

AMENDED IN ASSEMBLY JUNE 2, 2003  
AMENDED IN ASSEMBLY APRIL 23, 2003  
AMENDED IN ASSEMBLY APRIL 1, 2003

CALIFORNIA LEGISLATURE—2003–04 REGULAR SESSION

**ASSEMBLY BILL**

**No. 938**

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**Introduced by Assembly Member Yee**

February 20, 2003

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An act to add Sections 2987.2, 4549, 4984.75, and 4996.65 to the Business and Professions Code, and to add Article 4 (commencing with Section 128454) to Chapter 5 of Part 3 of Division 104 of the Health and Safety Code, relating to health professions.

LEGISLATIVE COUNSEL'S DIGEST

AB 938, as amended, Yee. ~~Mental health professions: scholarships and loans~~—*educational loan reimbursement*: funding.

Existing law requires the Office of Statewide Health Planning and Development to establish a nonprofit public benefit corporation known as the Health Professions Education Foundation to perform various duties with respect to implementing health professions scholarship and loan programs.

Existing law provides for the Registered Nurse Education Program within the foundation under which persons who agree in writing prior to graduation to serve in an eligible county health facility, an eligible state-operated health facility, or a health manpower shortage area are eligible for scholarship and loan repayment. Existing law establishes in the State Treasury the Registered Nurse Education Fund and provides

for the appropriation of money in the fund annually in the Budget Act for purposes of the Registered Nurse Education Program.

This bill would similarly establish the Licensed Mental Health Service Provider Education Program. The bill would require the foundation to develop the program, as prescribed, to provide ~~scholarships and loans grants~~ to licensed mental health *service* providers, as defined, who ~~agree to serve in an eligible~~ *provide direct patient care in a publicly funded facility or a health manpower shortage area that is multicultural and linguistically diverse.* The bill would establish in the State Treasury the Mental Health Practitioner Education Fund and moneys in the fund, upon appropriation by the Legislature, would be available for expenditure by the office for purposes of the program.

Existing law provides for the licensure and regulation of psychiatric technicians by the Board of Vocational Nurses and Psychiatric Technicians, psychologists by the Board of Psychology, and marriage and family therapists and licensed clinical social workers by the Board of Behavioral Sciences. Existing law requires these regulatory boards to charge license renewal fees.

This bill would require these boards to charge these licensees, at the time of license renewal, an additional specified assessment fee. The bill would require the boards to transfer the fee amounts to the Controller for deposit in the Mental Health Practitioner Education Fund established under the bill. Moneys in the fund would be used, upon appropriation by the Legislature, for the Licensed Mental Health Provider Education Program. ~~This bill would impose a state tax within the meaning of Section 3 of Article XIII A of the California Constitution, and thus would require for passage the approval of 2/3 of the membership of each house of the Legislature.~~

Vote: ~~2/3~~ *majority*. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. The Legislature finds and declares all of the
- 2 following:
- 3 (a) An adequate supply of licensed mental health service
- 4 providers is critical to ensuring the health and well-being of the
- 5 citizens of California, particularly those who live in multicultural,
- 6 linguistically diverse, and medically underserved areas.



1 (b) The California Mental Health Planning Council has  
2 identified the shortage of human resources at all levels as one of  
3 the most urgent issues facing the mental health system. The  
4 shortage is most acute for child psychiatrists, licensed clinical  
5 social workers, and especially for multilingual and multicultural  
6 staff in all mental health occupations.

7 (c) In an effort to address the crisis facing the mental health  
8 system, the California Mental Health Planning Council developed  
9 the Human Resources Project that is directed by its Human  
10 Resources Committee. Beginning in 2001, the project convened  
11 focus groups targeting social workers from three of the most  
12 prevalent ethnic communities: Latino, Asian/Pacific Islander, and  
13 African-American. The focus groups were conducted in  
14 collaboration with the California Institute for Mental Health and  
15 funded by the State Department of Mental Health and the  
16 Zellerbach Family Fund.

