



Office of Statewide Health  
Planning and Development



**Licensed Mental Health Services  
Provider Education Program (LMHSPEP)**

**Grant Guide  
For Fiscal Year 2020-21**

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## Section I: LMHSPEP Grant Information

### Background and Mission

The Office of Statewide Health Planning and Development's (OSHPD) Health Professions Education Foundation (HPEF) is a nonprofit 501(c)(3) foundation that improves access to health care in underserved areas of California by providing scholarships and loan repayments to health professional students and graduates who provide direct patient care in those communities. HPEF and its programs are supported by grants, donations, licensing fees, and special funds.

LMHSPEP is funded through a \$10 surcharge for renewal and licensure fees of psychologists, marriage and family therapists, and licensed clinical social workers in California. Eligible applicants may receive loan repayments of up to \$15,000 in exchange for a 24-month service obligation practicing and providing direct care in a publicly funded mental health facility, a nonprofit mental health facility, a mental health professions shortage area, or in the public mental health system. The purpose of this program is to increase the number of appropriately trained mental healthcare professionals providing direct care in a qualified facility in California.

### Eligibility Requirements

#### Provider Eligibility Requirements

To be eligible for an LMHSPEP award, each applicant must:

- Provide direct patient care 32 hours or more per week.
- Work in a qualified facility in California.
- Be in good standing with the California Board of Behavioral Sciences and or the Board of Psychology.
- Have outstanding educational debt from a commercial or U.S. governmental lending institution.
- Be free from any other service obligation, including from other HPEF programs.
- Be willing to continue working in a medically underserved area for up to 24 months.
- Not be in breach of a previous HPEF contract.
- Complete and submit the application through the [OSHPD Funding Portal](#) by the deadline.

#### Former Foster Youth

Mental health professionals, who are former foster youth, are encouraged to apply to LMHSPEP.

Applicants must meet the eligibility requirements above.

#### Eligible Professions

LMHSPEP applicants must be currently licensed and practicing one of the following professions:

- Associate Marriage and Family Therapist\*
- Associate Clinical Social Worker\*
- Registered Psychologist
- Licensed Psychologist
- Postdoctoral Psychological Assistant
- Postdoctoral Psychological Trainee
- Registered Marriage and Family Therapist
- Licensed Marriage and Family Therapist\*
- Marriage and Family Therapist Intern
- Registered Clinical Social Worker
- Licensed Clinical Social Worker\*
- Licensed Professional Clinical Counselor\*

- Associate Professional Clinical Counselor\*

**\*Former foster youth must be practicing in one of the eligible professions.**

### **Site Eligibility Requirements**

A practice site must be one of the following:

- Publicly Funded Mental Health Facility
- Public Mental Health Facility
- Non-Profit Mental Health Facility that contracts with a county entity to provide mental health services

### **Geographic Designation**

A practice site can also be designated as a Health Professional Shortage Area – Mental Health (HPSA-MH)

### **Qualifying and Non-Qualifying Educational Loans**

#### **Qualifying Educational Loans**

- Qualified Lender: Qualifying commercial lending institutions are those subject to examination and supervision by an agency of the United States, or by the state in which the institutions have their place of business.
- Consolidated educational loans that clearly delineate the original loans and the degrees conferred.
- Loans (government and commercial) obtained from a qualifying lender for undergraduate and graduate health profession degrees.

#### **Non-Qualifying Educational Loans**

The following types of debt are **not eligible** for loan repayment under LMHSPEP:

- Parents PLUS loans
- Personal Lines of credit
- Loans in default
- Loans repaid in full
- Credit card debt
- Loans not in your name
- Consolidated with mortgage loan
- Consolidated with loans owed by another person

Applicant's educational loans must be in good standing. Good standing for the purposes of educational loan debt is defined as not being in default. Applicants may have educational loans that are in deferment and/or forbearance. Applicants who are awarded must continue to make payments during their terms of their contract.

