

*Health Professions
Education Foundation*

2014 - 2015 Annual Report

The Health Professions Education Foundation seeks to improve access to healthcare for those who both lack and need it most. Since its establishment in 1987, HPEF has administered scholarship and loan repayment programs to health professional students and graduates who commit to providing healthcare services in underserved communities.



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A MESSAGE FROM THE BOARD PRESIDENT AND THE DIRECTOR OF THE OFFICE OF STATEWIDE HEALTH PLANNING AND DEVELOPMENT



On behalf of the Board of Trustees, I'd like to present the Health Professions Education Foundation's (HPEF) 2014-2015 Annual Report.

With each passing year, the need for medical professionals in the state of California has become more acute due to a rapidly growing population. This is especially true in areas that are considered medically underserved or unserved in our state. In addition, costs for medical education continue to rise, which create financial hurdles for those who choose to pursue a career in the medical field. It is imperative that organizations such as HPEF do what they can to make sure that financial reasons are not what hinder a prospective medical professional from achieving their goal of helping fellow members of their community.

We look forward to working with all community partners, both in the public and private sector, to make sure that quality healthcare is available to all that want and need it.

Scott Sillers
President

Board of Trustees



The Health Professions Education Foundation (HPEF) is meeting the challenge of addressing access to culturally competent health professionals in California's areas of unmet need, thereby improving health outcomes in underserved communities.

This annual report reflects the HPEF's robust engagement in cooperative partnerships that benefit underserved communities for a healthier California.

Robert P. David
Director

Office of Statewide Health
Planning and Development

ABOUT US

The Health Professions Education Foundation (HPEF) is a 501(c)(3) nonprofit public benefit corporation housed within the Office of Statewide Health Planning and Development. It was statutorily created in 1987 to address the acute shortage of health professionals, especially in rural communities and inner cities. Since its establishment, HPEF has offered 13 scholarship and loan repayment programs to support health professional students and graduates who are dedicated to providing direct patient care in medically underserved areas (MUAs).

As of 2014, the HPEF has awarded over 10,911 applicants representing medical and mental health professionals practicing in all of California's 58 counties. These awards help students and graduates fulfill their dreams of pursuing careers as health professionals and caring for underserved populations. HPEF is proud to support the needs of our state's diverse health profession student population and the healthcare workforce to expand access to quality healthcare.

Programs

Allied Healthcare Scholarship and Loan Repayment Programs

The Allied Healthcare Scholarship (AHS) and Allied Healthcare Loan Repayment Programs (AHLRP) are offered to allied healthcare students and graduates. Eligible applicants may receive scholarships and loan repayments of up to \$8,000 per year in exchange for a 12-month service obligation.

Vocational Nursing Scholarship and Loan Repayment Programs

HPEF's vocational nursing (VN) programs include the Vocational Nurse Scholarship Program (VNSP), the Licensed Vocational Nurse to Associate Degree Nursing Loan Repayment Program (LVN to ADN), and the Licensed Vocational Nurse Loan Repayment Program (LVNLRP). These programs are funded through a \$5 surcharge for the renewal of VN licenses in California. Eligible applicants for VNSP may receive a scholarship of up to \$4,000; LVN to ADN program awardees may receive a scholarship of up to \$8,000; and LVNLRP awardees may receive a loan repayment of up to \$6,000. In return, recipients commit to a two-year service obligation of practicing direct patient care at a qualified facility in California.

Associate Degree Nursing and Bachelors of Science Nursing Scholarship and Loan Repayment Programs

The Associate Degree Nursing Scholarship Program (ADN), the Bachelors of Science Nursing Scholarship Program (BSNSP), and the Bachelor of Science Nursing Loan Repayment Programs (BSNLRP) are offered to students and graduates seeking careers as registered nurses. ADN scholarship awardees may be awarded up to \$10,000; BSNSP awardees, up to \$13,000; and BSNLRP

awardees, up to \$8,000. If previously awarded, you may receive a second award for up to \$11,000. In return, recipients commit to a two-year service obligation of practicing direct patient care at a qualified facility in California.

Licensed Mental Health Services Provider Education Program

The Licensed Mental Health Services Provider Education Program (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. An awardee may receive up to \$15,000 to repay educational loans in exchange for a two-year commitment to practicing and providing direct care in a publicly funded or public mental health facility, a non-profit mental health facility, a mental health professions shortage area, or in a public mental health system.

