

TO: Executive Committee

DATE: 05/07/07

FROM: WIB Staff

For Action

For Information

For Discussion

SUBJECT: Continuation of Registered Nurse Program

PROPOSED MOTION(S): Discuss scenarios concerning continuation of the WIBs Registered Nurse Program.

DISCUSSION: In 2004, the Workforce Investment Board committed to training 24 Registered Nurses (RN) per year. The four (4) semester course takes two (2) years to complete. The RN contract allows 6 new students to be enrolled each year and 6 to graduate. The WIB used WIA formula funds for the program until 2005 when a State grant was received to fund training until June 30, 2007 (next month).

When the next semester for RN training begins, there will be 14 WIB-sponsored student RNs enrolled at the college. Faced with the completion of the RN grant and continuing cuts in WIA allocations, the WIB is requested to consider the following in the decision process concerning the continuation of the RN program:

- 1. The College has increased the cost of the RN contract by 32% since the decision to train 24 RNs was made. They forecast an additional 10% in next year's (2007-08) costs.**
- 2. WIA funds have been reduced by 40% during the same time period.**
- 3. RN training has been funded by an EDD grant for the past two (2) years.**
- 4. The EDD grant ends next month, June 30, 2007.**
- 5. The WIB faced a similar decision last fall with continuing LVN training. That training is continuing because of a recent DOL grant award.**
- 6. There are no RN grants pending.**
- 7. Workforce Investment is in dialogue with Merced College seeking new funding sources. Talks are beginning in late May with the Modesto Hospital Council.**
- 8. The Department of Workforce Investment is attempting to alleviate the funding shortfalls through staffing attrition (3 retirements that will not be filled, and the releasing of 4 unfilled positions back to the County).**
- 9. Because of cuts in allocation, continued rises in the costs of providing required universal services, and increases in the services being provided to business, training dollars have been negatively impacted.**
- 10. Training will be targeted at the WIB's selected industry clusters of Healthcare and Manufacturing. Almost all training will be funded through special grants.**

RN training scenarios follow:

Scenario 1: Continue the program at 24. (Because of attrition, next year would include 6 new students and 14 continuing students)

- **Cost for this option will be contracted cost of \$119,440, expected to increase each new contracted year.**
- **Supportive Services for this option will be \$15,889.94 per year.**
- **Total 2007-08 cost - \$135,392.**

Scenario 2: No new students, commitment only to the 14 remaining.

- **Students by semester –**
2nd Semester – 6
3rd Semester – 3
4th Semester – 5
- **College's cost to the WIB for next year will be \$94,728. At the close of the contract, 6 students will be in the pipeline with one semester left to graduate. That semester will cost \$24,711.60. Total contract cost to graduate all 14 will be \$119,440.**
- **The WIB also funds supportive services to the student RNs. The cost of supportive services totals \$6,850.22 for 2007-08, and \$2,715.90 for 2008-09. Total until all 14 graduate is \$9,566.12.**
- **Combined WIA funds to graduate 14 students (with no new students being enrolled) are \$129,006.12.**

Scenario 3: Supportive Services only, no new students, no contract.

- **Cost for next year - \$6,850.22**
- **Cost for the following year - \$2,715.90**

Recommendations:

- 1. Supportive Services only for the remaining 14 students**
 - **WIA funding will support students**
 - **Affordable**
 - **Classes will continue, even without the WIA dollars to support continued capacity**
 - **Does not contractually obligate the WIB with possibility of insufficient funds**
 - **Recommended**
- 2. Contract and Supportive Services for remaining 14 RN students**
 - **Supports students and the college**
 - **Could be doable – but barely**
 - **Finding other funding will be the key (holding off recommendation for search)**
- 3. Contract for 24**
 - **Inadequate funding**
 - **Calls for possible continued commitment with probable declining funding**
 - **Not recommended**

Note: Decision is needed – June Executive Committee Meeting.