### **Award Amounts and Available Funding**

#### **Available Funding**

OSHPD issues this Grant Guide based on the total LMHSPEP funding provided each award cycle. LMHSPEP funding comes from licensure fees and special funding.

## **Award Amount**

The maximum award amount for the LMHSPEP is \$15,000.

HPEF may award full, partial, or no funding to an applicant based on the applicant's success in meeting the selection criteria, and the amount of available funds. Applicants will not be awarded more than their total educational debt left on their loan balance.

## **Initiating an Application**

The applicant is responsible for providing all necessary information and ensuring that the information contained in the application is accurate.

Applicants must register and submit all applications through the web-based eApp <http://eapp.oshpd.ca.gov/funding>.

New applicants must first register as a user to access the application materials. Returning applicants must use their email and password to login. Section II: Provider eApp Technical Guide contains information regarding how to register and complete your application.

You may apply for more than one scholarship or loan repayment program at a time. However, if awarded, you can only contract for one service obligation at a time.

## **Service Obligation**

Awardees must provide permanent full-time service in direct care, including practicing for a term of at least 24-months at a qualified facility in California in an eligible profession. "Full-time service" is defined as a minimum of 32 hours per week. "Direct Patient Care" means the provision of health care services directly to individuals being treated for or suspected of having physical or mental illnesses. Direct patient care includes preventative care and first line supervision.

## **Worksite Absences**

Awardees can take up to four weeks in a calendar year away from their LMHSPEP approved practice site for vacation, holidays, continuing professional education, illness, or any other reason, except as otherwise required in order to comply with applicable federal and state laws. OSHPD will execute a contract amendment to extend the awardee's obligation end date for each day of absence over the allowable four weeks.

## **Communication Requirements**

Awardees must email OSHPD within these specified timeframes for the following reasons:

- **15 working days if you:**
  - Have any change in full-time status, including but not limited to, a decrease in the number of hours providing medical services, termination, resignation, or leave of absence in excess of the time permitted outlined under "Worksite Absences."
- **30 calendar days if you:**
  - Have any change in Practice Site. An Employment Verification form (EVF) must be submitted through the eApp portal. HPEF will verify practice site is eligible.
  - Have any change in residential address.

- **90 working days if you:**
  - File a petition with OSHPD for modification of the amount to be paid or repaid and/or the time of repayment regarding the breached contract.

### Evaluation and Scoring Procedures

OSHPD may make multiple awards. Please refer to Attachment A: Evaluation and Scoring Criteria. Final awards include consideration of the following elements:

1. At the time of application closing, OSHPD will check each application for the presence or absence of required information in conformance with the submission requirements.
2. OSHPD may reject applications that contain false or misleading lender statements.
3. OSHPD will use the evaluation tool in Attachment A: Evaluation and Scoring Criteria to score applications. OSHPD intends for this application to support multiple counties in California by providing a distribution of awards throughout the state. OSHPD may give preference to applications seeking to support geographic regions not addressed by other similarly scored applications.

### Award Process

OSHPD will notify selected applicants after finalizing all award decisions. The award process time can vary depending upon the number of applications received. OSHPD will use DocuSign to send grant documents to awardees for review and signatures.

### Grant Agreement Deliverables

The Awardee shall:

- Submit four Progress Reports through the eApp, during the two-year service obligation. The schedule of those reports is as follows:

<b>Deliverable</b>	<b>Due Date</b>
Progress Report One	October 31, 2021
Progress Report Two	April 30, 2022
Progress Report Three	October 31, 2022
Progress Report Four	April 30, 2023

- Submit Employment Verification form (EVF) **anytime** there is a change in practice site.
- Request and submit a Payee Data Record form (STD204) anytime there is a change in the Awardee's residential address.

### Post Award and Payment Provisions

1. OSHPD expects the Awardee will begin performance of the grant agreement on the start date listed on the grant documents.
2. The State Controller's Office mails a paper check directly to the Awardee's address on file. **Note: Please ensure OSHPD has your most recent residential address on file to avoid delay in payment.** See Attachment B: Sample Grant Agreement, Section C for information on the payment schedule.

