



# Memorandum

9/22/2009

**To:** Employment Training Panel  
Alternative Funding Subcommittee

**From:** Brian McMahon  
Executive Director

**Subject:** Non-Profit Nurse Training Program

## ***Non-Profit Nursing Skills Training Program Guidelines***

### **Background**

ETP has been allocated \$3.0 million from the Labor and Workforce Development Agency (LWDA) as a result of the substantial augmentation to the Governor's 15 Percent WIA Discretionary Funds that occurred through this spring's ARRA augmentation to the state's WIA formula funding. These monies are proposed for a program that would target incumbent nurse training in the non-profit healthcare sector, with an emphasis on rural hospitals in high unemployment areas of the state. Non-profit hospitals typically do not pay the Employment Training Tax, and for that reason are precluded from participation in the ETP program. The disbursement of this \$3 million will very largely be under the Panel's new Medical Skills Training (MST) model with some areas of modification described below.

The expenditure of ARRA funds is authorized under the state Budget Act for FY2009/10. A new provision in ETP's enabling law conveys authority to disburse funds from a source other than the Employment Training Tax, and exempts the Panel from rulemaking in setting program guidelines. ([UI Code](#) Section 10214.6. AB12 X4, Stats. 2009.)

The ARRA funds will be disbursed through two-year performance-based contracts over the next two state Fiscal Years. It is expected that the first projects will be presented to the Panel at its December 2009 meeting. It now appears likely there will be sufficient demand at the December meeting to fully encumber all non-profit nursing skills training funds. If this level of demand is present, the Panel will allocate funds equitably among qualifying projects.

Guidelines for the Non-Profit Nursing Skills Training program are outlined below:

### **Program Guidelines:**

**Project Funding Cap:** Because of limited funding and the need to encumber funds at 100% levels, a \$500,000 cap per employer will be put in place for the program. Employers may submit more than one proposal, but the combined total cannot exceed the \$500K cap.

**Training Hours Cap:** Cost-per-trainee would be contained by a cap on hours, consistent with the core program. Greater flexibility would be used in setting the cap for a hard-to-serve population.

However, hours over 300 would be subject to greater scrutiny, for both Retraining and New Hire training.

**Employer Eligibility:** Program eligibility limited to non-profit health care organizations. For-profit or health care organizations owned by governmental entities are not eligible contractors. There is no requirement for out-of-state competition.

**Eligible Trainee:** Eligibility will be limited to trainees currently in nursing occupations. Trainees employed through an external nurse registry will not be considered an eligible project participant.

**Full-time Employment:** A trainee will be considered as employed full-time with a minimum of 24 hours of employment a week.

**Trainee Wages:** All trainees would be subject to standard re-trainee wages with HUA wage waiver option.

**Project Structure:** With the exceptions described in these guidelines, projects will be developed under ETP's existing Medical Skills Training (MST) framework.

**Project Approval Process:** New projects would be developed and presented to Panel using slightly modified standard 130 form. Panel approval would be required for all projects.

**ETP Contract Content (Form 100) -** Retain existing core, but eliminate unnecessary provisions, and include required provisions from US DOL and ARRA.

**Turnover Rate:** Employers would be required to provide turnover rate information for data-gathering. Employers with greater than 20% turnover in the preceding year would be required to provide a justification, consistent with the core program. However, given the recession and attendant volatility in the current workplace, and overall goals of federal funding, a turnover penalty would not be assessed. This approach is consistent with turnover rate modifications for Critical Proposals under the core program.

**Retention Period:** Standard program retention period will be applied. Limited case-by-case flexibility as justified.

**Employer Contributions:** An In-Kind Contribution would be required, consistent with the core program. There would not be a Substantial Contribution, in recognition that this is a new funding source from prior projects. Also, the modification of a Substantial Contribution requirement is consistent with Critical Proposals under the core program.

**Other Areas:** The Non Profit Nursing Skills Training Program would follow core and MST program procedures and standards in other areas, as in the examples below:

- Marketing
- Eligibility determination
- Reimbursement rate table
- Support costs for MECs
- Variable reimbursement methodology
- Minimum and maximum range of training hours
- Cap on literacy and safety training as % of total hours
- Trainer-to-trainee ratios
- Proposal development and monitoring
- Progress payments invoiced through Online Tracking System