

**Workforce Investment Board of Merced County
Program Planning and Development Committee
Merced Chamber of Commerce Conference Room
690 West 16th Street, Merced, CA
Wednesday, March 24, 2004, 3:00–4:30 p.m.
Meeting Agenda**



www.co.merced.ca.us/wi/wib/wib.html

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1. Call to Order and Roll Call
 2. Approve Agenda
 3. Approve Minutes (November 19, 2003).....
 4. Public Opportunity to Speak
 5. Action Agenda
 - a. RN Program Continuation
 6. Discussion/Action
 - a. Self-Sufficiency Wage
 7. Information Agenda
 - a. Marketing Update
 8. Chair’s Comments
 9. Next Meeting Date/Time—April 28, 2004, 3:00–4:30 p.m.....
 10. Adjourn

“Merced County’s Workforce Investment System will keep pace with new growth, the emerging economy, and the ever-changing needs of the employers by creating a better educated, highly skilled workforce, that’s capable, prepared, and thoroughly knowledgeable.”

**Workforce Investment Board
Program Planning and Development Committee
Department of Workforce Investment
1880 West Wardrobe Avenue, Merced, CA
November 19, 2003, 3:00 – 4:30 P.M.
Meeting Minutes**



Members Present: Andrea Baker, Don Bergman, Sharon Cresswell, Harry Dull, Peter Fluetsch, John Fowler, Scott Galbraith, Gisela Malone, Anne Newins, Rick Osorio (Chair), Al Romero

Members Absent: Paul Alderete, Mike Boardman, Carol Greenberg, Ana Pagan, Mike Sullivan, Thomas Tsubota

WI Staff Present: Dave Davis, Dee Knight

1. **Call to Order and Roll Call:** The Chair called the meeting to order at 3:10 p.m. A sign-in sheet was used in lieu of roll call.
2. **Agenda:** It was *M/S/C Bergman/Fluetsch* to approve the agenda as published.
3. **Approval of Minutes:** It was *M/S/C Dull/Fowler* to approve the October 22, 2003 minutes.
4. **Public Opportunity to Speak:** None.
5. **Discussion With Possible Action:**

a. WIB Goal #1 – Train and Attract Adaptable Workers to Fill Industry Needs: The following specific industries were recommended:

- 1) Automotive Repair Industry
- 2) Healthcare Industry
- 3) Transportation Industry
- 4) Construction Industry

After discussion, it was *M/S/C Bergman/Malone* that construction would be the single industry to develop a pilot project.

Ms. Baker will provide the success rate on the Building Trades program. It was decided the committee would have a Construction Summit, using the format of the Manufacturing Summit, sometime the 2nd or 3rd week in December. Staff will get a list of names from the City and County Planning Department, and send letters to all commercial and residential general contractors inviting them to attend the summit for the purpose of addressing the needs of their industry.

The following places were recommended for the meeting: Board of Supervisors Room, City Council Chambers, Sam Pipes Room, Senior Center, Boys & Girls Club, Newbold/Clark Room at MCOE, Board of Realtors. Staff will book whichever room is available during that timeframe.

6. Information Agenda:

a. **Update from Goal #2 Workgroup:** The Chair noted that everyone should read all the provided information.

7. Chair's comments: The Chair noted he wanted the committee to move quickly but cautiously on the pilot project.

8. Next Meeting Date/Time (Please Note Change): Construction focus meeting in December, date and time to be determined.

9. Adjourn: Meeting adjourned at 4:20 p.m.

Minutes prepared by Devilla D. Knight.

TO: Program Planning & Development Committee

DATE: 03/24/04

FROM: WIB Staff

For Action

For Information

For Discussion

SUBJECT: Continuation of Registered Nurse Program

PROPOSED MOTION(S): Continue the Registered Nurse Training Program with Merced College and select an appropriate enrollment level for recommendation to the Workforce Investment Board (WIB).

DISCUSSION: Since August 1, 1999, Merced County has had continuing contracts with Merced College to provide Registered Nurse (RN) training for WIA participants. The original class was 6 students. In March 2002, the WIB directed the number of WIA supported students be increased to 24. The present contract will terminate June 30, 2004. Of the 24 students now enrolled, 18 will still be enrolled at contract termination.

A new contract would result in a contract continuation through June 30, 2005. Six (6) new students would enroll each of the two semesters covered by the contract, with 6 graduating each semester, keeping those supported by the WIB at 24. Contract cost per participant will be \$2,737 per student/semester with a total contract cost of \$131,376. This is an increase in the contract, computed at 24 students attending per semester, of \$21,504 per year, or an increase of 19.6% in contract cost. The rise in cost is attributed to increased costs for Health Insurance and Workers' Compensation, plus salary step increases.

Ms. Sarah Greene, Dean of Instruction, Merced College, will attend the March 24, 2004 committee meeting to provide any additional information requested.

