

MEMORANDUM OF UNDERSTANDING
BETWEEN
THE OFFICE OF STATEWIDE HEALTH PLANING AND DEVELOPMENT
HEALTH PROFESSIONS EDUCATION FOUNDATION
AND
THE DEPARTMENT OF MENTAL HEALTH

A. RECITALS

1. The Health Professions Education Foundation (HPEF) is a nonprofit public benefit corporation established within the Office of Statewide Health Planning and Development (OSHPD) pursuant to the provisions set forth in California Health and Safety Code (H&S) § 128330, et seq. HPEF and OSHPD solicit and receive funds to provide for loan forgiveness and scholarship programs for various health professionals. One of the programs managed by OSHPD/HPEF, pursuant to H&S §18454, et seq., is the Licensed Mental Health Service Provider Education Program (LMHSPEP). This program is funded by license fees paid by psychologists, marriage and family therapists, and clinical social workers.

2. The Department of Mental Health (DMH) is responsible for administering the Mental Health Services Act (MHSA) that was approved by the voters in the November 2004 general election. Among other things, the MHSA requires that DMH prepare a five-year plan and promulgate regulations (9 C.C.R. section 3850 et seq.) that includes provisions for the development of mental health workforce education and training programs. California Welfare & Institutions Code (W&I) section 5822, subdivision (b), requires that the DMH five-year plan contain expansion plans for loan forgiveness and scholarship programs. DMH will be providing MHSA funds to OSHPD/HPEF to administer the Mental Health Loan Assumption Program (MHLAP).

3. The MHLAP is a program to make payments to an educational lending institution on behalf of an individual who has incurred educational loan debt while obtaining an education, provided the individual fulfills a commitment to work in the Public Mental Health System for a consecutive 12-month period, in a position that is hard to fill, or in which it is hard to retain staff, as determined by the County Mental Health Director. The Department of Mental Health has promulgated regulations regarding the MHLAP. (9 C.C.R. § 3850 et seq.)

4. For fiscal years 2009-10 and 2010-11, the MHLAP will function as follows. Applicants submit MHLAP applications to HPEF, which verifies the eligibility of each applicant using relevant DMH regulations. The County submits to HPEF a signed statement verifying that the applicant has made a commitment to work in a hard-to-fill position, or one in which it is hard to retain staff. HPEF submits eligible applications to the MHLAP Advisory Committee. The MHLAP Advisory Committee applies scoring criteria developed by HPEF and DMH, scores all applications, creates a list of recommended awardees and award amounts and forwards it to HPEF and DMH. HPEF staff verifies the loan balance and identifying information, such as Social Security number and county of employment, of each recommended awardee and may change the rank and award amount to reflect discrepancies. HPEF then submits preliminary statistics and a draft list of recommended awardees to DMH with any changes noted. DMH reviews the list and forwards its approval, denial or amendments to HPEF.

OSHPD/HPEF then submits the list to HPEF Board of Trustees (Board) for determination and approval.

The Board adopts the final list of recommended awardees and authorizes OSHPD to issue awards and enter into contracts with awardees.

5. OSHPD/HPEF has the infrastructure to operate a loan forgiveness program. DMH desires that OSHPD/HPEF operate the MHLAP. Therefore, OSHPD/HPEF and DMH agree as set forth below.

B. DEFINITIONS

1. "County" means a county mental health department and/or a city-operated program receiving funds pursuant to Welfare and Institutions Code section 5701.5. (9 C.C.R. § 3200.090.)

2. "HPEF Program Committee" means a standing HPEF committee appointed by the presiding officer of the OSHPD/HPEF Board of Trustees that will review the recommendations of the MHLAP Advisory Committee and DMH and present them to the HPEF Board of Trustees.

3. "MHLAP Advisory Committee" means a committee of persons appointed by OSHPD/HPEF for the purpose of reviewing and scoring loan applications, and recommending prospective awardees to DMH and the HPEF Program Committee. Members of the committee will be nominated by OSHPD/HPEF staff, DMH staff and County representatives, and selected by OSHPD/HPEF staff. The committee will ultimately be comprised of 50% DMH and County representatives and 50% OSHPD and HPEF representatives.

