

Date of Hearing: April 26, 2022

ASSEMBLY COMMITTEE ON HIGHER EDUCATION

Jose Medina, Chair

AB 2522 (Gray) – As Amended April 20, 2022

**SUBJECT:** Public Health Workforce Loan Repayment Program.

**SUMMARY:** Requires the Department of Health Care Access and Information (DHCAI) to develop and administer the Public Health Workforce Loan Repayment (PHW) Program to provide loan assistance payments to qualifying public health workforce staff. Specifically, **this bill:**

- 1) States the Legislature finds and declares, in part, the following:
  - a) COVID-19 introduced a once-in-a-lifetime public health crisis into an already stressed environment with governmental public health agencies leading the response;
  - b) A public health professional shortage was identified in the 2019 California Workforce Commission report, with at least 200 public health leaders (directors and health officers) having exited the field permanently since this time; and,
  - c) The majority of local health departments provide a wide variety of core services to very diverse communities, including, but not limited to, immunizations, maternal health, communicable disease control, community outreach and education, epidemiology and surveillance, and environmental health regulation, such as food and water safety, with limited resources and too few staff.
- 2) Requires DHCAI to develop and administer the PHW Program to provide loan assistance payments to qualifying public health workforce staff who are state, local, or tribal public health department full-time, permanent staff. Requires DHCAI to begin providing loan assistance payment to qualifying individuals on or before July 1, 2024.
- 3) Requires DHCAI, when developing and administering the PHW Program, to establish all of the following:
  - a) An application process for applicants. Requires the application process to require applicants to agree to work or remain employed fulltime by a state, local, or tribal public health department and repay any loan assistance repayments for a failure to comply;
  - b) Criteria for qualifying student loans;
  - c) The minimum number of years, not to be lower than three years. Requires an awardee receiving payments to agree to remain employed full-time by a state, local, or tribal public health department;
  - d) Notwithstanding a) above, requires DHCAI to reduce the amount of time an awardee is required to remain employed full-time by a state, local, or tribal public health department by one year for an awardee who served in a leadership position for COVID-19 response;

- e) The maximum amount of the loan repayment award, not to exceed the full cost of outstanding student loans and not to exceed \$150,000;
  - f) The repayment schedule for any awardee who does not remain employed full time as required; and,
  - g) Eligibility criteria, as enumerated in (7).
- 4) Requires DHCAI to give preference to the following individuals, if applicants for loan repayment assistance repayments exceed the funding available:
- a) Until July 1, 2024, those who served in a leadership position for COVID-19 response, as verified in the application process; and,
  - b) Those who serve in a designated primary care health professional shortage area.
- 5) Authorizes DHCAI to determine the amount and timing of each loan repayment assistance payment.
- 6) Prohibits an exercise of discretion by DHCAI and its contractors pursuant to this bill from being subject to judicial review, except that an applicant who is not selected for participation in the program is authorized to file for a writ of mandate pursuant to existing law to rectify an abuse of discretion by DHCAI and its contractors.
- 7) Requires DHCAI to establish eligibility criteria for selection of an awardee for participation in the PHW Program with the dual goals of recruiting and retaining staff in the public health workforce. Requires DHCAI to establish eligibility criteria for both of the following:
- a) Individuals who graduated from an accredited educational institution and received a bachelor's, master's, doctoral, or other advanced degree and are employed full-time by, or have accepted employment with, a local, state, or tribal public health agency. Requires these individuals to meet both of the following requirements:
    - i) Be in good standing with their respective accreditation, certification, or licensing entity, if applicable; and,
    - ii) Be in good standing with their employer.
  - b) Individuals who have been accepted for enrollment, or been enrolled, as a student in an accredited academic educational institution in the final year of a course of study or program leading to a bachelor's, master's, doctoral, or other advanced degree and have accepted employment with a local, state, or tribal public health agency, to commence upon graduation.
- 8) Requires DHCAI to post an annual report on the PHW Program on DHCAI's internet website on or before April 4th of each year and requires the report to contain all of the following:
- a) The number of applicants;

- b) A regional breakdown of applicants;
  - c) The number of awardees;
  - d) A regional breakdown of awardees;
  - e) The amount of total funding awarded;
  - f) The average award amount;
  - g) The distribution of awards among various settings and responsibilities; and,
  - h) The number of awardees who do not fulfill their service obligation, and the amount of funds repaid to the state as a result.
- 9) Authorizes DHCAI to implement, interpret, or make specific the provisions of this bill by means of policy letters, provider bulletins, or other similar instructions, without taking regulatory action. Requires DHCAI to consult with affected stakeholders prior to implementing these provisions.
- 10) Authorizes DHCAI, when implementing the provisions of the measure, to enter into exclusive or nonexclusive contracts, or amend existing contracts, on a bid or negotiated basis. Prohibits costs to administer the PHW Program from exceeding 10% of the total PHW Program allocation.
- 11) Exempts contracts entered into pursuant to this measure from being published in the California State Contracts Register and from the review or approval of the Department of General Services.
- 12) Appropriates \$90 million to DHCAI to administer and implement the provisions of this measure. Requires the funds to be allocated as follows:
- a) \$50 million for the 2024-25 fiscal year; and,
  - b) \$40 million dollars for the 2025-26 fiscal year.

**EXISTING LAW:**

- 1) Establishes the California Student Aid Commission (CSAC) for the purpose of administering specified student financial aid programs (Education Code Section 69510, et seq.).
- 2) Establishes DHCAI, (formerly the Office of Statewide Health Planning and Development) to, among other functions, collect, analyze, and publish data about healthcare workforce and health professional training, identify areas of health workforce shortages, and provide scholarships, loan repayments, and grants to students, graduates, and institutions providing direct patient care in areas of unmet need. Authorizes DHCAI to award competitive grants to entities and individuals it deems qualified to expand the supply of behavioral health

counselors, coaches, peer supports, and other allied health care providers serving children and youth (Health and Safety Code Section 127000 and Section 127825, et seq.).

