

TO: Workforce Investment Board

DATE: 05/13/04

FROM: Executive Committee

For Action

For Information

For Discussion

SUBJECT: Continuation of Registered Nurse Program

PROPOSED MOTION(S): Ratify the Executive Committee's decision to continue the Registered Nurse Training Program with Merced College at a continued enrollment level of 24 WIA sponsored RN students per year for the period July 1, 2004 through June 30, 2005.

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.

The following Options were compared.

(Please see next page)

ATTACHMENT(S): N/A

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**