- OSHPD cannot provide tax advice to awardees. OSHPD are not tax professionals and tax consequences may vary depending on the awardee. For this reason, awardees should seek professional tax advice.

### Breach Policy

OSHPD reserves the right to recover monies for the Awardee’s failure to perform the obligations set forth in the grant agreement. Refer to Attachment B: Sample Grant Agreement – Section G: Breach of Agreement by Awardee for detailed information.

### Key Dates

The key dates for the program year are as follows:

Event	Date	Time
Application Available	August 3, 2020	3:00 p.m.
Application Submission Deadline	October 13, 2020	3:00 p.m.
Proposed Grant Agreement Start Date	March 31, 2021	N/A

### Grant Questions and Answers

You can find answers to most questions in this Grant Guide or by reading the [Frequently Asked Questions \(FAQ\)](#) document. Prospective applicants may submit questions to OSHPD at [HPEF-Email@oshpd.ca.gov](mailto:HPEF-Email@oshpd.ca.gov) at any time during the application cycle.

### Technical Assistance Call (TAC)

Applicants are encouraged to attend a scheduled TAC. Below is the schedule of TACs.

TAC #	Date	Time	Meeting Info
1	August 26, 2020	9:30am – 10:15am	<a href="#">Join Microsoft Teams Meeting +1 916-535-0978</a> United States, Sacramento (Toll) Conference ID: 796 402 043#
2	September 23, 2020	12:00pm – 12:45pm	<a href="#">Join Microsoft Teams Meeting +1 916-535-0978</a> United States, Sacramento (Toll) Conference ID: 581 494 335#
3	October 7, 2020	4:00pm – 4:45pm	<a href="#">Join Microsoft Teams Meeting +1 916-535-0978</a> United States, Sacramento (Toll) Conference ID: 918 767 201#

### Contact Us

For questions related to LMHSPEP and the eApp, please email HPEF staff at [HPEF-Email@oshpd.ca.gov](mailto:HPEF-Email@oshpd.ca.gov).

## Section II: Provider eApp Technical Guide

### Accessing the Application System

OSHPD uses the eApp to allow healthcare providers and students to submit applications. This Grant Guide contains information you need to complete and submit an application in the eApp.

To access the eApp, go to <https://eapp.oshpd.ca.gov/funding/>. To ensure proper functionality, use either the Internet Explorer or Google Chrome browser.

### Registration and Login

All applicants must register in the eApp system before beginning an application. To register as a new user, click the “Create Account” button on the home page and follow the instructions. After submitting your email address and creating a password, you will receive an email with an account activation link. Click the link in the email to return to the eApp and complete your user account.

### Submitting an Application

- By submitting the application, you agree to the grant Terms and Conditions.
- OSHPD will not consider late or incomplete applications. For more detailed information, refer to *Key Dates* in this Grant Guide.
- Once you click the “Submit” button, you cannot go back to revise the application.
- The eApp will email you a confirmation of submission.

### LMHSPEP Application Components

A submitted application must contain all required information and conform to the Grant Guide format.

The LMHSPEP application has eight sections for applicants to complete:

1. General Information
2. Contact Information (**3 contacts required**)
3. Professional Information
4. Employment History and Verification
5. Personal Statements
6. Educational Debt
7. Required Documents (**Make sure that file format is an acceptable format. Examples of acceptable formats are .jpg, .doc, .docx, and .pdf**)
8. Application Certification

Each LMHSPEP application page displays instructions. The “Help” button located next to your username in the upper right corner of your browser window is available for additional assistance or explanation.