- 3) Requires DHCAI, in coordination with the California Behavioral Health Planning Council, to identify the total statewide needs for each professional and other occupational category utilizing county needs assessment information and to develop a five-year education and training development plan. Such plans should include loan forgiveness, scholarships, and stipends for mental health professionals and plans to expand postsecondary education to address identified mental health shortages (Welfare and Institutions Code Section 5820 and Section 5822).

**FISCAL EFFECT:** Unknown

**COMMENTS:** *Double referral.* This measure will also be heard by the Assembly Committee on Health today. The Health Committee will hear the measure as it pertains to matters that are germane to the Health Committee’s jurisdiction.

*Need for this measure.* According to the author, “Public health departments have been understaffed and underfunded for decades.”

The author states, “These workforce issues have been exacerbated since the pandemic as the responsibility placed on local health jurisdictions increased significantly. Over the past two years, the role and importance of public health in promoting and protecting the community has become clear to the general public.”

Further, the author states that, “Despite the greater understanding of their role, public health professionals continue to be overlooked, as they are prohibited from participating in loan repayment programs afforded to other licensed health care workers.”

The author contends that, “Establishing a loan repayment program for public health workers would make California the first state to recognize the importance of public service within the field of public health. This public health loan repayment proposal is one of the first steps in recognizing and addressing the chronic workforce issues plaguing the state, especially in the San Joaquin Valley counties, and provides incentives for bringing and retaining a qualified workforce in underserved counties.”

*Budgetary actions.* The Governor’s 2022 Budget Proposal includes a one-time \$1.7 billion investment to span three years for economy workforce development across both the Labor and Workforce Development Agency (LWDA) and the California Health and Human Services Agency (CHHSA) with the goal of the creation of more innovative and accessible opportunities to recruit, train, hire, and advance an ethnically and culturally inclusive health and human services workforce, with improved diversity, wages, and health equity outcomes. These economic investments will be jointly coordinated by the LWDA and CHHSA through the CHHSA and the DHCAI Health Workforce Education and Training Council.

*Loan repayment programs.* Loan repayment programs through the Healthcare Workforce Development Division within DHCAI offer financial support to health professionals who agree to provide direct patient care in medically underserved areas. Eligibility guidelines and criteria vary by program. Currently the following loan repayment programs are administered by DHCAI:

- Allied Healthcare Loan Repayment Program;
- Bachelor of Science Nursing Loan Repayment Program;
- California State Loan Repayment Program;
- County Medical Services Program Loan Repayment Program;
- Licensed Mental Health Services Provider Education Program;
- Licensed Vocational Nurse Loan Repayment Program; and,
- Steven M. Thompson Physician Corps Loan Repayment Programs

*Appropriate entity to administer the PHW?* The CSAC serves as the principal state agency responsible for administering financial aid programs for students attending public and independent universities, colleges, and vocational schools in California. The mission of CSAC is to promote educational equity by making postsecondary education affordable for all Californians.

Additionally, CSAC serves as a resource for policymakers and the public on college affordability and financing issues, and advocates for policy changes to eliminate cost as a barrier to any qualified California student pursuing a higher education. CSAC's vision is to transform lives by creating educational opportunities for the state's diverse population, driving its social and economic well-being to ensure a promising future for all.

California is home to the largest postsecondary system in the nation; serving millions of students a year; many whom rely on the services of CSAC in order to receive various forms of state financial aid. Yet, as of 2021-22, CSAC only has 137.5 authorized ongoing staff positions, as well as 2.2 temporary positions. These positions span seven divisions, the largest of which are program administration and services, information technology (IT), fiscal and administrative services, and the executive division. As of January 2022, CSAC reported that 16% (or 22.5 positions) were vacant, with the IT division accounting for 40% of the vacancies. Committee Staff understands that the majority of CSAC's vacant positions have been unfilled for less than three months and CSAC is actively recruiting to fill the vacant positions.

*Despite the staff vacancies at CSAC, based on the nature of this created PHW, moving forward, the author may wish to work with the CSAC in determining if CSAC is the appropriate and better-suited entity to administer the PHW.*

*Committee comments.* As noted below, a few pieces of legislation are moving through the Legislative Process this Session that, in part, have similar goals and objectives to this measure.

*This Committee may wish to discuss if it is prudent to have one measure move forward that consolidates the goals of the various measures. Additionally, the Committee may wish to discuss if a budget action is prudent to ensure a specific appropriation is available in order to implement this or other similar measures.*

*Related legislation.* AB 2666 (Salas), which will be heard by this Committee today, in part, establishes a new grant program within DHCAI to provide stipends to students in behavioral health fields who are participating in unpaid internships or completing licensure hours, through unpaid positions, at a federally qualified health center.

SB 964 (Wiener), which is pending a hearing in the Senate Committee on Education, in part, establishes the Behavioral Health Workforce Preservation and Restoration Fund to stabilize the current licensed clinical behavioral health workforce; establishes a stipend program for students pursuing a master's degree in social work with a specialized focus on public behavioral health; and, requires DHCAI to create an online jobs board for behavioral health workers.

SB 1229 (McGuire), which is pending a hearing in the Senate Committee on Education, in part, establishes the Mental Health Workforce Grant Program and requires CSAC to administer the Program.

**REGISTERED SUPPORT / OPPOSITION:****Support**

California Medical Association (Sponsor)  
County of Merced  
Rural County Representatives of California (RCRC)

**Opposition**

None on file.

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