Date: February 20, 2016

To: Joint Labor Management Benefits Committee

From: Staff

Subject: Wellness Subcommittee Status Report and Staff Funding

RECOMMENDATION:
That the Joint Labor-Management Benefits Committee (a) receive and file this status report regarding development/implementation of a Wellness Program for the City’s Flex Benefits Program; and (b) approve funding the staffing costs for two positions supporting the Wellness Program through the conclusion of FY 16/17.

DISCUSSION:
On February 5, 2015, the JLMBC established an Ad Hoc JLMBC Health and Wellness Subcommittee (“the Subcommittee”). The Subcommittee consisted of two management and two labor representatives. The Subcommittee, working together with Personnel Department staff, was tasked with developing recommendations for defining a mission, objectives, resources and implementation plan for a Flex Benefits Wellness Program. The Subcommittee met on five different occasions and, upon their recommendations, on November 12, 2015, the JLMBC adopted a proposed resource and implementation plan for a Flex Benefits Wellness Program. That program is broadly represented in this previously reviewed graphic.

The findings of the JLMBC were that the most fundamental keys to success for a credible and sustainable Flex Benefits Wellness Program included securing long-term and broad-based organizational commitment; dedicating the necessary organizational resources to establish a credible and sustainable program; and establishing an organizational mission and a coherent long-term strategy for targeting and achieving measurable outcomes.

This report will address recent developments and a recommendation with respect to (a) obtaining the needed staffing resources to direct the program; (b) a change in the status of available resources for the Wellness Program; (c) a recommendation for funding staff positions for the balance of Fiscal Year 15/16 and continuing into Fiscal Year 16/17; (d)
the securing of resource from the non-profit Coro Fellows Program; (e) a status update on Wellness Program development; and (f) an update regarding the expenditure plan for available Wellness resources.

A. Status of Wellness Program Staffing Requests

The JLMBC’s adopted Wellness implementation plan included a project plan/timeline for achieving certain milestones. This plan included a finding that new staffing resources would need to be established expeditiously in order to move forward with developing the Wellness Program. As a result, the Personnel Department drafted a report to City Council providing an update of the JLMBC’s work in developing a Wellness Program. The report further included a request for approval of resolution authority for Fiscal Year 15/16 for two professional staff positions (a Senior Personnel Analyst II and Personnel Analyst II) to administer the launch and ongoing administration of the program.

The most critical and essential duties of these positions include:

- Directing strategic planning for program implementation;
- Developing/measuring/reporting on program results/metrics;
- Directing and developing core messaging/marketing;
- Conducting needed procurements;
- Administering contracts;
- Developing and coordinating the resources of departmental leaders, labor organization leaders, and other organizational advocates; and
- Developing policy and program recommendations.

As has been stated previously, these staffing resources and duties identified above are indispensable to implementing the JLMBC’s vision for its Wellness Program.

Before the Personnel Department report could be submitted to City Council, the Personnel Department was advised that the City Administrative Officer (CAO) would first need to review and approve the resolution authority position request. Although there is agreement on the value of and need for the positions, a funding source for the positions has not yet been identified.

Separately, the Personnel Department submitted a request for permanent authority for the two Wellness positions for Fiscal Year 16/17. That request is making its way through the City’s budget process which will not conclude until June 2016.

B. Status of Blue Shield Wellness Funds

The JLMBC’s adopted implementation plan assumed that Wellness funding resources from Blue Shield in the amount of $1.8 million would need to be expended by year-end 2016. As previously noted, the City’s original agreement with Blue Shield relative to Wellness funding provided that Blue Shield would provide $900,000 to the City on an annual basis for Wellness-related programs, and that these funds would expire if
unused and could not be carried forward to a subsequent year. However, because the City did not have the staff resources to utilize funds for 2015, Blue Shield and City staff successfully negotiated an agreement allowing the City to roll forward the expiring 2015 funds and combine them with 2016 funds, for a total of $1.8 million to be available in 2016.

Last month Blue Shield provided a payment to the City of $900,000 representing the 2015 Wellness fund allotment. A cash payment had not been anticipated; these funds were immediately deposited in the Employee Benefits Trust Fund and earmarked for the City’s Wellness Program. Because the funds are now deposited in the Benefits Trust Fund, the JLMBC has the flexibility to use these funds for the full range of services it requires to implement the Wellness Program. The JLMBC further has the flexibility to control the timing of when those funds are expended.