Mental Health Loan Assumption Program

The Mental Health Loan Assumption Program (MHLAP) was created by the Mental Health Services Act (MHSA), passed by California voters in November 2004. The Act provides funding to develop a loan forgiveness program in order to retain qualified professionals working within the Public Mental Health System. Through the Workforce Education and Training component of MHSA, \$10 million is allocated yearly to loan assumption awards. An award recipient may receive up to \$10,000 to repay educational loans in exchange for a 12-month service obligation in a hard-to-fill or retain position within the county public mental health system.

Advanced Practice Healthcare Scholarship and Loan Repayment Programs

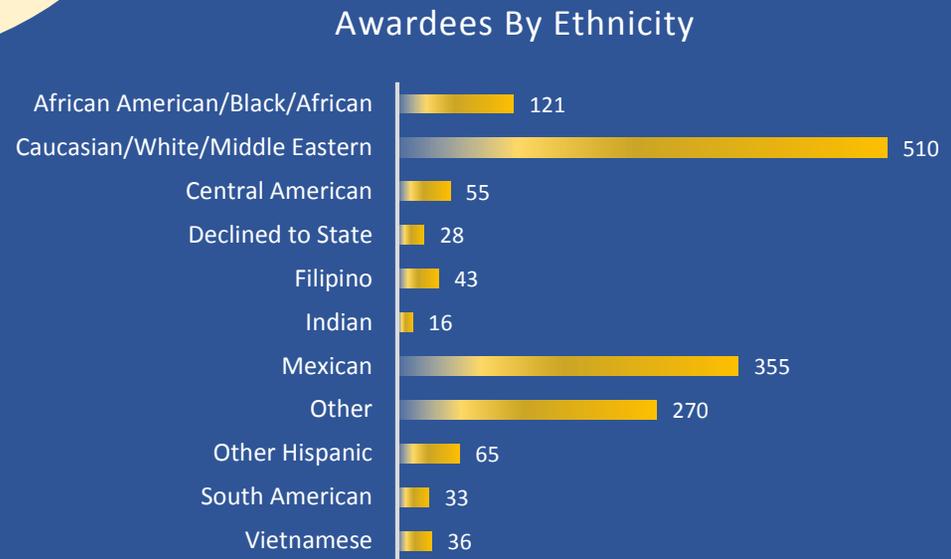
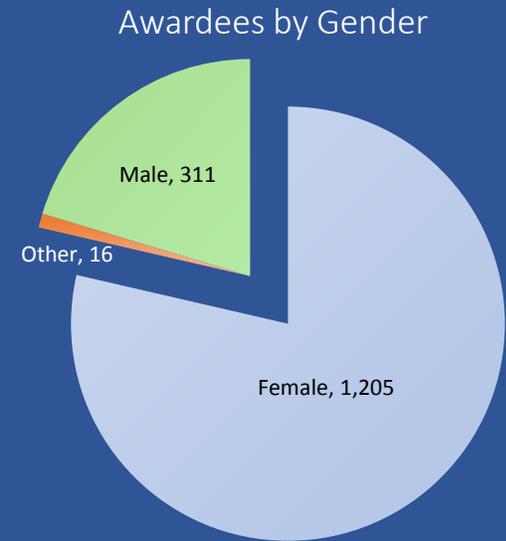
Funded by private grants and contributions, the Advanced Practice Healthcare Scholarship Program (APHSP) and the Advanced Practice Healthcare Loan Repayment Program (APHLRP) increase the number of health professionals associated with advanced practice careers. Those awarded may receive up to \$50,000. If awarded, recipients agree to a two-year service obligation practicing direct patient care at a qualified facility in California.

Steven M. Thompson Physician Corps Loan Repayment Program

The Steven M. Thompson Physician Corps Loan Repayment Program (STLRP) is funded through a \$25 surcharge from Physician licensure and renewal fees, \$1 million from the Managed Care Administrative Fines and Penalties Fund, and private grants and donations. This program encourages recently licensed physicians to practice in Health Professional Shortage Areas in California. The program authorizes a plan for repaying up to \$105,000 in educational loans in exchange for full-time service for a minimum of three years.

