrated mental health care in schools is identified as one of the most effective approaches to addressing the mental health crises.[2]

Unfortunately, current research in California reveals persistent shortages of mental health professionals, inconsistent screening practices, and uneven access to services. While the state has made significant investments in mental health services, wide gaps still remain in a system that is largely reactive and fails to provide universal preventative care.

This brief contends that California's school-based mental health framework is structurally inadequate because it relies on reactive, eligibility-based services, leaving many general education students without access to needed support. To address this gap, the state must ultimately shift towards a comprehensive system that ensures early identification and intervention for all students.

[1] U.S. Surgeon General, Advisory on Youth Mental Health, 2021, https://www.hhs.gov/sites/default/files/surgeon-general-youth-mental-health-advisory.pdf.
[2] *See* Paulette Cha et al., *Teen Mental Health and School-Based Services in California*, Public Policy Institute of California (Jan. 2026), https://www.ppic.org/publication/teen-mental-health-and-school-based-services-in-california/.

This brief first outlines the scope and severity of the youth mental health crisis, then examines the limitations of current legal requirements for school-based services. It next analyzes state and federal funding streams. Lastly, the brief identifies policy opportunities to support youth through universal screening, improved reimbursement structures, and targeted investments in the mental health workforce.

THE SCALE OF THE MENTAL HEALTH CRISIS AND THE LACK OF ACCESSIBLE SUPPORTS

94%	**of California youth ages 14-25 report mental health concerns in an average month.[3]**
42%	**of high school students nationally reported persistent sadness or hopelessness in 2021 – up from 26% in 2009.[4]**
527:1	**students per counselor in California public schools, over double the recommended 250:1 ratio. Only five states have fewer counselors per student.[5]**
49%	**of public schools nationally provide diagnostic assessments to evaluate students for mental health disorders.[6]**
38%	**of public schools nationally offer mental health treatment services to students.[7]**

[3] Children Now, "California Children's Report Card," (Jan. 2026), https://go.childrennow.org/2026-california-childrens-report-card.
[4] Matthew Stone, *Why America Has a Youth Mental Health Crisis, and How Schools Can Help*, Educ. Week (Oct. 16, 2023), https://www.edweek.org/leadership/why-america-has-a-youth-mental-health-crisis-and-how-schools-can-help/2023/10.
[5] Carolyn Jones, *California made a historic investment in school counselors. Is it enough?*, EdSource (Mar. 1, 2022), https://edsource.org/2022/california-made-a-historic-investment-in-school-counselors-is-it-enough/668168.
[6] National Center for Education Statistics, *Mental health services in public schools* (2024), https://nces.ed.gov/fastfacts/display.asp?id=1130.
[7] *Id.*

Mental health issues among youth in California are well documented. According to a recent report, "about 3 in 10 California children ages 12 to 17 have reported serious psychological distress" in recent years.[8] Youth of color report higher levels of distress than their white peers, and girls report substantially worse mental health than boys. Importantly, when left unaddressed, mental health issues like anxiety and depression can cause a student to struggle with attendance, concentration, and general behavior. This may manifest negative outcomes for students, including delinquency, drug use, and permanent disengagement from school.[9] Given the scope of need and the serious consequences of inaction, California must focus on meeting students' mental health needs before they escalate.

In January 2026, California received a "C-" in supporting mental health, according to an evaluation by the advocacy organization Children Now.[10] The evaluation highlighted the difficulty parents have in accessing mental health services for their children. This is corroborated by the finding that more than half of parents surveyed through the National Survey of Children's Health reported it was difficult or impossible to obtain mental health care for their child, with denials by health plans cited as a major barrier.[11]

Providing mental health services in schools can help address common barriers to access; however, schools often do not provide sufficient mental health resources. A report by the National Center for Educational Statistics found the primary factor limiting a school's efforts to provide mental health services is inadequate access to licensed mental health professionals, followed by inadequate funding.

Along with efforts to increase funding, efforts to expand school-based services must also directly address workforce capacity. Several issues contribute to the workforce shortage, including insufficient educational and licensing pathways for training new professionals, inadequate payment structures,

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[8] Cha et al., *supra* note 2.

[9] Jennifer DePaoli and Jennifer McCombs, *Student Mental Health and Education*, Learning Policy Institute, (July 9, 2025), https://learningpolicyinstitute.org/product/student-mental-health-education-factsheet.