C. Proposal to Fund Wellness Positions Through Fiscal Year 16/17

As previously noted, there appears to be broad consensus with respect to the value of the Wellness Program and the need for the staffing resources to establish and administer it. The Mayor’s Office Operations Innovation Team has taken particular interest in and indicated support of the Wellness Program.

Given the resources unexpectedly provided to the City by Blue Shield, an opportunity now exists for funding the positions on an initial basis. This would remove the last obstacle to securing position authority, both on a resolution basis as well as for FY 16/17.

Given this, staff recommends that the JLMBC approve funding the two requested staff positions from the time resolution authority is approved and continuing through the end of FY 16/17. The source of funding would be from the $900,000 in Blue Shield funds presently on deposit within the Employee Benefits Trust Fund.

Under the original time constraints, both staff and the JLMBC understood that expending $1.8 million by the end of 2016 was a challenging goal at best. Directing a portion of these funds to staffing is, in staff’s view, the most valuable investment the Flex Program could make in launching the Wellness Program. Without having the needed staffing provided on a timely basis, the alternative use of these funds would have likely involved either directing a larger share to the Plan’s consultants, expending them on specific initiatives in an uncoordinated and potentially ineffective manner, or (in the worst case) allowing them to lapse entirely.

The approximate cost of funding these positions (including both direct and indirect salary costs) for the 14-month period beginning May 2016 and concluding June 2017 would be $360,000-$390,000.1 Beyond FY 16/17, the permanent funding source for Wellness resources will need to be addressed. This assessment will be more fully

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1 This assumes a Step 8 salary level for the position authorities; the lower end of the range represents the option of hiring a Management Assistant in lieu of the Personnel Analyst II position.
informed by the selection of health service partners selected pursuant to the pending Request for Proposal (RFP) for Health service providers. The RFP requested that Health service providers provide unrestricted Wellness resources in partnership with the Flex Program and its long-term health and wellness objectives.

D. Coro Fellow Program Resource

The Personnel Department recently became aware of an opportunity to apply for, and was able to secure, a unique resource to assist with the development of the Wellness Program. The resource comes from Coro Southern California (“Coro”), a non-profit educational institute supported by foundations, corporations and individuals.

Coro operates a Fellow Program designed to prepare young professionals for effective leadership in private, public, and non-profit organizations. The program is limited to 12 “Fellows” who are assigned specific intensive projects to complete over a nine-month period of time. The program accepts project applications from organizations during certain windows of time each year and assigns a select number of these projects to its Fellows. The Fellows work on each project on a full-time basis for a short period of time and produce a deliverable for the organization. Projects that are attractive to Coro involve complex social, economic, and organizational challenges that require interaction with decision-makers, and development of analytical, group governance, and communication skills for the Coro Fellows. Coro Fellows are asked to interact with diverse constituents, identify resources, and develop innovative solutions.

The Personnel Department’s Employee Benefits Division recently became aware of the program and a rapidly approaching application deadline of mid-February (for assignments taking place between March 1-25). The Division prepared applications for assistance with strategic development of its Wellness and Retirement Security initiatives. Coro accepted the applications because the challenge and complexity of the initiatives fit well within its goals for project design. Coro was especially interested in the behavioral and outcomes-based aspects of the City’s initiatives. The assignment of a project to a Coro Fellow typically involves a $7,000 contribution to the Coro Fellow program.

From staff’s perspective, the resource and this expenditure is akin to utilizing either a dedicated consulting or staff member resource. The assignment will involve supporting staff in research and developing Wellness Program strategic priorities for consideration by the JLMBC at its April 7, 2016 meeting.

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2 Coro was founded in San Francisco in 1942 by W. Donald Fletcher, an attorney, and Van Duyn Dodge, an investment counselor, to train young veterans. Since 1947, when the first program was delivered, Coro has grown to include Coro Centers in six cities, including San Francisco, Los Angeles (1957), St. Louis (1972), Kansas City (1975), New York (1980), and Pittsburgh (1999). 300-400 participants a year go through Coro programs nationwide. At least 10,000 program alumni are currently serving as leaders in local, regional and national/global businesses, non-profit organizations, governmental agencies and elected public office. The four Centers, Programs and licensees, and an alumni service organization, are connected, supported and leveraged as a system by Coro National, a 501(c) 3 governing body that serves as the national voice and partner for the regional centers and alumni participants.
The selected Fellow is Ross Green. Mr. Green is a graduate of the University of Alabama, from which he graduated in 2014. He just completed a Coro placement with the office of City Councilmember Bob Blumenfield, where he has been working on a project related to securing funding for the Metro Orange line. Prior to that he worked with AmeriCorps as a Regional Director for SaveFirst, a tax preparation and savings initiative that trains college/law students to provide free tax returns for working families. He has also worked with the office of the Attorney General for Montgomery, Alabama, as well as with the Sustained Dialogue Institute in Washington D.C.

