



**NOTICE OF FUNDING OPPORTUNITY**  
**Strengthening Health Integration in Education for**  
**Kentucky Students (SHINE KY) School-Based Services**

Item	Description
Awarding Agency	Cabinet for Health and Family Services (CHFS), Kentucky Department for Medicaid Services (DMS)
NOFO Release Date	Feb 3, 2026
Deadline for Questions	Feb 13, 2026 at 5:00 PM ET
Q&A Posted	Feb 20, 2026
Informational Webinar	Feb 23, 2026 at 12:00 PM EST Registration link: <a href="https://events.gov.teams.microsoft.us/event/13f19a7e-814f-4904-a8c1-6e04d3dfc922@970ee799-8653-4a45-91b1-afe89f0c9df9">https://events.gov.teams.microsoft.us/event/13f19a7e-814f-4904-a8c1-6e04d3dfc922@970ee799-8653-4a45-91b1-afe89f0c9df9</a>
Deadline for Notice of Intent to Apply	Feb 27, 2026 at 5:00 PM ET
Deadline to Apply	Mar 13, 2026 at 5:00 PM ET
Grantee notification	May 1, 2026
Grant period	July 1, 2026 - June 30, 2027
Submit Questions, Notice of Intent to Apply, and Final Application to	<a href="mailto:SHINEKY@mslc.com">SHINEKY@mslc.com</a>

## NOTICE OF FUNDING OPPORTUNITY

### “Strengthening Health Integration in Education for Kentucky Students (SHINE KY) Local Grants to Support School-Based Services”

#### A. Announcement and Purpose

The Cabinet for Health and Family Services (CHFS), Kentucky Department for Medicaid Services (DMS) is making available grant funding to allow local education agencies to address critical gaps and enhance existing behavioral health services in its school-based Medicaid program.

The goals of the SHINE KY local grant are to:

1. Improve access to behavioral health and wellness services within school settings.
2. Integrate behavioral and mental health services into academic environments.
3. Promote early identification and intervention for student wellness needs.
4. Strengthen partnerships between schools, community partners, and families.
5. Advance health equity and reduce disparities in student access to care.

The purpose of this Notice of Funding Opportunity (NOFO) is to solicit applications that support the implementation and/or expansion of school-based behavioral health services across the Commonwealth. Funding will allow selected grantees to build or enhance their people, process, or technology systems infrastructure to support delivery and access to quality behavioral health services within school settings. This NOFO was developed with input from cross-sector collaborators and representatives from local schools, state agencies, advocacy groups, and relevant associations.

#### B. Background

Kentucky expanded its school-based Medicaid program in 2019 through a state plan amendment (SPA). The SPA expanded school-based service (SBS) coverage to all Medicaid- and Children’s Health Insurance Program (CHIP)-enrolled students. This important change to the state Medicaid plan allowed school districts the opportunity to hire qualified health professionals to deliver needed health care services and bill Medicaid for services provided to eligible students. However, limited understanding of billing requirements and processes for expanded services, staffing shortages of administrative and health care providers, and technology challenges have created barriers to implementation of expanded SBS across the state.

In July 2024, DMS was awarded a \$2.5 million, 36-month cooperative agreement for Medicaid SBS enhancement from the Centers for Medicare & Medicaid Services (CMS). This grant, entitled the *State Grants for the Implementation, Enhancement, and Expansion of Medicaid and CHIP SBS grant application (SBS grant)*, was part of the Bipartisan Safer Communities Act.

DMS was one of three awardees within the enhancement category, an opportunity offered to states that have expanded the coverage and billing of Medicaid services provided in schools to a

Medicaid- or CHIP-enrolled student by a Medicaid- or CHIP-participating provider, regardless of whether that service is provided pursuant to a student's Individualized Education Program / Individualized Family Service Plan, 504 Plan, or any other Medicaid-or CHIP-enrolled beneficiary.

DMS, the Lieutenant Governor's Office, Kentucky Department of Education (KDE), and the Department for Behavioral Health, Developmental and Intellectual Disabilities (DBHDID) worked collaboratively on the successful grant application. The grant-funded project is entitled Strengthening Health Integration in Education for Kentucky Students (SHINE KY).

As part of the grant application, DMS was required to conduct a stakeholder engagement campaign and submit a preliminary needs assessment on the current SBS program within the State at the time of the application. Awardees were required to submit a final needs assessment by January 30, 2025.

Key results from the needs assessment process identified:

- Shortages of qualified behavioral health providers, inadequate technical assistance and training, and overwhelming administrative burden.
- Engagement challenges such as lack of awareness, stigma, and negative experiences with SBS services.
- Technology and infrastructure barriers, including fragmented data systems, a lack of telehealth infrastructure, and Medicaid billing complexities.