The following Options are offered for cost comparison and consideration:

(Please see attachment)

**ATTACHMENT(S):
RN Training Options**

RN Training Options

Option 1: 24 RNs per year (Current WIB policy)

- **Total cost of contract + supportive services = \$131,376 + \$36,616 = \$166,992**
- **Cost represents 40.5% of Adult Training Budget
25.7% of Total Training Budget**
- **Future costs to graduate all participants with no new enrollments = \$215,168**

Option 2: 18 RNs in program. Enroll 6 new 1st semester, none (0) in 2nd semester, none after that

- **Total Cost of contract + supportive services = \$114,954 + \$26,237 = \$141,191**
- **Costs represents 34.3% of Adult Training Budget
21.7% of Total Training Budget**
- **Future cost to graduate all participants with no new enrollments = \$67,574**

Option 3: 18 RNs in program. No new or future enrollments.

- **Total Cost of contract + supportive services = \$82,122 + \$18,237 = \$100,359**
- **Cost represents 24.4% of Total Adult Training Budget
15.4% of Total Training Budget**
- **Future cost to graduate all participants with no new enrollments = \$19,466**

Combined Costs of RN/LVN Programs

- **Option 1: \$249,719 60.6% of Adult 38.4% of Total**
- **Option 2: \$207,485 50.4% of Adult 31.9% of Total**
- **Option 3: \$183,074 44.5% of Adult 28.2% of Total**

TO: Program Planning & Development Committee DATE: 3/24/04

FROM: WIB Staff

For Action

For Information

For Discussion

SUBJECT: Self-Sufficiency Wage

PROPOSED MOTION(S): That the Program Planning & Development Committee adopt a new method for establishing the Self-Sufficiency Wage to incorporate family size and primary living expenses, and forward to the Workforce Investment Board (WIB) for approval.

DISCUSSION : At present the WIB approved Self-Sufficiency Wage is \$11.06 per hour, and is based on a weighted national average at the 25th percentile of wages of adults (aged 25 years and older) who have a high school diploma or less and are in full-time employment. The hourly rate is adjusted for Merced County cost of living and inflation. What the Self-Sufficiency Wage does not take into account is family size and the cost to live in Merced County such as housing, utilities, food, transportation, childcare, and health care.

A new formula based on a California Budget Project allows for family size and living expenses to be considered. The information used is tailored to Merced County, and can be reviewed periodically and updated as changes occur, or yearly at a minimum. The advantage of this newer calculation is that more individuals with families will be eligible for intensive or training services. For example, today's calculation sets the self-sufficiency wage at \$11.06 per hour, regardless of family size. Using the new calculation, a single parent family member will have a self-sufficiency wage of \$16.59, and the wage rate for a two parent family with one working member will be \$15.00 per hour. In other words, a family member needing WIA services will be qualified if he or she is making less than the respective \$16.59 or \$15.00. Now those same individuals must be making less than \$11.06 to qualify.

Staff reports that the vast majority of individuals seeking WIA assistance will benefit from the Self-sufficiency Basic Family Wage calculation.

ATTACHMENT(S):
Self-Sufficiency Basic Family Wage Calculation

**Basic Family Wage Calculation
For Merced County Residents
Based on California Budget Project Methodology**

EXPENSE CATEGORIES	Single Adult (a)	Single Parent Family (b)	Two Parent Family (One Working) (c)	Two Working Parent Family (d)
Housing and Utilities	\$ 444	\$ 608	\$ 608	\$ 608
Food	\$ 190	\$ 465	\$ 667	\$ 667
Transportation	\$ 290	\$ 290	\$ 290	\$ 522
Child Care	\$ 0	\$ 668	\$ 0	\$ 668
Health Care	\$ 161	\$ 349	\$ 468	\$ 436
Miscellaneous	\$ 131	\$ 232	\$ 312	\$ 327
Taxes	\$ 244	\$ 264	\$ 255	\$ 403
Total (monthly)	\$ 1,460	\$ 2,876	\$ 2,600	\$ 3,631
Total (annual)	\$17,520	\$34,512	\$31,200	\$43,572
Basic Family Wage*	\$8.42	\$16.59	\$15.00	\$10.47

*Basic Family Wage is *per working adult*, per hour

Methodology

Housing and Utilities – Based on Fair Market Rent for the County of Merced, 2003

Food – Based on United States Department of Agriculture national Low-Cost Food Plan, 2003

Transportation – Based on statewide average derived from the California Energy Commission’s Driver Diary Study, 1995

Child Care – Based on California Child Care Resource and Referral estimates of child care expenditures for different family types (23% of total budget for family type b, 19% for family type d).

Health Care – Based on State-wide average of premiums quoted by leading HMOs, from which an estimate for each family type was derived (11% of budget for family type a, 12% for family type b, 18% for family type c, and 12% for family type d).

Miscellaneous – Based on estimates from the 2003 Consumer Price Index (9% for family a, 8% for family b, 12% for family c, and 9% for family d).

Taxes – Based on estimates derived from Federal and State tax returns for California residents from 2002 (16.7% for family a, 9.1% for family b, 9.8% for family c, and 11.1% for family d).