17 (d) The Human Resources Project's September 2002 report  
18 entitled "Human Resources Pilot Ethnic Focus Group Project:  
19 Summary of Recommendations" found that financial barriers to  
20 practice was the primary reason cited by the participants. All  
21 participant groups indicated that they had encountered serious  
22 difficulty in meeting the expenses of graduate school while  
23 struggling with living and child care expenses. All groups  
24 advocated for additional forms of financial assistance, like the loan  
25 forgiveness programs currently available to doctors and nurses.

26 SEC. 2. Section 2987.2 is added to the Business and  
27 Professions Code, to read:

28 2987.2. In addition to the fees charged pursuant to Section  
29 2987 for the biennial renewal of a license, the board shall collect  
30 an additional fee of ten dollars (\$10) at the time of renewal. The  
31 board shall transfer this amount to the Controller who shall deposit  
32 the funds in the Mental Health Practitioner Education Fund.

33 SEC. 3. Section 4549 is added to the Business and Professions  
34 Code, to read:

35 4549. In addition to the fees charged pursuant to Section 4548  
36 for the biennial renewal of a license pursuant to Section 4510, the  
37 board shall assess and collect an additional fee of five dollars (\$5)  
38 for the renewal of a license of a psychiatric technician. The board  
39 shall transfer this amount to the Controller who shall deposit the  
40 funds in the Mental Health Practitioner Education Fund.



1 SEC. 4. Section 4984.75 is added to the Business and  
2 Professions Code, to read:

3 4984.75. In addition to the fees charged pursuant to Section  
4 4984.7 for the biennial renewal of a license pursuant to Section  
5 4984, the board shall collect an additional fee of ten dollars (\$10)  
6 at the time of renewal. The board shall transfer this amount to the  
7 Controller who shall deposit the funds in the Mental Health  
8 Practitioner Education Fund.

9 SEC. 5. Section 4996.65 is added to the Business and  
10 Professions Code, to read:

11 4996.65. In addition to the fees charged pursuant to Section  
12 4996.6 for the biennial renewal of a license, the board shall collect  
13 an additional fee of ten dollars (\$10) at the time of renewal. The  
14 board shall transfer this amount to the Controller who shall deposit  
15 the funds in the Mental Health Practitioner Education Fund.

16 SEC. 6. Article 4 (commencing with Section 128454) is  
17 added to Chapter 5 of Part 3 of Division 104 of the Health and  
18 Safety Code, to read:

19  
20 Article 4. Licensed Mental Health Service Provider Education  
21 Program  
22

23 128454. (a) There is hereby created the Licensed Mental  
24 Health Service Provider Education Program within the Health  
25 Professions Education Foundation.

26 (b) For purposes of this article, “licensed mental health service  
27 provider” means a psychiatric technician, psychologist, marriage  
28 and family therapist, and licensed clinical social worker.

29 ~~(c) Persons participating in this program shall be persons who  
30 agree in writing prior to graduation to serve in an eligible publicly  
31 funded facility or a health manpower shortage area that is  
32 multicultural and linguistically diverse, as designated by the  
33 director. Persons agreeing to serve in eligible publicly funded  
34 facilities or health manpower shortage areas may apply for  
35 scholarship or loan repayment. The Licensed Mental Health  
36 Service Provider Education Program shall be administered so that  
37 all funds in the Licensed Mental Health Service Provider  
38 Education Fund shall be used only for the purpose of promoting  
39 the education of licensed mental health service providers and  
40 related administrative costs. The Health Professions Education~~



1 ~~Foundation shall make recommendations to the director of the~~  
2 ~~office concerning both of the following:~~

3 ~~(1) A standard contractual agreement to be signed by the~~  
4 ~~director and any student who has received an award to work in an~~  
5 ~~eligible publicly funded facility or in a health manpower shortage~~  
6 ~~area that would require a period of obligated professional service~~  
7 ~~in the areas of California designated by the Health Manpower~~  
8 ~~Policy Commission as deficient in mental health care services. The~~  
9 ~~obligated professional service shall be in direct patient care. The~~  
10 ~~agreement shall include a clause entitling the state to recover the~~  
11 ~~funds awarded plus the maximum allowable interest for failure to~~  
12 ~~begin or complete the service obligation.~~

13 ~~(2) Maximum allowable amounts for scholarships, educational~~  
14 ~~loans, and loan repayment programs in order to assure the most~~  
15 ~~effective use of these funds.~~