DMS and its collaborators identified several key initiatives for the SHINE KY project to address these challenges and further expand school-based health and behavioral health services in school-settings, including this local grant program.

### **C. Award Information**

The grant period of performance is one year (July 1, 2026 – June 30, 2027).

Grantees can apply for up to \$250,000. DMS anticipates making approximately five to seven awards ranging from \$50,000 to \$250,000. Funding requests must be justified based on proposed activities and organizational capacity as demonstrated in the budget narrative. The requested funding amount cannot exceed the proposed cost per year, as entered in the Budget and Narrative template required for the application. Any indirect or administrative cost cannot exceed 10% of the award.

DMS is aware schools may make in-kind contributions (e.g., staff time, supplies, etc.) beyond the grant; however, there is no match required.

Selected grantees will be notified by DMS via email regarding the intent to contract for the distribution of funds. The contract will outline the expectations and establish a payment schedule. Grantees shall not commence activities until the contract is executed.

Funding is dependent upon availability of funds and grantee performance and evaluation findings.

## **D. Eligibility**

Eligible applicants include Local Education Agencies and regional collaborations among school districts. A Local Education Agency is a public local board of education or other legally constituted public authority that has either administrative control or direction of public elementary or secondary schools in a district or other political subdivision in the Commonwealth.

Applicants should already be enrolled as a Medicaid “Expanded Access” provider. If not already enrolled, the applicant should provide evidence in their NOFO response that their expanded access enrollment application has been submitted.

Expanded Access of School-Based Medicaid Services refers to the provision and reimbursement of medically necessary Medicaid-covered health services delivered in school settings to eligible students, regardless of whether the services are included in or required by an Individualized Education Plan (IEP). These services are intended to increase access to care, address students’ physical and behavioral health needs, and reduce barriers to receiving medically necessary services during the school day.

To become an Expanded Access provider, applicants would submit a [“Request for Medicaid SBHS Certification Amendment”](#) from KDE to indicate interest in adding Expanded Access. The amendment request may be submitted at any time during the year.

All eligible applicants are encouraged to apply including applicants demonstrating great need for behavioral health service expansion, rural applicants and those with limited capacity. Applications will be evaluated based on demonstrated need as outlined in the evaluation criteria, with consideration given to geographic diversity and capacity-building potential. DMS encourages applications that include effective partnerships to share costs of technology, systems, trainings, and referral networks.

## **E. Key Program Activities Supported by the Grant Program**

The SHINE KY grant program will build on State-provided trainings to enhance SBS. The funding will allow grantees to implement recommended enhancements to staffing, training, technology and / or outreach to make measurable enhancements to their SBS program. Activities funded through the grant should be sustainable past the grant period.

Applicants may select from one of the following three programmatic areas for grant support. Each programmatic area includes specific examples of allowable activities; however, this is not an exhaustive list. Grantees are encouraged to submit ideas to DMS regarding other potential use of funds during the NOFO question and answer process. Applicants must consider feasibility and sustainability of the activities proposed in the response.

### **1. Workforce capacity and training**

- Hire administrative (non-billable) staff to support expanded access, such as a billing expert or behavioral health services administrator. Please note, as the SHINE KY Project is federally funded, NOFO funds cannot be used to support salaries of any providers or contracts with organizations billing Medicaid for services.

- Fund specific staff training programs to enhance processes for coordinated care to support behavioral health expansion. This could include training on evidence-based practices such as the Collaborative Care Model, training on compliant documentation and coding, and training on maximizing technology for care coordination and billing.
- Contract with a billing company to develop billing policies, procedures and protocols to support Medicaid billing.

## **2. Technology adoption and enhancement**

- Implement tools, systems, and processes to enhance and sustain telehealth delivery (physical space, staff, technology, billing, training).
- Adopt or enhance clinical billing / documentation software to include behavioral health service documentation and to support billing and coordination of care (cover upfront cost / enhancement / integration).
- Implement joint data systems or dashboards for monitoring student behavioral health trends across schools.

## **3. Program expansion partnerships and education**

- Develop strategic plans to promote Medicaid / CHIP enrollment and service utilization (funding can be used towards events, materials development, contract development, etc.).
- Launch a comprehensive health education campaign among families and students to foster health literacy, build trust in school-based services, combat misinformation, and encourage consent form completion.
- Contract with third-party organizations, such as educational cooperatives, to deliver provider-focused technical assistance that promotes expanded access services and billing within the school district.

### *Key Resources to Reference:*

Please review the Kentucky SBS Technical Assistance Guide for information about enrolling and billing Kentucky Medicaid, which can be found here:

<https://www.education.ky.gov/districts/Pages/School-Based-Medicaid-Services.aspx>

You may also consult the Kentucky Department of Education website for general information on Medicaid SBS: <https://www.education.ky.gov/districts/Pages/School-Based-Medicaid-Services.aspx>

To learn more about addressing gaps in health care access, please see the Framework for Healthy Communities at <https://www.cms.gov/priorities/health-equity/minority-health/equity-programs/framework> from CMS. When designing your local grant project, you may consider incorporating Priorities 3, 4, and 5.