**Attachment A: Evaluation and Scoring Criteria**

<b>SCORING CRITERIA</b>		
<b>Core Categories</b>	<b>Guideline</b>	<b>Points</b>
<b>Cultural and Linguistic Competence</b>	<p><b>When working with consumers, how have you utilized the strengths, and forms of healing unique to their racial/ethnic, cultural, geographic, socio-economic, or linguistic population when providing services or support.</b></p> <p><b>0-1 point:</b> Applicant describes how they have utilized strengths and forms of healing when providing services.</p> <p><b>0-1 point:</b> Applicant gives specific example of how they utilized strengths and forms of healing unique to their clients' cultural, geographic, faith, socio-economic, or linguistic population.</p>	<p><b>2 points max</b> (Partial points can be applied)</p>
	<p><b>Describe your work, unpaid and paid, serving military veterans or a particular racial/ethnic, cultural, geographic, faith based, socio-economic, LGBTQ, and/or linguistic population.</b></p> <p><b>0-1 point:</b> Applicant describes population they serve.</p> <p><b>0-1 point:</b> Applicant explains how their service with a particular population has contributed to their cultural competency.</p>	<p><b>2 points max</b> (Partial points can be applied)</p>
	<p><b>Give an example of how you participated in treatment interventions and outreach services to military veterans, those with lived experience or individuals of diverse racial/ethnic, LGBTQ, cultural or linguistic populations.</b></p> <p><b>0-1 point:</b> Applicant describes their role in a treatment intervention and/or outreach service that they participated in.</p> <p><b>0-1 point:</b> Applicant describes how this treatment intervention and/or outreach service aimed to serve military veterans, those with lived experience or individuals of diverse racial/ethnic, LGBTQ, cultural or linguistic populations.</p>	<p><b>2 points max</b> (Partial points can be applied)</p>
	<p><b>Give an example of how your experiences, education, work or volunteer service has contributed to your competence in creating rapport with individuals with few literacy skills, are not literate, or have disabilities that impair communications.</b></p>	<p><b>2 points max</b> (Partial points can be applied)</p>

<b>SCORING CRITERIA</b>		
<b>Core Categories</b>	<b>Guideline</b>	<b>Points</b>
	<p><b>0-1 point:</b> Applicant gave an example of how their experiences, education, work or volunteer service has contributed to their competency in creating rapport with individuals with few literacy skills, are not literate, or have disabilities that impair communication.</p> <p><b>0-1 point:</b> Applicant describes how they were able to create rapport with individuals with few literacy skills, are not literate, or have disabilities that impair communication.</p>	
	<p><b>Growing up, did you live in an underserved or disadvantaged community? If so, please describe your experiences. If not, describe how did you relate to communities that are underserved or disadvantaged.</b></p> <p><b>1-2 points:</b> Applicant adequately describes whether they come from an underserved background, <b>or</b></p> <p><b>0-1 points:</b> Applicant demonstrates the ability to relate to a community that is disadvantaged.</p>	<p><b>2 points max</b> (Partial points can be applied)</p>
<b>Professional Goals</b>	<p><b>Elaborate on your professional career goals for the next 5 years as they relate to the mental health profession.</b></p> <p><b>0-2 points:</b> Applicant demonstrates a commitment to working in the mental health field providing direct services.</p>	<p><b>2 points max</b> (Partial points can be applied)</p>
	<p><b>Where do you plan on working in the next 5 years?</b></p> <p><b>0-1 point:</b> Applicant demonstrates a commitment to providing direct mental health services to underserved communities in California.</p>	<p><b>1 point max</b></p>
<b>Personal Statement</b>	<p><b>Elaborate on how your personal background, education, training or lived experience as a consumer or family member in the mental health system has:</b></p> <ul style="list-style-type: none"> <li>• <b>Contributed to your commitment to working in the health field.</b></li> <li>• <b>Enabled you to better serve the mental health consumers you work with.</b></li> <li>• <b>Contributed to your cultural competency as it pertains to your delivery of mental health services.</b></li> </ul> <p><b>0-2 points:</b> Applicant explains how their experiences have contributed to a long-term commitment of working with underserved populations/communities in the mental health field.</p>	<p><b>6 points max</b> (Partial points can be applied)</p>