SUMMARY STATISTICS

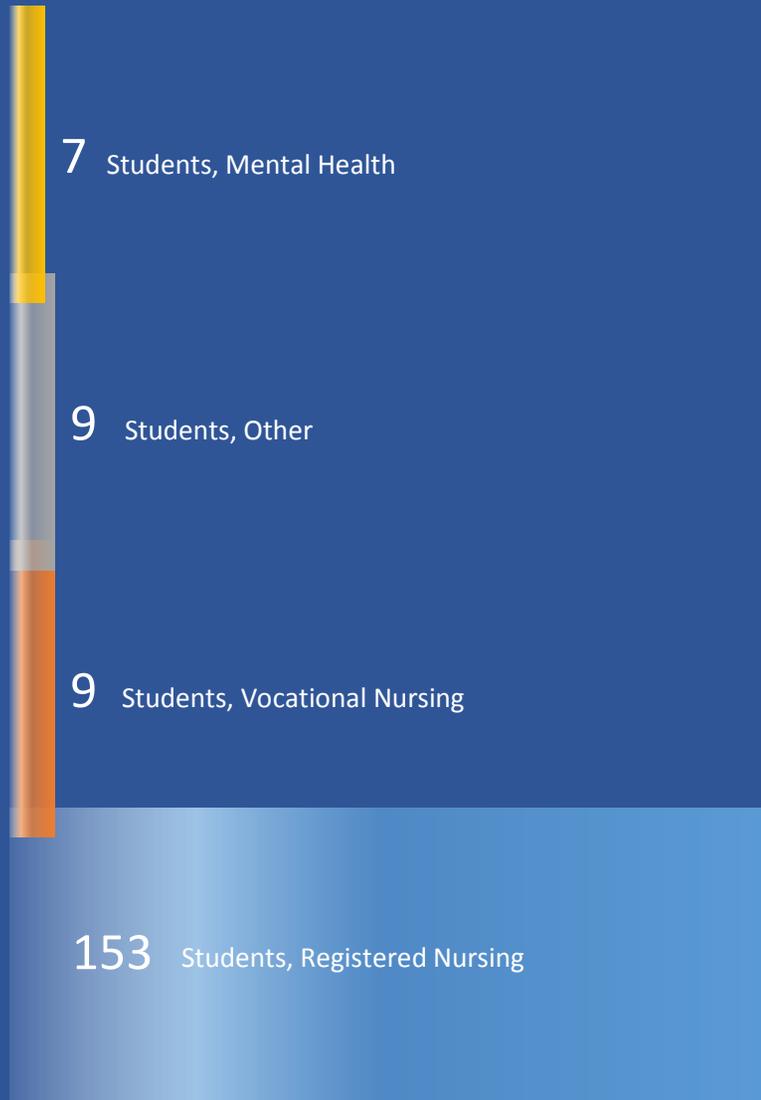
Fiscal Year 2014 - 2015



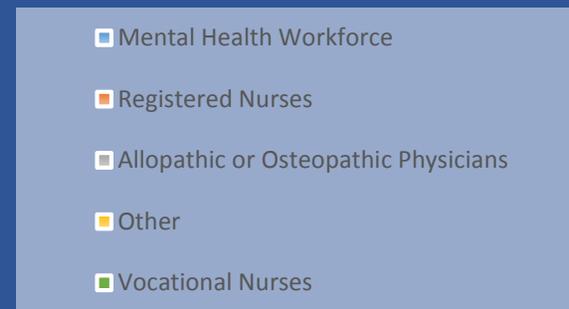
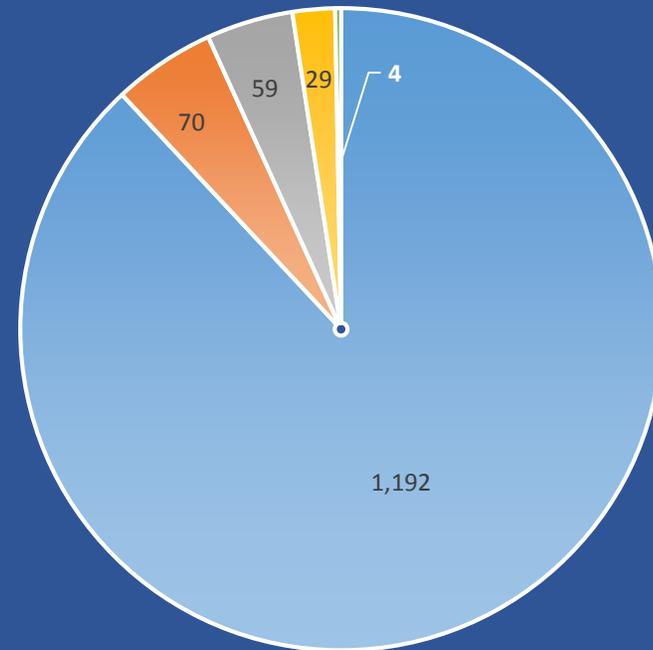
*All data is as of June 30, 2015. All data reporting ethnicity is self-reported by awardees.

