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To improve health through leadership, service and education.

June 25, 2009

TO: Each Supervisor

FROM: John F. Schunhoff, Ph.D.
Interim Director

SUBJECT: **HEALTH CARE WORKFORCE DEVELOPMENT PROGRAM (Agenda Item #18, June 30, 2009)**

On June 23, 2009, at my request, your Board continued to June 30th the Board letter which recommended extension of the agreement with the Worker Education and Resource Center, Inc. (WERC), for one year, to support continued provision of training services for the Health Care Workforce Development Program (HCWDP). For the June 30th agenda, we have filed a revised recommendation to extend this agreement with WERC for six months. This is to provide you with additional information concerning this recommendation and the HCWDP.

The HCWDP was created in 2001 as part of the Los Angeles County (County) Medicaid Waiver program. It was structured as a joint labor-management program in the County in collaboration with SEIU Local 721 (formerly SEIU Local 660). To implement this program, SEIU created a non-profit corporation, WERC. Funding for the program since its creation as part of the Waiver was a 2:1 State: local match, but the funding percentages were not proportional each year. The County share was completed in FY 2005-06 and the State share was completed in FY 2008-09. On January 13, 2009, the Board approved allocation of $2.8 million of Tobacco Settlement Funds to complete FY 2008-09. Our current full year estimate is that $1.346 million of these funds will be used. When the FY 2008-09 books are closed, any remainder will revert to the Tobacco Settlement designation account.

The HCWDP budget for FY 2009-10 is $5.505 million, composed of $1.594 million in salaries and employee benefits for Department of Health Services (DHS) staff assigned to the program and $3.911 in Services and Supplies, out of which the proposed $3.463 WERC contract would be funded and from which DHS funds an additional $0.448 of direct agreements with training providers. Grant revenue of $3.0 million is budgeted along with $2.505 of Net County Cost (NCC), which is already in the adopted budget.

In January, when the Board approved the allocation of Tobacco Settlement Funds, DHS recommended that during the second half of FY 2008-09, the HCWDP only continue the program elements for those employees already enrolled in long-term professional career path programs and certain skill enhancement classes needed by the Department. This recommendation was implemented and is responsible for the projected underutilization of the Tobacco Settlement funds.

WERC has been actively seeking funds to continue the HCWDP. Grants already approved provide $0.266 million for FY 2008-09. WERC has a number of other applications either submitted or pending Requests for Proposals (RFPs). Significant among these are grant programs funded from the federal ARRA. We had expected that there would be more information by this point in time on opportunities under ARRA, but several large funding allocations are either awaiting federal announcements or local RFPs.

The HCWDP has been a key component in our training efforts for nursing and allied health. However, DHS is very cognizant that it is projecting a $278.1 million NCC deficit for FY 2009-10, potentially offset with revenue and cost savings options which are not assured. But, because there is reasonable likelihood of additional grant funding for the HCWDP, the Department is recommending a six-month extension of the WERC agreement, giving WERC time to secure additional grant funding, under the following conditions:

> Employees currently enrolled in multi-class training programs which lead to nursing or other allied health licensure, certification, or qualification for DHS positions for which DHS uses registry staff, will continue with their training, but no new entrants into this group of trainees will be accepted until sufficient grant funding is received to achieve budget for the program. Skill enhancement classes will be evaluated and scheduled only when they meet critical training needs of the Department. Specifically, classes will be scheduled only when they 1) are needed to assure continued accreditation or patient safety, 2) reduce the need for registry staff, or 3) are specifically funded by a grant.

The CEO and DHS will continue to work with SEIU to advocate for federal funding for this program and the WERC staff will continue to pursue all grant and revenue opportunities to fund program elements. If sufficient grant funds are assured, we will return to the Board to recommend extension of the program. If sufficient grant funds are not secured, we will have to recommend termination of the agreement or significant restructuring to conform to available and committed grant funding.

If you have any questions or need additional information, please let me know.

JFS:mm

c: Chief Executive Officer
Interim County Counsel
Executive Officer, Board of Supervisors
SEIU Local 721
Director, HCWDP