<b>SCORING CRITERIA</b>		
<b>Core Categories</b>	<b>Guideline</b>	<b>Points</b>
	<p><b>0-2 points:</b> Applicant describes how their experiences has enabled them to better serve mental health consumers.</p> <p><b>0-2 points:</b> Applicant explains how their experiences contributed to a culturally competent model of care.</p>	
<b>Extra Points</b>	<p><b>0-1 point:</b> Speaks a second language.</p> <p><b>0-1 point:</b> Uses the second language at work or in the community they serve.</p> <p><b>0-1 point:</b> Awarded if applicant stated they are a military veteran, with proof of honorable discharge.</p>	<b>3 points max</b> (Predetermined)
<b>Totals</b>		<b>22 points max</b>  <b>13.30 points minimum</b>

## Attachment B: Sample Grant Agreement

GRANT AGREEMENT BETWEEN THE OFFICE OF STATEWIDE HEALTH PLANNING &  
DEVELOPMENT (HEALTH PROFESSIONS EDUCATION FOUNDATION) AND  
[Provider Name]  
GRANT AGREEMENT NUMBER [Grant Number]

THIS GRANT AGREEMENT (“Agreement”) is entered into on [Grant Start Date] by and between the State of California, Office of Statewide Health Planning and Development (hereinafter “OSHPD”) and [Provider Name] (hereinafter “Awardee”).

The purpose of this Agreement is for OSHPD to provide, under the [Loan Repayment Program Name], loan repayment funds for the benefit of the Awardee in exchange for the Awardee’s commitment to work in a Qualified Facility, as defined below, for the Term of this Agreement.

### A. DEFINITIONS:

1. “Direct Patient Care” means the provision of health care services directly to individuals being treated for or suspected of having physical or mental illnesses. Direct patient care includes preventative care and first line supervision.
2. “Full-time Service” is defined as a minimum of 32 hours per week.
3. “Term” means the period of [Contract Start Date] through [Contract End Date].
4. “Qualified Facility” will hereinafter refer to:
  - a. For the Licensed Mental Health Service Provider Education Program (LMHSPEP) Awardees: (1) “A publicly funded facility,” which means a health facility, as defined by Health and Safety Code Sections 1200, 1200.1 and 1250, conducted, maintained or operated by this state or by any of its political subdivisions or districts, or by any city. (2) “A publicly funded or public mental health facility,” which means a hospital, clinic, or long-term care facility licensed and/or certified by the California Department of Mental Health and/or the California Department of Health Services that is conducted, maintained, or operated by this state or by any of its political subdivisions or districts, or by any city, and that provides mental health services. (3) “A non-profit private mental health facility,” which means a hospital, clinic, or long-term care facility licensed and/or certified by the California Department of Mental Health and/or the California Department of Health Services that is operated by a non-profit entity that contracts with a county mental health entity or facility to provide mental health services. (4) “Mental Health Professional Shortage Area” means an area designated as such by the U.S. Department of Health and Human Services, Health Resources and Service Administration, Bureau of Health Professions’ Shortage Designation Branch.
  - b. Either (i) a facility determined by the Director pursuant to section 128385 of the Health and Safety Code to be an eligible county health facility or an eligible state-operated facility, or (ii) a facility within a Medically Underserved Area, meaning a geographic area designated by the Director of the Office of

Statewide Health Planning and Development, which means one of the following sets of criteria:

1. A medical service study or urban subdivision of a medical service study area as designated by the California Health Workforce Policy Commission which has fewer than one primary care physician per 3,000 persons. Primary care physicians are licensed physicians in California who practice principally in general or family practice, general internal medicine, pediatrics or obstetrics and gynecology.
2. A primary care health professional shortage area as designated by the Secretary of the U.S. Department of Health and Human Services under the authority of section 254e of Title 42 of the United States Code Annotated.