[10] Children Now, "California Children's Report Card," (Jan. 2026), https://go.childrennow.org/2026-california-childrens-report-card.

[11] Id.

and burnout.[12] For example, nearly 50% of licensed and unlicensed mental health providers report physical or emotional exhaustion, and about 40% experience dread when thinking about work.[13]

SCHOOL OBLIGATIONS REGARDING MENTAL HEALTH

Under current law, California schools are not required to provide comprehensive mental health care to all students. Instead, obligations arise under specific legal frameworks that have explicit qualifications.

Under the federal Individuals with Disabilities Education Act (IDEA), students with special educational needs who have an Individual Education Plan (IEP) may receive mental health services when necessary to provide a free appropriate education. To qualify for an IEP, students must have a qualifying disability that interferes with their education. Once a student qualifies, IDEA's funding mechanism covers educationally related mental health services specifically included in the student's IEP. However, and importantly, preventative care is not required under IDEA.

Another federal law, Section 504 of the Rehabilitation Act of 1973, requires schools to provide accommodations for students with mental health conditions. Accommodations may include modified schedules, access to counseling, or behavioral support. But Section 504 generally provides fewer and less comprehensive services than IDEA.

Aside from disability-related requirements, California falls short of requiring comprehensive mental health services to be available in schools. For example, Education Code section 49428.1 requires the state education department to develop referral protocols for students with behavioral health concerns but does not require schools to *use* them. Under Education Code section 49600, school districts are "urged to" provide counseling programs but again are not required to do so.

Further, the multi-tiered system of support (MTSS) is a framework used to provide students with tiered, increasing levels of intervention, with universal screening as a common component.[14] Tier 1

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[12] *California's Behavioral Health Workforce: Progress, Gaps, and What Comes Next*, Steinberg Institute, (March 16, 2026), https://steinberginstitute.org/californias-behavioral-health-workforce-progress-gaps-and-what-comes-next/.

[13] *Id.*

[14] Eesha Pendharkar, *MTSS: What Is a Multi-Tiered System of Supports?*, Educ. Week (Oct. 13, 2023), https://www.edweek.org/teaching-learning/mtss-what-is-a-multi-tiered-system-of-supports/2023/10.

covers universal instruction for all students, Tier 2 provides targeted small-group support, and Tier 3 offers intensive, individualized intervention. If a student's needs are not being met by one of the tiers, these screenings should help educators identify which students might need special education services. In California, MTSS's ties to funding grants make it a heavily implemented district-by-district approach, but no law mandates its use, nor calls for audits through an accountability system.

Ultimately, schools are not required to provide universal mental health screening or preventative mental health services for students who do not qualify under IDEA/Section 504. In the absence of mandatory requirements, access to services is often left to district discretion, resulting in significant gaps in care.

FUNDING STREAMS

The problems in California's school-based mental health system are not only a result of limited mandates, but also because of how services are funded in practice. Even when schools have discretion to provide services, the availability and scope of those services are heavily shaped by fragmented funding streams. In this landscape, students who do not qualify for formal accommodations under the law often receive little to no mental health support at school, making their access to services dependent on family resources.

SPECIAL EDUCATION FUNDING

At the federal level, IDEA provides funding to states and school districts to help cover special education costs. As described above, the statute ensures free appropriate public education (FAPE) for children, as well as funds teacher salaries, specialized services, and technology. However, the use of the funding is specifically limited to youth with qualifying disabilities. As a result, IDEA cannot be used to support preventative or mental health services for the broader student population. This contributes to ongoing gaps in school-based care, where general education students may fall through the cracks.

MEDI-CAL (MEDICAID)

Medi-Cal is California's Medicaid program and provides free or low-cost health coverage to low-income families. Enrollment is associated with improvements in youth

mental health[15] and programs funded under Medi-Cal are essential to providing mental health services, such as Early and Periodic Screening, Diagnostic, and Treatment (EPSDT).[16] Under EPSDT, all enrolled youth under the age of 21 must be regularly provided with prevention, diagnostic, and treatment services, such as comprehensive physical and behavioral health screenings. When a mental health issue is detected, Medi-Cal must cover all medically necessary treatment services. A service is medically necessary when it corrects or ameliorates conditions that can affect a child's growth and development.