SUMMARY STATISTICS

Scholarship Awards by Area of Study



Loan Repayments Awarded by Educational Specialty



*All data is as of June 30, 2015.

AWARDEE TESTIMONIALS

Being awarded the Licensed Mental Health Services Provider Education Program award has had a positive effect on my career. The award has allowed me to serve a broader subset of our population, particularly individuals who are unable to cover my fee. By serving Oakland and the surrounding cities of Oakland, I reach a fairly wide range of clients who are less likely to seek mental health services.

I completed graduate studies, the pre-doctoral residency, and a postdoctoral fellowship out of state and I really wanted to give back to my community. I am honored to serve as one of the few African-American male psychologists under 40 in this area.

I thank the Health Professions Education Foundation for this opportunity.

Licensed Mental Health
Services Provider
Education Program
Awardee

I always knew I wanted to treat the underserved even before dental school. Upon graduating, I was so excited to be offered a position working with mostly migrant workers at a community center in central California. These people work so hard and yet do not have access to medical or dental services, which are basic needs that are essential for their wellbeing and health. Working in a rural area has its challenges, but I am come prepared. I am so fortunate to be awarded by the Health Professions Education Foundation. The award has allowed me to continue providing care in this location. I love what I do, providing dentistry for those who need it the most.

Advanced Practice
Healthcare Program
Awardee

AWARDEE TESTIMONIALS

I was awarded by the Health Professions Education Foundation for nursing for 2014 through 2015 which has been a blessing in allowing me to pay back my school loans and helped me in striving to help patients in an underserved community. I went into nursing because I take pride in helping and teaching patients to be able to care for themselves and their families. I am committed to my community. This program is one giant step in the positive direction of education and improving how we serve our community. I am proud to be a part of the Bachelors of Science Nursing Loan Repayment Program and appreciate all the help that HPEF has given me. Thank you for giving me the opportunity to be a part of this program.

Bachelor of Science Nursing
Loan Repayment Program
Awardee

My work is varied, which I love. Some days I see teens and young adults with chronic illness and disabilities, which have greatly impacted their lives—but their strength and resilience, as well as that of their families, never ceases to amaze me. Other days, I see youth in need of sexual and reproductive healthcare—and I relish the opportunity to help them stay on track with their education and life plans, by helping prevent unplanned pregnancies and STIs. I also feel that they love having a supportive, non-judgmental, respectful medical provider whom they can turn to for this care. And yet other days, I work with morbidly obese youth trying to turn their health around through difficult but necessary lifestyle change. In short, I feel I am doing my life's work; however, given the reality of today's health economics in the US, I would be much more hard-pressed financially without the loan assistance provided by the Steven M. Thompson Physician Corps Loan Repayment Program. I am so grateful and indebted to you—thank you STLRP!

Steven M. Thompson
Physician Corps Loan
Repayment Program
Awardee

PARTNERS AND CONTRIBUTORS

Donors can create a lasting charitable legacy with gifts that support the expansion of quality healthcare throughout California’s MUAs. Donations allow HPEF to continue to give golden opportunities to health professional students and graduates committed to providing direct patient in these areas.

There are many ways to contribute to HPEF. Unrestricted funds provide the most flexibility, enabling HPEF to respond to program and workforce needs as they emerge. Restricted funds may also be established by donors to reflect their personal charitable interests. For example, gifts may be allocated by a geographic area, specific population, or interest.

In addition to helping communities in need, there are other benefits when contributing to HPEF. Under section 501(c)(3) of the Internal Revenue Code, all contributions made to HPEF are tax deductible to the fullest extent of the law¹. Since public accountability is paramount, HPEF ensures the careful stewardship of your assets and publicizes annual reports and independent audits on a yearly basis.