#### **B. SCOPE OF WORK / OBLIGATIONS OF AWARDEE:**

During the Term, the Awardee shall:

1. For the period of **[Contract Start Date]** through **[Contract End Date]** to provide permanent full-time service in direct patient care, including practicing a least 12 months at a qualified facility as a(n) **[Program Profession]**.
  - a. EXCEPTION FOR LMHSPEP AWARDEES: Provide permanent full-time service in direct patient care, including practicing at least **24 months** at a qualified facility as **a(n) one of the following professions: Associate Marriage and Family Therapist, Associate Clinical Social Worker, Registered or Licensed Psychologist, Postdoctoral Psychological Assistant, Postdoctoral Psychological Trainee, Registered or Licensed Marriage and Family Therapists, Registered or Licensed Clinical Social Worker, Licensed Professional Clinical Counselor, Associate Professional Clinical Counselor, and Marriage and Family Therapist Intern.**
  - b. EXCEPTION FOR ALLIED HEALTHCARE LOAN REPAYMENT PROGRAM (AHLRP) AWARDEES: Provide permanent full-time service in direct patient care, including practicing at least **12 months at a CMSP Designated County in an Allied Healthcare Profession.**
2. Continue to make any required payments on all outstanding student loans and shall apply any payment received from OSHPD under this Agreement towards the principal, interest, and related expenses on outstanding governmental and commercial educational loans, not in default, related to the Awardee's education that was required to become a healthcare provider. **Nothing in this Agreement relieves the Awardee of the primary responsibility to repay the educational debts listed in the approved Program Application.**
3. Notify OSHPD, in writing, of any and all name, mailing address, phone number, and e-mail address changes within 30-days of the changes.
4. Need to change your place of employment, the Awardee must notify OSHPD within 30 days of the change. OSHPD will verify if the new place of employment qualifies.

5. In all respects, comply with the applicable statutes and regulations governing the Health Professions Education Foundation (HPEF), including but not limited to Health and Safety Code section 128330, et seq. These documents are hereby incorporated by reference and made part of this Agreement as if attached hereto.
6. Submit to OSHPD by required deadlines, as determined by OSHPD, all requested information during the duration of the contract term **[Contract Start Date]** through **[Contract End Date]**. OSHPD may request information to include, but not limited to, Employment or Volunteer Verification Form, Request for Information, and Progress Reports.
7. Upon completion of the service commitment, the Awardee shall be available to receive and complete the online post program survey.
8. Not sign, or have signed, a contract with another entity to practice professionally for a given period (during the Term) in exchange for financial assistance, including tuition reimbursement, scholarships, loans, or a loan repayment. The Awardee shall be ineligible to receive a loan repayment under this Agreement until the conflicting obligation to this other entity has been fulfilled.

**C. OBLIGATION OF OSHPD:**

1. During the Term, OSHPD agrees to make **[Payment Frequency]** payment directly to the Awardee on the outstanding balance of the educational debt(s) listed on the original application upon completion of service commitment.
2. The total obligation of OSHPD under this Agreement shall not exceed **[\$Award Amount]** and shall be payable as follows:
  - a. **[\$Payment #2]** after awardee has completed one (1) year of service obligation in compliance with this Agreement, which is **[Deliverable Due Date #2]**.
  - b. **EXCEPTION FOR LMHSPEP AWARDEES ONLY: [\$Payment #4]** after awardee has completed two (2) years of service obligation in compliance with this Agreement, which is **[Deliverable Due Date #4]**.
3. Payments shall be made and is conditioned upon OSHPD's receipt of documentation of the Awardee's provision of the service obligation, and other documents as required by OSHPD. Payment shall be made within 45 calendar days of receipt by OSHPD of all required documentation. Payments under this Agreement are not issued with regard to any loan payment due date and may be made at any time within the terms of this Agreement.
4. Payment shall be applied towards the principal, interest, and related expenses on outstanding governmental and commercial educational loans, not in default, related to the Awardee's education that was required to become a healthcare provider.

**D. Award May be Exempt from Federal Income Taxes:**

OSHPD does not provide tax advice and this section may not be construed as tax advice from OSHPD. Awardee should seek advice from an independent tax consultant regarding the financial implication(s) of any funds received from OSHPD.