16 ~~(d) Applicants may be persons who are licensed mental health~~  
17 ~~service providers or graduates of advanced degree programs~~  
18 ~~specializing in mental health services.~~

19 ~~128458. (a) In developing the program established pursuant~~  
20 ~~to this article, the Health Professions Education Foundation shall~~  
21 ~~solicit the advice of representatives of the Board of Behavioral~~  
22 ~~Science Examiners, the Board of Psychology, the Board of~~  
23 ~~Vocational Nurses and Psychiatric Technicians, the California~~  
24 ~~Mental Health Planning Council, professional mental health care~~  
25 ~~organizations, the California Healthcare Association, the~~  
26 ~~Chancellor of the California Community Colleges, and the~~  
27 ~~Chancellor of the California State University. The foundation shall~~  
28 ~~solicit the advice of representatives who reflect the demographic,~~  
29 ~~cultural, and linguistic diversity of the state.~~

30 ~~(b) The program shall include, but not be limited to, the~~  
31 ~~following components:~~

32 ~~(1) A graduated loan forgiveness system in which a percentage~~  
33 ~~amount of any loan granted pursuant to this article may be forgiven~~  
34 ~~and in which the amount forgiven increases with the number of~~  
35 ~~years that a person commits to and works in the designated areas.~~

36 ~~(2) The loan forgiveness system shall keep the fees from the~~  
37 ~~different licensing boards separate to ensure that all loans forgiven~~  
38 ~~are funded by those fees collected by the specific board under~~  
39 ~~which the qualified applicant is licensed.~~



1 ~~(3) The number of persons who may be considered for the~~  
 2 ~~program shall be limited by the funds made available pursuant to~~  
 3 ~~Section 128460.~~  
 4 ~~128460.—~~

5 (c) Commencing January 1, 2005, any licensed mental health  
 6 service provider who provides direct patient care in a publicly  
 7 funded facility or a health manpower shortage area that is  
 8 multicultural and linguistically diverse may apply for grants under  
 9 the program to reimburse his or her educational loans related to  
 10 a career as a licensed mental health service provider.

11 (d) The Health Professions Education Foundation shall make  
 12 recommendations to the director of the office concerning all of the  
 13 following:

14 (1) A standard contractual agreement to be signed by the  
 15 director and any licensed mental health service provider who is  
 16 serving in a publicly funded facility or a health manpower  
 17 shortage area that would require the licensed mental health  
 18 service provider who receives a grant under the program to work  
 19 in the publicly funded facility or a health manpower shortage area  
 20 for at least one year.

21 (2) The maximum allowable total grant amount per individual  
 22 licensed mental health service provider.

23 (3) The maximum allowable annual grant amount per  
 24 individual licensed mental health service provider.

25 (e) The Health Professions Education Foundation shall  
 26 develop the program, which shall comply with all of the following  
 27 requirements:

28 (1) The total amount of grants under the program per  
 29 individual licensed mental health service provider shall not exceed  
 30 the amount of educational loans related to a career as a licensed  
 31 mental health service provider incurred by that provider.

32 (2) The program shall keep the fees from the different licensing  
 33 boards separate to ensure that all grants are funded by those fees  
 34 collected by the specific board under which the qualified applicant  
 35 is licensed.

36 (3) The number of persons who may be considered for the  
 37 program shall be limited by the funds made available pursuant to  
 38 Section 128458.

39 128456. In developing the program established pursuant to  
 40 this article, the Health Professions Education Foundation shall



1 *solicit the advice of representatives of the Board of Behavioral*  
2 *Science Examiners, the Board of Psychology, the Board of*  
3 *Vocational Nurses and Psychiatric Technicians, the California*  
4 *Mental Health Planning Council, professional mental health care*  
5 *organizations, the California Healthcare Association, the*  
6 *Chancellor of the California Community Colleges, and the*  
7 *Chancellor of the California State University. The foundation*  
8 *shall solicit the advice of representatives who reflect the*  
9 *demographic, cultural, and linguistic diversity of the state.*

10 128458. There is hereby established in the State Treasury the  
11 Mental Health Practitioner Education Fund. The moneys in the  
12 fund, upon appropriation by the Legislature, shall be available for  
13 expenditure by the office for purposes of this article.