Any proposed technology projects including the use of Artificial Intelligence should ensure consistency with evidence-based practices. Applicants should consult DBHDID for additional guidance on this topic.

## **F. Unallowable Activities and Expenses**

Funds may not be used for any of the following:

- Cost sharing or matching any other state or federal funds.
- Supplanting existing state, local, tribal, or private funding of infrastructure or services, such as staff salaries, etc.
- Supporting salaries or contract funding for billable health care professionals who would seek Medicaid reimbursement during the grant period.
- Bonuses, incentives, or severance pay not supported by an approved plan or not related to the project's scope of work.
- Providing services, equipment, or supports that are the legal responsibility of another party under federal, state, or tribal law (e.g., vocational rehabilitation or education services) or under any civil rights laws. Such legal responsibilities include, but are not limited to, modifications of a workplace or other reasonable accommodations that are a specific obligation of the employer or other party.
- Providing goods or services not allocable to the approved project.
- Items or costs deemed not related to the project's scope of work.
- Construction.
- Capital expenditures for improvements to land, buildings, or equipment that materially increase their value or useful life as a direct cost except with the prior written approval of the State awarding agency.
- Equipment purchases not directly tied to the approved project deliverables or beyond the reasonable scope of the grant period.
- Lobbying.
- Fundraising or development activities.
- Costs of promotional items and memorabilia, including models, gifts and souvenirs.
- Costs of advertising and public relations designed solely to promote the grantee.
- Food / refreshments / alcohol unless specifically approved as part of the project or program activity.
- Entertainment costs (e.g., tickets, amusement, social activities, or related expenses).
- Fines, penalties, or costs of legal violations.
- Indirect costs not approved in the budget or outside of a negotiated indirect cost rate agreement (if applicable).
- Costs incurred prior to or after the grant award period.
- Costs related to personal use of property or services (e.g., personal cell phones, vehicles).
- Tuition reimbursement or scholarships for staff unless specifically approved and directly related to the project goals.

## **G. General Program Requirements and Technical Assistance**

DMS, or one of its agents, will manage grantee reporting, performance monitoring, technical assistance and general support, as needed or requested.

The grantee agency will hold responsibility for overall project administration, fiscal management, program implementation and reporting.

During the one-year period of performance, grantees will be required to:

- Participate in monthly virtual technical assistance calls with the cohort of grantees to support peer learning and support.
- Participate in monthly grantee one-on-one calls with DMS and other representatives from the SHINE KY Advisory Workgroup to share progress and challenges and identify any technical assistance needs.
- Submit brief monthly status reports including implementation progress, expenditure reports, success monitoring, any relevant outcome measures, and proposed sustainability plan. A template will be provided.

Within 90 days after the period of performance concludes, the grantee must submit a final report that includes a financial overview, performance progress including accomplishments and challenges, overall impact statement of how the project met the intended objectives, and a sustainability plan. A template will be provided.

DMS wants all grant projects to succeed. DMS, or one of its agents, will be available to grantees for assistance. Grantees will be provided with a dedicated email address to direct any questions and coordinate any technical assistance needs.

## **H. NOFO Information Session and Questions**

Final questions must be submitted by February 13, 2026 at 5:00 PM EST to [SHINEKY@mslc.com](mailto:SHINEKY@mslc.com).

DMS anticipates answering all questions by February 20, 2026. Answers to questions will be posted at <https://www.chfs.ky.gov/agencies/os/oas/Pages/grants.aspx> under Department for Medicaid Services.

A webinar session is planned for February 23, 2026 at 12:00 PM EST to address any additional questions directly with DMS. Attendance is not required to apply. Click [here](#) to access the link for the webinar.

## **I. Notice of Intent to Apply**

Interested applicants must submit a Notice of Intent (NOI) to apply by February 27, 2026 at 5:00 PM EST to [SHINEKY@mslc.com](mailto:SHINEKY@mslc.com).

The NOI must include the following:

- **Applicant information.** Provide the name, full address, school district, and contact information for your agency / organization / partnership and confirm your organization type(s) (e.g., LEA).

- **Attestation of representation.** Provide your full name, title, and attestation you are authorized to submit the NOI on behalf of the agency(ies) / organization(s) intending to apply.
- **Statement of intent.** Provide a statement of intent to apply and in which programmatic area(s).

The NOI is non-binding; however, you must submit an NOI to apply.