Payments made under certain State Loan Repayment Programs may be exempt from federal taxes under 26 U.S.C. § 108(f)(4):

“In the case of an individual, gross income shall not include any amount received under section 338B(g) of the Public Health Service Act, under a State program described in section 338I of such Act (enacted by Pub L. 108-357, § 320(a) in 2004), of under any other State loan repayment or loan forgiveness program that is intended to provide for the increased availability of healthcare services in underserved or health professional shortage areas (as determined by such State).”

OSHPD does not withhold any tax from the award.

**E. PROMPT PAYMENT CLAUSE:**

Payments will be made in accordance with, and within the time specified in, Government Code Chapter 4.5, commencing with Section 927.

**F. BUDGET CONTINGENCY CLAUSE:**

1. It is mutually agreed that if the Budget Act of the current year and/or any subsequent years covered under this Agreement does not appropriate sufficient funds for the program, this Agreement shall be of no further force and effect. In this event, OSHPD shall have no liability to pay any funds whatsoever to Awardee or to furnish any other considerations under this Agreement and Awardee shall not be obligated to perform any provisions of this Agreement.
2. If funding for any fiscal year is reduced or deleted by the Budget Act for purposes of this Program, OSHPD shall have the option to either cancel this Agreement with no liability occurring to OSHPD or offer an Agreement amendment to Awardee to reflect the reduced amount.

**G. BREACH OF AGREEMENT BY AWARDEE:**

1. If the Awardee breaches the terms of this Agreement by failing to either begin the service obligation or to complete it, OSHPD shall be entitled to recover from the Awardee an amount determined by the following formula, plus interest:

$$A = F \times \{(T-S)/T\}$$

in which “A” is the amount that OSHPD is entitled to recover; “F” is the sum of the amounts paid under this Agreement to or on behalf of the Awardee; “T” is the total number of months in the Awardee’s period of obligated service; and “S” is the number of months of such period already served by the Awardee. Ten (10) percent interest shall be charged on the outstanding principal annually. Interest shall begin to accrue from the date of the breach, as determined by OSHPD. Repayment shall be required in monthly installments, in amounts calculated by OSHPD to permit repayment in seven years.

2. A breach of this Agreement by the Awardee ends any obligations of OSHPD under this Agreement, including any further payments to or on behalf of the Awardee for outstanding educational debts. However, notwithstanding the breach, an Awardee may seek relief under Section H, of this Agreement.
3. The date of the breach, where no relief is otherwise granted by OSHPD, shall be 30 (thirty) calendar days after deposit in the U.S. mail of a notice of pending default to Awardee for failure to comply with this Agreement.
4. To suspend a pending breach, I, the Awardee, must pay a \$250.00 (Two Hundred Fifty Dollars and No Cents) administrative fee to OSHPD within 30 (thirty) days of the date of the notice pending default letter, and provide all documentation as requested therein.

**H. PROVISIONS FOR SUSPENSION, WAIVER, CANCELLATION OR VOLUNTARY TERMINATION OF SERVICE:**

1. Any service or payment obligation incurred by the Awardee will be canceled upon the Awardee's death.
2. An Awardee may seek a modification, waiver, suspension, reduction, or delay of the service or payment obligations incurred as a result of Awardee's breach by written request to OSHPD setting forth the basis, circumstances, and causes which support the requested action. OSHPD may approve a request for a suspension for a period of not more than one (1) year. A renewal of this suspension may also be granted on a case-by-case basis.
3. OSHPD may modify, waive, suspend, reduce, or delay any service or payment obligation incurred by an Awardee whenever compliance by the Awardee is impossible, or would involve extreme hardship to the Awardee, and if the enforcement of the service or payment obligation would be against equity and good conscience.
4. Compliance by an Awardee with a service or payment obligation shall be considered impossible if OSHPD determines, on the basis of information and documentation, that the Awardee suffers from a physical or mental disability resulting in the permanent (or near-permanent) inability of the Awardee to perform the service or other activities which would be necessary to comply with the obligation.
5. In determining whether to waive, suspend, reduce or delay any or all of the service or payment obligations of an Awardee as imposing an undue hardship and being against equity and good conscience, OSHPD may consider:
  - a. The Awardee's present financial resources and obligations;
  - b. The Awardee's estimated future financial resources and obligations; and
  - c. The extent to which the Awardee has problems of a personal nature, such as physical or mental disabilities, or terminal illness in the immediate family, which so intrude on the Awardee's present and future ability to perform as to raise a presumption that the individual will be unable to perform the obligation incurred.