California allows Local Educational Agencies (LEA) to bill Medi-Cal for covered services to all eligible students, not just those with an IEP. [17] Schools can receive reimbursement for services provided on campus through qualified staff, including therapy, screening, staff salaries and benefits, and necessary supplies. However, the system is difficult to maximize because it is retroactive. LEAs pay for the services upfront, then later file for reimbursement of only 50% of the cost for each individual service.[18]

As compared to other states, California schools bill far less, and receive significantly less in Medicaid reimbursements. [19] In response, AB 483, passed in 2023, encouraged schools to bill for more services by seeking to simplify and expend schools' ability to claim federal Medicaid reimbursement. [20] This has the potential to substantially increase the amount of federal Medicaid funding available to schools for student mental health services, particularly in districts serving large numbers of Medi-Cal-eligible students.

ADDITIONAL FUNDING STREAMS

California public schools also receive funding through the Local Control Funding

[15] Paulette Cha et al., *Young Children's Mental Health Improves Following Medicaid Expansion to Low-Income Adults*, 23 J. Acad. Pediatrics Assoc. 3 (2023), https://www.academicpedsjnl.net/article/S1876-2859(22)00434-X/abstract.
[16] Cindy Mann et al., *No Place to Hide: Children Will be Hurt by Medicaid Cuts*, Manatt Health (May 6, 2025), https://www.manatt.com/insights/white-papers/2025/no-place-to-hide-children-will-be-hurt-by-medicaid-cuts.
[17] Local Educational Agency (LEA) Billing and Reimbursement Overview (Feb. 2025), https://mcweb.apps.prd.cammis.medi-cal.ca.gov/assets/87F0BA57-6066-4162-B816-73249C39B971/locedbil.pdf?access_token=6UyVkRRfByXTZEWIh8j8QaYylPyP5ULO (last visited May 15, 2026).
[18] *LEA Program Overview*, California Department of Health Care Services, https://www.dhcs.ca.gov/provgovpart/Pages/LEADescription.aspx (last visited May 15, 2026).
[19] Press Release, Assembly Member Al Muratsuchi District 66, Governor Gavin Newsom Signs Assembly Bill 483 to Enable California Schools to Bill for More Federal Medicaid Funding for School-Based Health and Mental Health Services (Nov. 16, 2023).
[20] AB 438 (Rubio) (Chapter 901, Statutes of 2024), https://leginfo.legislature.ca.gov/faces/billCompareClient.xhtml?bill_id=202320240AB483&showamends=false.

Formula (LCFF), Proposition 1, expanded learning and after-school programs, and grants and partnerships. LCFF is an equitable funding system that distributes state grants to LEAs based on student needs. It provides base and supplemental funding for counselors and supports to districts for low-income students and foster youth. LCFF is the main source of funding for California schools, comprising "roughly $4 out of $5 that K-12 schools receive from the state budget and local property revenue."[21]

Another program, the California Youth Behavioral Health Initiative (CYBHI), is a five-year, $4.7 billion initiative under the Governor's Master Plan for Kids' Mental Health.[22] CYBHI directly targets youth and family support by providing integrated behavioral health services like screenings and counseling in schools. The program partners with Medi-Cal to reimburse schools for eligible support provided.

Additional funding streams exist through sources like state grants and after-school/expanded learning programs, which are often tied to specific requirements.[23] Federal grants are also made available by the U.S. Department of Education, such as the grant for school-based mental health services and for mental health professional partnerships.[24] While some statewide education departments across the nation received these grants, very few California school districts have been recipients. This is likely due to the prioritization of high-need LEAs, often in rural areas, and due to the strict eligibility requirements such as a formal partnership agreement with a higher education institution.[25]

Proposition 1, passed by voters in 2024, is a two-part measure consisting of the Behavioral Health Services Act and Behavioral Health Bond, which authorizes a $6.4 billion bond to finance behavioral health treatment beds, housing, and community sites. However, it does not directly target schools.

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[21] Johnathan Kaplan, *California's Local Control Funding Formula: Next Steps Toward Equity,* Learning Policy Institute, (Feb. 12, 2025), https://learningpolicyinstitute.org/product/ca-lcff-next-steps-factsheet.
[22] Governor Newsom's Master Plan for Kids' Health, (Aug. 2022), https://cybhi.chhs.ca.gov/wp-content/uploads/2023/04/KidsMentalHealthMasterPlan_8.18.22.pdf.
[23] California Dep't of Educ., Local Educ. Agency Grants, https://www.cde.ca.gov/sp/se/as/leagrnts.asp#:~:text=The%20Mental%20Health%20Average%20Daily,prior%20year%20P%2D2%20ADA.
[24] U.S. Dep't of Educ., Grants for Birth to Grade 12 Safe and Supportive Schools, https://www.ed.gov/grants-and-programs/grants-birth-grade-12/safe-and-supportive-schools.
[25] School-Based Mental Health Services Grant Program, 90 Fed. Reg. 46573 (Sept. 25, 2025).