The availability of this full-time resource at this particular point in time provides a significant opportunity to advance the Wellness Program while issues involving securing staffing resources are still pending resolution. Mr. Green will be present at the March 3, 2016 JLMBC meeting to meets its members and to hear the discussion regarding the Wellness Program initiative.

E. Wellness Program Development Status Update

On February 9, 2016, staff held its kick-off strategic planning meeting with the JLMBC’s consultants from Keenan and Segal. The meeting was productive and staff has subsequently worked on preparing a strategic planning review focused on the following:

1. Identifying specific goals/metrics for measuring the success of the Wellness Program
2. Establishing core branding and messaging for Flex members
3. Developing specific recommendations for procuring for local engagement/education services
4. Developing specific recommendations for procuring for program data management and consulting resources

Given that the Flex Program now has a full-time resource for the period March 1-25 to assist with further researching and developing these initiatives, staff is deferring presentation of any recommendations related to the above until the JLMBC’s April 7, 2016 meeting.

F. Wellness Program Revised Expenditure Plan

Staff has revised its expenditure plan to reflect the following:

1. Bifurcated funding resources now presently available to the Flex Program (unrestricted 2015 Wellness Funding and restricted 2016 Wellness Funding)
2. The recommended expenditure for staffing through the end of FY 16/17
3. Updated estimates of development costs for utilization, development and/or procurement for communications, local education, data benchmarking/IT, and consulting (including Coro Fellow) expenditures.
The following table provides an overview of estimated expenditures for what should now be considered two discrete pools of resources. These are general estimates only and will likely be revised as additional research and consideration is given to each of the program elements.

<table>
<thead>
<tr>
<th>Service</th>
<th>Resource</th>
<th>Allocation Amount Through June 2017</th>
<th>Completion Date</th>
</tr>
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<tbody>
<tr>
<td>Starting Balance --</td>
<td>$ 900,000</td>
<td></td>
<td></td>
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<tr>
<td>Expense: Staffing</td>
<td>Two professional staff positions</td>
<td>$ (389,496)</td>
<td>6/30/2017</td>
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**2016 Wellness Funding: $900,000**

<table>
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<tr>
<th>Service</th>
<th>Resource</th>
<th>Allocation Amount Through December 2016</th>
<th>Completion Date</th>
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<tr>
<td>Starting Balance --</td>
<td>$ 900,000</td>
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<td></td>
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<tr>
<td>Expense: Strategic Planning Development</td>
<td>Wellness or Benefits Consultant</td>
<td>($18,000)</td>
<td>4/7/2016</td>
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<tr>
<td>Expense: Coro Fellow Program</td>
<td>Research and Analysis</td>
<td>($7,000)</td>
<td>4/7/2016</td>
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<td>Expense: Program Branding and Communications Strategy</td>
<td>Wellness or Benefits Consultant</td>
<td>($25,000)</td>
<td>6/30/2016</td>
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<tr>
<td>Expense: Development of Electronic/Print Communications</td>
<td>Wellness or Benefits Consultant</td>
<td>($100,000)</td>
<td>9/30/2016</td>
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<td>Expense: Procurement and development of group and individual counseling resources</td>
<td>Wellness or Benefits Consultant/ Counselors/ Local Service Provider</td>
<td>($100,000)</td>
<td>12/31/2016</td>
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<td>Expense: Procurement and development of data management and website-development services</td>
<td>Data Management and Web Development Provider</td>
<td>($200,000)</td>
<td>12/31/2016</td>
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<tr>
<td>Expense: General Wellness Consulting Services</td>
<td>Wellness or Benefits Consultant</td>
<td>($150,000)</td>
<td>12/31/2016</td>
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<tr>
<td>Expense: Engagement and Promotional Programs</td>
<td>Various</td>
<td>($810,504)</td>
<td>12/31/2016</td>
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</tbody>
</table>

| Ending Balance --| $ (0) |  |  |

Submitted by:  

Steven Montagna