4. "Public Mental Health System" means publicly funded mental health programs/services and entities that are administered, in whole or in part, by the

County. It does not include programs and/or services administered, in whole or in part, by federal, state, county or private correctional entities or programs or services provided in correctional facilities. The Public Mental Health System does include publicly funded mental health program/services in juvenile justice facilities. (9 C.C.R. §3200.253.)

C. AGREEMENT

1. OSHPD/HPEF and DMH agree that OSHPD/HPEF will operate the Mental Health Loan Assumption Program (MHLAP) for Fiscal Years 2008-2009, 2009-2010 and 2010-2011 pursuant to the provisions of Welfare and Institutions Code section 5822, subdivision (b), and all relevant DMH regulations. Loan assumption opportunities will be made available to pay a portion of the educational loans of individuals who make a commitment to work in the Public Mental Health System in a position that is hard-to-fill or in which it is hard to retain staff, as determined by the County Mental Health Director, or his/her designee, for the county in which the individual is or will be working.

2. OSHPD/HPEF understands and agrees that DMH has the responsibility to administer the MHSA funds in accordance with the provisions of the Welfare and Institutions Code and Title 9 California Code of Regulations section 3850 et seq.

3. DMH understands and agrees that OSHPD/HPEF has the existing infrastructure and expertise to operate a loan forgiveness program.

4. OSHPD/HPEF may use the same application for the LMHSPEP and the MHLAP programs during State fiscal year 2008/2009. An addendum shall be added to the MHLAP application form to distinguish eligibility criteria for the two programs. In subsequent years, the MHLAP will have an application that is separate and distinct from the LMHSPEP application. The application will be developed collaboratively between DMH and HPEF.

5 OSHPD/HPEF responsibilities include the following:

- a. Lead statewide outreach efforts to market the MHLAP by communicating with applicants, Counties and the public regarding the MHLAP and by maintaining a website with the application, relevant documents and frequently asked questions;
- b. Provide guidance to Counties on the Counties' responsibility for verifying that the applicant is or will be employed in a Public Mental Health System position that is hard-to-fill or in which it is hard to retain staff;
- c. Accept and review applications for eligibility and completeness;
- d. Develop the list of recommended awardees using scores

provided by the MHLAP Advisory Committee;

e. For FY 08-09, forward list of applicants to the County Mental Health Directors, or designees, for the purpose of verification of applicant's county employment and for the County to determine whether employment is in a Public Mental Health System position that is hard-to-fill or in which it is hard to retain staff;

f. Electronically track applications in the Health Professions Student Application Monitoring System (HPSAMS);

g. Provide all eligible applications to the MHLAP Advisory Committee;

h. Train MHLAP Advisory Committee on scoring of applications;

i. Participate as members of the MHLAP Advisory Committee in the review and scoring of applications;

j. Provide staff support to the MHLAP Advisory Committee;

k. Verify loan balances of MHLAP recommended awardees;

l. Verify award amounts recommended by the MHLAP Advisory Committee based on available funding and applicant loan balances;

m. Provide list of recommended awardees to the Board;

n. Prepare and send correspondence advising applicants of the outcome of the award process;

o. Prepare, execute and monitor contracts with award recipients;

p. Review requests for service obligation exemptions and, if approved, amend contracts accordingly;

q. Disburse loan repayments directly to the loan servicer pursuant to the contract with the recipient.

r. Other duties as agreed upon by the parties to this MOU.