<u>CURRENT PARTNERS</u>	<u>CONTRIBUTION AMOUNT FOR FY 2014-15</u>
The California Endowment	\$31,000,000 grant distributed over three years (July 1, 2013 through July 31, 2017)
The California Wellness Foundation	\$250,000 grant distributed over two years (October 1, 2014 through October 1, 2016)
Kaiser Permanente, Southern California	\$150,000 grant distributed over three years (January 1, 2015 through December 31, 2017)
<i>Total</i>	\$31,400,000

¹ HPEF does not provide tax or estate planning advice. This statement is intended to provide insight into the potential benefits of planned giving and is not intended to take the place of advice from a tax professional. Always consult with a tax professional when planning your giving.

Health Professions Education Foundation
Consolidating Balance Sheets – Special Revenue Fund
June 30, 2015

	Registered Nurse Education	Mental Health Practitioner Education	Vocational Nurse Education	Mental Health Services*	Total
ASSETS					
Cash and Cash Equivalents	\$ 3,176,859	\$ 798,887	\$ 764,017		\$ 4,739,763
Appropriated Funds Available				\$ 22,102,523	22,102,523
Due from Other State Funds	2,811	4,554	539		7904
Accounts Receivable	228,782	14,852	69,888		313,522
Total Assets	\$ 3,408,452	\$ 818,293	\$ 834,444	\$ 22,102,523	\$ 27,163,712
LIABILITIES DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE					
Liabilities:					
Student Financial Aid Payable	\$ 105,330	\$ 10,641	\$ 15,424	\$ 7,352,678	\$ 7,484,073
Reserve for Long-Term Receivables	175,552	3,137	64,668		243,357
Due to Other State Funds	61,536	162	6,389	381,203	449,290
Total Liabilities	342,418	13,940	86,481	7,733,881	8,176,720
Deferred Inflows of Resources:					
Advanced Fee Collections	103,380	11,640	9,320		124,340
Fund Balance, Restricted for Fund Purpose	2,962,654	792,713	738,643	14,368,642	18,862,652
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 3,408,452	\$ 818,293	\$ 834,444	\$ 22,102,523	\$ 27,163,712

*The Mental Health Services Fund is a shared governmental cost fund for which the Foundation is appropriated funds for expenditure and encumbrance only. The California Department of Mental Health controls and accounts for the full activities and assets of this fund.

Health Professions Education Foundation
Consolidating Statements of Revenues, Expenditures, and Changes in Fund Balances – Special Revenue Fund
Year Ended June 30, 2015

	Registered Nurse Education	Mental Health Practitioner Education	Vocational Nurse Education	Mental Health Services*	Total
REVENUES					
Surcharges for Professional Licensing Fee	\$ 1,853,020	\$ 356,242	\$ 218,515		\$ 2,427,777
Student Loan Repayments	52,611	1,694	15,433		69,738
Interest Income	18,218	2,580	5,645		26,443
Total Revenues	1,923,849	360,516	239,593		2,523,958
EXPENDITURES					
Student Financial Aid	1,489,167	289,668	115,495	\$ 8,063,069	9,957,399
Salaries and Benefits	243,930	90,640	79,254	392,014	805,838
Central Administrative Services	29,105	10,681	3,834	619,063	662,683
Departmental Services	131,955	75,602	11,513	143,962	363,032
Facilities Operations	44,599	4,400	7,340	61,785	118,124
Professional Services	22,226	(14,310)	1,870	13,601	23,387
Travel	12,221	36	675	6,307	19,239
Communications	1,246	141	56	2,269	3,712
Training	563	107	622	992	2,284
Postage	730	50	138	258	1,176
Other Operating	35,974	(11,609)	(12,979)	34,839	46,225
Total Expenditures	2,011,716	445,406	207,818	9,338,159	12,003,099
Excess (Deficiency) of Revenues Over Expenditures	(87,867)	(84,890)	31,775	(9,338,159)	(9,479,141)

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OTHER FINANCING SOURCESOperating Transfers In from the
California Department of Mental
Health

				2,460,858	2,460,858
Excess (Deficiency of Revenues and Other Financing Sources Over Expenditures	(87,867)	(84,890)	31,775	(6,877,301)	(7,018,283)
Fund Balance, Beginning	3,050,521	877,603	706,868	21,245,943	25,880,935
Fund Balance, Ending	\$ 2,962,654	\$ 792,713	\$ 738,643	\$ 14,368,642	\$ 18,862,652

The information provided here is summarized from the annual financial statement, prepared by Gilbert Associates, Inc. The complete statements can be accessed at www.oshpd.ca.gov/hpef/.

GOVERNANCE AND STAFF

Health Professions Education Foundation Governance

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Jimmy Miranda, Senior Program Officer

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