As part of the implementation plan, by July 1, 2026, California counties must submit a three-year integrated plan for behavioral health services and report annually on outcomes.

Finally, in Governor Newsom's Proposed Budget for 2026–27, about $90.5 billion in state funds will go towards K-12 education, with the majority ($88 billion) being funded through the general fund.[26] A summary by the Legislative Analyst's Office (LAO) indicates that the Governor's budget proposes $1 billion to support the community school models. [27] Community schools implement a "whole-child" strategy in which schools partner with local agencies, including behavioral health agencies, to provide students and families with on-site services that can include health and mental health services.[28] The programs also provide social services, such as parenting classes and housing support. [29] This all-inclusive approach removes barriers for families such as navigating new facilities for each service and re-telling a student's trauma each time. The Governor's proposed budget will fund about 2,500 schools that have already received a one-time community school grant, as well as provide funding eligibility to about 3,700 new schools on an annual basis.

POLICY RECOMMENDATIONS

Several key policy and funding gaps for school-based mental health services exist. First, the lack of universal access leaves significant openings for students with mental health issues to fall through the system's cracks. Since MTSS's universal screening is not currently mandated, the legislature could create a state-level entitlement to fund specific tiers like Tier 1 for universal screening and Tier 2 for early intervention, to encourage the system to screen non-IEP students. Since prevention-focused funding is currently underdeveloped, this is a prime area for growth.

Additionally, one of the highest potential areas to ensure more students have access to support is to expand insurance-based reimbursement under Medi-Cal, specifically CYBHI. For example, the state could expand the range of reimbursable preventive and early intervention services

[26] California's 2026-27 Governor's Budget (Jan. 9, 2026), https://ebudget.ca.gov/budget/p/2026-27/BudgetDetail.
[27] Gabriel Petek, Legislative Analyst, The 2026-27 Budget: K-12 Proposals, (Feb. 2026), https://lao.ca.gov/reports/2026/5131/2026-27_K-12_Proposals_021926.pdf.
[28] *See e.g.,* https://communityschools.fcoe.org/about/four-pillars-community-schools
[29] California Dep't of Educ., California Community Schools Partnership Program, https://www.cde.ca.gov/ci/gs/hs/ccspp.asp.

and ensure that medically necessary services are properly documented and billed. There is also an opportunity to expand eligible providers to include the use of associate-level clinicians, graduate trainees, and peer-support specialists. These expansions would generate ongoing funding and increase access to care for students in the general education population. The legislature can also invest in workforce funding pipelines such as loan forgiveness, residency programs for school psychologists, or moving incentives for high-need districts.

Moreover, policymakers can strengthen the state's LCFF funding scheme by increasing supplemental grant weights or reconsidering whether additional categories of vulnerable students should receive targeted funding. According to studies conducted in other states, "California's LCFF supplemental grant weight of 20% is at the lower end of the recommended range of 15%-40% for English learners and below the recommended range of 30%-81% for at-risk students."[30]

Lastly, California's investments in youth mental health can be enhanced through transparent, statewide reporting on which services students receive and whether students experience improved outcomes. With data on access, delivery, and effectiveness of services, lawmakers and advocates can determine which funding streams are most successful and base future policy around them. Linking funding to accountability measures would help ensure that investments translate into meaningful improvements in students' mental health.

CONCLUSION

California has invested billions of dollars and created numerous programs, but the state continues to struggle with workforce shortages and fragmented funding structures. To close this gap, the state should consider expanding universal supports, maximizing Medi-Cal reimbursement, and investing in preventative care in schools. Furthermore, increasing legal mandates and funding alone may not substantially improve access absent parallel efforts to expand provider capacity.

[30] Learning Policy Institute, "California's Local Control Funding Formula: Next Steps Toward Equity," (Feb. 2025), https://learningpolicyinstitute.org/product/ca-lcff-next-steps-factsheet.