## J. Grant Application and Submission Requirements

### a. Formatting and Specifications

- All documents should be double-spaced using Arial, Calibri, or Time New Roman 11-point font with ½ inch margins, or use required templates if noted.
- Each component of the response should be clearly labeled according to the requirements in this section.
- All documents must be submitted to [SHINEKY@mslc.com](mailto:SHINEKY@mslc.com).

### b. Project Abstract (1 page maximum)

- Submit on agency / organization letterhead.
- Include the following information:
  - About the Organization:** Name, contact information, mission statement, number of students enrolled, and number of students receiving SBS services.
  - Statement of Need:** Clearly describe the problem the project will attempt to address.
  - Project Description:** Select the programmatic area or areas of focus, and describe the specific activities to be undertaken, goals, and intended outcomes.

### c. Project Narrative (8 pages maximum)

- Include the following information:
  - Organizational Structure and Partnerships:** Organizational chart that illustrates the staffing that will support the project, describes any existing partnerships or collaborative structures in place, describes the applicant's capacity to implement the project, and describes the school's current school-based health services offering and number of children served. Include a statement confirming status as an Expanded Access provider or explain how the applicant plans to become an Expanded Access provider within the grant period.
  - Community Need:** Describe the school population health needs that could be served through school-based health services and describe any limitations in providing SBS.
  - Project Description:** Describe your overall project mission and goals in detail for the programmatic area(s) selected, including how teams and

partners will work together to implement the necessary activities to achieve the goals, and a description of the anticipated impact on community need.

**4. Sustainability Plan:** Describe how you will sustain the impact of the project financially and programmatically after the grant funding concludes.

**5. Conflicts of interest:** List the names of individuals who have conflict of interest.

**d. Workplan (1 page maximum)**

i. Include a table illustrating activities and milestones to achieve the project goals.

**e. Budget and Narrative (use the template provided)**

i. Applications must include a detailed budget and narrative reflecting the funds requested to implement the project.

**f. Letter(s) of Commitment**

i. Applications must include a Letter of Commitment from all partnering organizations included in the project description, if applicable.

ii. Letters of Commitment should include name and contact information, purpose of the commitment, roles, and any relevant terms.

**K. Evaluation Criteria for Grant Applications**

DMS will evaluate grantee applications and make final selection decisions. Applications will be screened to ensure minimum eligibility requirements have been met, applications are complete, and on time. Incomplete applications will not be considered. Applications will be funded on a competitive basis.

DMS has continuously worked with stakeholders before and through the federal application process and in Years 1 and 2 of the SHINE grant. A SHINE KY NOFO Advisory Workgroup oversaw the development of the application form and the grant application evaluation criteria. Based on their feedback, the applications for SBS grants will be evaluated on:

- **Project Abstract (10%):** The applicant clearly and succinctly states the need, how the project will address the need, and describes the organization's capability to implement the project.
- **Project Narrative (40%):** The applicant demonstrates the expertise, experience, and resources to implement the project. The applicant clearly defines the need and provides compelling evidence to support the need. The project's goals, objectives, and activities are clearly stated and measurable. The applicant includes a sound plan for how the project will be sustained after the grant period ends.
- **Workplan (25%):** The objectives, activities and tasks, and milestones align with the project goals. The workplan timeline is reasonable and achievable.
- **Budget and Narrative (25%):** The proposed budget is realistic and justified and aligns with the project goals, objectives, and sustainability plan.

The chart below provides a standardized scoring criterion. To evaluate the proposals, the Review Team will use the Likert Scale, with 1 representing a low score and 5 representing a high score.

Score	Scope of Work Description
5 - Excellent	The response is <b>very</b> extensive, detailed, clear and informative and flows in a logical and sequential manner. It not only fully answers/addresses <b>all</b> aspects of the question/item but provides additional <b>relevant</b> information.
4 - Good	The response is extensive, detailed, clear, and informative and flows in a logical and sequential manner. It answers/addresses the aspects of the question/item, but not quite as extensively as an <b>Excellent</b> response.
3 - Middle of the Road	The response is clear and informative but lacks detail and explanations. There may be some gaps in logic. It merely answers/addresses the question/items but provides no additional information or insight into the plan.
2 - Fair	The response lacks clarity and information. There are gaps in the logic and flow of the answer. It fails to address some aspects of the question/item.
1 - Poor	The response has numerous gaps in logic, lacks information, is hard to follow and fails to provide a clear plan of implementation. It indicates that the applicant has little understanding of the question/item and/or has very poor plan of implementation.
0	The applicant failed to provide a response to the question/item.

DMS will select awardees based on the evaluation criteria outlined in this NOFO. DMS reserves the right to negotiate with selected applicants and may choose not to award all available funding if applications do not meet minimum quality standards. DMS reserves the right to seek clarification or request additional information from applicants, if deemed necessary.