## **I. MISCELLANEOUS TERMS, NOTICES:**

1. In the event that any provision of this Agreement is unenforceable or held to be unenforceable, then the parties agree that all other provisions of this Agreement have force and effect and shall not be affected thereby.
2. Time is of the essence in this Agreement. Awardee will submit the required deliverables as specified and adhere to the deadlines as specified in this Agreement. Anticipating potential overlaps, conflicts, and scheduling issues, to adhere to the terms of the Agreement, is the sole responsibility of the Awardee.
3. This Agreement is governed by and shall be interpreted in accordance with the laws of the State of California.
4. All reports and the supporting documentation and data collected during the term of this Agreement which are embodied in those reports, shall become the property of the State and may be disclosed pursuant to the Public Records Act.
5. No amendment or variation of the terms of this Agreement shall be valid unless made in writing, signed by the parties and approved as required. No oral understanding or Agreement not incorporated in the Agreement is binding on any of the parties.
6. Disputes: Awardee shall continue with the responsibilities under this Grant Agreement during any dispute. Any dispute arising under this Grant Agreement, shall be resolved as follows:
  - a. The Awardee will discuss the problem informally with the HPEF/OSHPD Program Manager. If unresolved, the problem shall be presented, in writing, to the Deputy Director stating the issues in dispute, the basis for the Awardee's position, and the remedy sought. Awardee shall include copies of any documentary evidence and describe any other evidence that supports its position with its submission to the Deputy Director.
  - b. Within ten working days after receipt of the written grievance from the Awardee, the Deputy Director or their designee shall make a determination and respond in writing to the Awardee indicating the decision and reasons for it.
  - c. Within ten working days of receipt of the Deputy Director's decision, the Awardee may appeal the decision of the Deputy Director by submitting a written appeal to the Chief Deputy Director stating why the Awardee does not agree with the Deputy Director's decision. The Chief Deputy Director or their designee (who shall not be the Deputy Director or their designee) shall meet with the Awardee within 20 working days of receipt of the Awardee's appeal. During this meeting, the Awardee and OSHPD may present evidence in support of their positions.
  - d. Within ten working days after meeting with the Awardee, the Chief Deputy Director or their designee shall respond in writing to the Awardee with their decision. The Chief Deputy Director's decision will be final.

7. During the term of this Agreement, direct all inquiries and notices regarding this Agreement to the Grant Representatives listed below:

**J. GRANT REPRESENTATIVES:**

State Agency: Office of Statewide Health Planning and Development	HPEF Program Awarded Under <b>[Name of HPEF Program]</b>
Section/Unit: Health Professions Education Foundation	Awardee's First Name, Last Name: <b>[Awardee's Full Name]</b>
Name: <b>[Program Officer Full Name]</b>	Address: <b>[Address 1]</b>
Address: 2020 West El Camino Avenue, Suite 1129 Sacramento, CA 95833	Phone Number 1: <b>[Phone 1]</b>
Phone: <b>[Program Officer Main Phone]</b>	Phone Number 2: <b>[Phone 2]</b>
Email: <b>[Program Officer Primary Email]</b>	Email: <b>[Email Address]</b>

**K. AWARDEE'S ACKNOWLEDGEMENT:**

*By signing below, the Office of Statewide Health Planning and Development (OSHPD) and Awardee acknowledge that this Agreement accurately reflects the understating of OSHPD and Awardee with respect to the rights and obligation under this Agreement.*

\_\_\_\_\_

**[Awardee's Full Name]**

\_\_\_\_\_

**Date**

*For the Office of Statewide Health Planning and Development:*

\_\_\_\_\_

**[Procurement and Contract Services Manager]**

\_\_\_\_\_

**Date**