6. DMH responsibilities include the following:

a. Advise and assist OSHPD/HPEF on marketing the MHLAP program;

b. Determine annual allocation amounts for the MHLAP for each County and provide a list of the allocation amounts to OSHPD/HPEF;

c. Coordinate with Counties to facilitate compliance with County responsibilities in MHLAP program operation, including the verification by the County Mental Health Director, or designee, of applicant employment eligibility;

d. Participate as members of the MHLAP Advisory Committee in the review and scoring of applications;

e. Review list of awardees recommended by the MHLAP Advisory Committee and forward approval, denial, or amendments to OSHPD/HPEF;

f. Review and comment on contract template prepared by OSHPD/HPEF for the award recipients;

g. Report on the progress and outcomes of the MHLAP to MHSAs stakeholders and other concerned entities.

7. OSHPD/HPEF and DMH will collaborate on the development of the following MHLAP administration requirements:

- a. Determination of award cycles;
- b. Consultation and coordination with the Counties to develop uniform applicant eligibility and scoring criteria for the MHLAP;
- c. Development of the application and application process for use in the FY 09-10 and 10-11 cycles.

8. Dispute Resolution

a. OSHPD/HPEF and DMH shall work to resolve any dispute as expeditiously as possible.

b. If OSHPD/HPEF and DMH staff are unable to resolve a dispute, the matter shall be brought to the attention of the Chief Deputy Directors of OSHPD and DMH. The resolution by the Chief Deputy Directors shall be final. If the Chief Deputy Directors of OSHPD and DMH are unable to resolve the dispute, the matter shall be brought to the attention of the Directors of OSHPD and DMH. The resolution of the Directors shall be final.

c. If the MHLAP Advisory Committee, HPEF or DMH disagree with the list of awardees, the matter shall be brought to the attention of the HPEF Board of Trustees. All parties shall be provided the opportunity to present their disagreement with the list of awardees, and the reasons therefore, at a regularly scheduled meeting of the Board. After all parties have had the opportunity to present, the Board shall resolve the issue. The resolution of the Board shall be final.

9. This Memorandum of Understanding constitutes the entire agreement between OSHPD/HPEF and DMH for the administration of the MHLAP for Fiscal Years 2008-09, 2009-10 and 2010-11. No amendment to this Memorandum of Understanding is valid unless it is in writing and signed by both parties.

10. Reporting Requirements

- a. OSHPD/HPEF will provide the following reports/updates to DMH:
 - 1) Mid-year update summarizing MHLAP-related program activities for the current fiscal year and projected budget

activities for budget year. The mid-year update shall be provided to DMH no later than January 31 of each year.

- 2) Annual report summarizing MHLAP-related program activities for the previous fiscal year. The annual report shall be provided to DMH no later than July 30 of each year.
- 3) Updates for both program and fiscal contacts as needed.
- 4) Summary data of the applicants who were accepted/denied for the MHLAP (including, but not limited to, county of employment, gender, language spoken, professional category, number of repeat applications, and self-reported racial/ethnic information). This data shall not include personal identifying information.

- b. These reporting requirements may be revised as needed. Proposed changes will be presented at MHSAs interagency meetings convened by DMH and participated in by HPEF.
- c. All reports must be submitted to the DMH MHSAs Program Liaison, in 13, below, or his/her designee.
- d. Reports will be submitted electronically.
- e. Both parties agree to abide by applicable federal and state privacy and confidentiality laws.
- f. Information collected from the reports may be published and shared with the public.

12. Department/Program Contacts

Both DMH and OSHPD/HPEF will designate the following representatives as MHSAs Program Liaisons to act as contacts between the departments throughout the term of this MOU:

13. Authorized Parties

The parties authorized to enter into this Memorandum of Understanding and manage the duties to be performed hereunder are:

OSHPD: Lupe Alonzo-Diaz, Executive Director
Health Professions Education Foundation
400 "R" Street, Room 460
Sacramento, CA 95811
(916) 326-3640

LA
03-02-2010

DMH: Mark Heilman, Deputy Director of Community Services
Department of Mental Health
1600 9th Street, Room 150
Sacramento, CA 95814
(916) 651-1443

Mark Heilman
8/10/10

14. The term of this Memorandum of Understanding is June 30, 2008, through June 30, 2011.